



Batts Morrison
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

Cross International, Inc.

Financial Statements

For The Years Ended June 30, 2023 and 2022



Batts Morrison
Wales & Lee

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Cross International, Inc.
Pompano Beach, Florida

Opinion

We have audited the accompanying financial statements of Cross International, Inc. (“the Organization”), which consist of the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cross International, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Orlando, Florida

December 20, 2023

CROSS INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

| | June 30, | |
|--|----------------------|----------------------|
| | 2023 | 2022 |
| ASSETS | | |
| Cash and cash equivalents | \$ 2,496,346 | \$ 2,475,144 |
| Cash restricted for long-term purposes | 263,000 | 233,000 |
| Inventory | 11,931,972 | 22,414,967 |
| Other assets | 147,367 | 182,037 |
| Total assets | \$ 14,838,685 | \$ 25,305,148 |

LIABILITIES AND NET ASSETS

| | | |
|---|----------------------|----------------------|
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 293,836 | \$ 219,090 |
| Goods distributed in transit | 11,921,972 | 22,414,967 |
| Note payable | 172,133 | 206,599 |
| Total liabilities | 12,387,941 | 22,840,656 |
| NET ASSETS | | |
| Without donor restrictions | 668,913 | 1,082,288 |
| With donor restrictions | 1,781,831 | 1,382,204 |
| Total net assets | 2,450,744 | 2,464,492 |
| Total liabilities and net assets | \$ 14,838,685 | \$ 25,305,148 |

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES

| | For The Years Ended June 30, | | | | | |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | 2023 | | | 2022 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS | | | | | | |
| Noncash contributions | \$ 90,558,567 | \$ — | \$ 90,558,567 | \$ 77,065,019 | \$ — | \$ 77,065,019 |
| Cash contributions | 4,937,140 | 3,699,195 | 8,636,335 | 4,775,188 | 3,642,682 | 8,417,870 |
| Other revenue, net | 183,734 | — | 183,734 | 559,771 | — | 559,771 |
| Net assets released from time and use restrictions | 3,299,568 | (3,299,568) | — | 3,208,852 | (3,208,852) | — |
| Total public support and revenue and net assets released from restrictions | 98,979,009 | 399,627 | 99,378,636 | 85,608,830 | 433,830 | 86,042,660 |
| EXPENSES | | | | | | |
| Program activities | | | | | | |
| Health, food, and other assistance | 91,002,291 | — | 91,002,291 | 77,525,528 | — | 77,525,528 |
| Project development | 5,279,161 | — | 5,279,161 | 4,973,064 | — | 4,973,064 |
| Missions education | 359,558 | — | 359,558 | 391,617 | — | 391,617 |
| Total program activities | 96,641,010 | — | 96,641,010 | 82,890,209 | — | 82,890,209 |
| Supporting activities | | | | | | |
| Management and general | 1,301,658 | — | 1,301,658 | 1,379,262 | — | 1,379,262 |
| Fundraising | 1,449,716 | — | 1,449,716 | 1,234,552 | — | 1,234,552 |
| Total supporting activities | 2,751,374 | — | 2,751,374 | 2,613,814 | — | 2,613,814 |
| Total expenses | 99,392,384 | — | 99,392,384 | 85,504,023 | — | 85,504,023 |
| CHANGE IN NET ASSETS | (413,375) | 399,627 | (13,748) | 104,807 | 433,830 | 538,637 |
| NET ASSETS - Beginning of year | 1,082,288 | 1,382,204 | 2,464,492 | 977,481 | 948,374 | 1,925,855 |
| NET ASSETS - End of year | \$ 668,913 | \$ 1,781,831 | \$ 2,450,744 | \$ 1,082,288 | \$ 1,382,204 | \$ 2,464,492 |

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

| | For The Years Ended | |
|--|---------------------|---------------------|
| | June 30, | |
| | 2023 | 2022 |
| OPERATING CASH FLOWS | | |
| Cash received from contributors | \$ 8,606,335 | \$ 8,417,870 |
| Cash received from other sources | 183,734 | 238,391 |
| Cash paid for operating activities and costs | (8,715,925) | (8,329,658) |
| Net operating cash flows | 74,144 | 326,603 |
| INVESTING CASH FLOWS | | |
| Net proceeds from sale of investments | — | 200,000 |
| Purchases of and improvements to property and equipment | (18,476) | (66,795) |
| Net investing cash flows | (18,476) | 133,205 |
| FINANCING CASH FLOWS | | |
| Contributions restricted to endowment | 30,000 | — |
| Repayments of notes payable | (34,466) | (68,866) |
| Net financing cash flows | (4,466) | (68,866) |
| NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | 51,202 | 390,942 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year | 2,708,144 | 2,317,202 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year | \$ 2,759,346 | \$ 2,708,144 |
| REPORTED IN THE STATEMENTS OF FINANCIAL POSITION AS FOLLOWS | | |
| Cash and cash equivalents | \$ 2,496,346 | \$ 2,475,144 |
| Cash restricted for long-term purposes | 263,000 | 233,000 |
| Total cash, cash equivalents, and restricted cash | \$ 2,759,346 | \$ 2,708,144 |

SUPPLEMENTAL DISCLOSURE

During the year ended June 30, 2022, \$321,380 of principal reductions of certain notes payable are included in "other revenue, net" in the accompanying statements of activities. See Note F.

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2023

| | Program activities | | | | Supporting activities | | | Total expenses |
|---|------------------------------------|---------------------|--------------------|----------------------|------------------------|---------------------|---------------------|----------------------|
| | Health, food, and other assistance | Project development | Missions education | Total program | Management and general | Fundraising | Total supporting | |
| Salaries | \$ 89,943 | \$ 726,890 | \$ 54,494 | \$ 871,327 | \$ 680,058 | \$ 477,716 | \$ 1,157,774 | \$ 2,029,101 |
| Employee benefits | 24,160 | 170,260 | 7,042 | 201,462 | 130,744 | 121,092 | 251,836 | 453,298 |
| Payroll taxes | 7,442 | 60,007 | 4,703 | 72,152 | 52,826 | 40,073 | 92,899 | 165,051 |
| Total personnel-related expenses | 121,545 | 957,157 | 66,239 | 1,144,941 | 863,628 | 638,881 | 1,502,509 | 2,647,450 |
| Goods distributed | 90,548,567 | — | — | 90,548,567 | — | — | — | 90,548,567 |
| Grants | — | 3,726,607 | — | 3,726,607 | — | — | — | 3,726,607 |
| Airtime | — | — | 270,718 | 270,718 | — | 270,718 | 270,718 | 541,436 |
| Contractors and consultants | — | 276,872 | 6,000 | 282,872 | 38,632 | 162,627 | 201,259 | 484,131 |
| Other expenses | 11,578 | 114,642 | 128 | 126,348 | 177,089 | 49,270 | 226,359 | 352,707 |
| Shipping expenses | 297,386 | — | — | 297,386 | — | — | — | 297,386 |
| Travel | — | 65,389 | 9,828 | 75,217 | 30,217 | 57,324 | 87,541 | 162,758 |
| Advertising and solicitation | — | 79,149 | — | 79,149 | — | 68,389 | 68,389 | 147,538 |
| Professional services | — | 17,839 | — | 17,839 | 78,571 | 19,956 | 98,527 | 116,366 |
| Merchant processing and bank fees | — | — | — | — | — | 107,332 | 107,332 | 107,332 |
| Software | — | 16,905 | 5,756 | 22,661 | 28,662 | 28,978 | 57,640 | 80,301 |
| Postage | 215 | 24,601 | 889 | 25,705 | 1,550 | 25,496 | 27,046 | 52,751 |
| Occupancy | — | — | — | — | 38,734 | — | 38,734 | 38,734 |
| Property insurance | — | — | — | — | 29,349 | — | 29,349 | 29,349 |
| Product acquisition fees | 23,000 | — | — | 23,000 | — | — | — | 23,000 |
| Printing | — | — | — | — | — | 20,745 | 20,745 | 20,745 |
| Office supplies | — | — | — | — | 13,360 | — | 13,360 | 13,360 |
| Equipment rental | — | — | — | — | 1,866 | — | 1,866 | 1,866 |
| Total | \$ 91,002,291 | \$ 5,279,161 | \$ 359,558 | \$ 96,641,010 | \$ 1,301,658 | \$ 1,449,716 | \$ 2,751,374 | \$ 99,392,384 |

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2022

| | Program activities | | | | Supporting activities | | | Total expenses |
|---|------------------------------------|---------------------|--------------------|----------------------|------------------------|---------------------|---------------------|----------------------|
| | Health, food, and other assistance | Project development | Missions education | Total program | Management and general | Fundraising | Total supporting | |
| Salaries | \$ 3,385 | \$ 619,046 | \$ 49,115 | \$ 671,546 | \$ 760,501 | \$ 317,011 | \$ 1,077,512 | \$ 1,749,058 |
| Employee benefits | 20 | 131,144 | 8,857 | 140,021 | 159,861 | 95,334 | 255,195 | 395,216 |
| Payroll taxes | 309 | 54,405 | 4,398 | 59,112 | 64,203 | 27,547 | 91,750 | 150,862 |
| Total personnel-related expenses | 3,714 | 804,595 | 62,370 | 870,679 | 984,565 | 439,892 | 1,424,457 | 2,295,136 |
| Goods distributed | 77,129,909 | — | — | 77,129,909 | — | — | — | 77,129,909 |
| Grants | — | 3,385,012 | — | 3,385,012 | — | — | — | 3,385,012 |
| Airtime | — | — | 319,158 | 319,158 | — | 319,158 | 319,158 | 638,316 |
| Contractors and consultants | — | 441,877 | — | 441,877 | 12,610 | 20,284 | 32,894 | 474,771 |
| Other expenses | — | 234,455 | — | 234,455 | 144,391 | 50,921 | 195,312 | 429,767 |
| Shipping expenses | 308,906 | — | — | 308,906 | — | — | — | 308,906 |
| Professional services | — | 54,984 | — | 54,984 | 95,470 | 10,721 | 106,191 | 161,175 |
| Advertising and solicitation | — | — | — | — | — | 150,942 | 150,942 | 150,942 |
| Merchant processing and bank fees | — | — | — | — | — | 135,946 | 135,946 | 135,946 |
| Travel | — | 32,222 | 9,255 | 41,477 | 40,636 | 49,672 | 90,308 | 131,785 |
| Occupancy | 37,499 | — | — | 37,499 | 38,836 | — | 38,836 | 76,335 |
| Software | — | 19,919 | 834 | 20,753 | 26,498 | 18,600 | 45,098 | 65,851 |
| Product acquisition fees | 45,500 | — | — | 45,500 | — | — | — | 45,500 |
| Printing | — | — | — | — | — | 20,991 | 20,991 | 20,991 |
| Postage | — | — | — | — | — | 17,425 | 17,425 | 17,425 |
| Property insurance | — | — | — | — | 17,219 | — | 17,219 | 17,219 |
| Office supplies | — | — | — | — | 16,391 | — | 16,391 | 16,391 |
| Equipment rental | — | — | — | — | 2,646 | — | 2,646 | 2,646 |
| Total | \$ 77,525,528 | \$ 4,973,064 | \$ 391,617 | \$ 82,890,209 | \$ 1,379,262 | \$ 1,234,552 | \$ 2,613,814 | \$ 85,504,023 |

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Cross International, Inc. (“the Organization”) was established in 2001 as a Florida not-for-profit corporation with its mission to mobilize the global Church to transform the poor and their communities materially and spiritually for the glory of Jesus Christ. Protestant churches located in Africa, the Caribbean, Latin America, and Southeast Asia are key beneficiaries. These ministries have dreams of helping the poor in their communities, but they lack the resources or funds needed to realize their goals. The Organization was created to empower these ministries by funding water and housing projects, providing food to feeding centers, medicines to clinics, educational materials to schools, and other specific commodities to outreaches of various kinds. The Organization also assists with operating expenses, including providing funding for teachers to schools and local crews for building construction. In this way, the Organization makes effective use of existing infrastructure by better utilizing the buildings and staff already in place overseas.

The Organization is an accredited member of the Evangelical Council for Financial Accountability, a national accrediting organization with standards in the areas of financial accountability, transparency, fundraising, and board governance.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Organization recognizes cash contributions as revenue when the contributions are received by the Organization. Contributions received are recorded as without or with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as “net assets released from time and use restrictions.”

Cash and cash equivalents

The Organization considers investment instruments purchased or donated with original maturities of three months or less to be cash and cash equivalents.

Inventory

Primarily, inventory consists of humanitarian goods which were not yet distributed to beneficiaries as of June 30, 2023 and 2022. Inventory is recorded at estimated fair value on the date of the gift. Inventory which has been shipped, but for which legal title has not yet passed from the Organization to the intended beneficiaries, is included in “goods distributed in transit” liability.

Cash restricted for long-term purposes

Cash restricted for long-term purposes is restricted for an endowment, distributions from which are required to be used for food and medicinal aid.

Property and equipment

Property and equipment are stated at cost, if purchased, or estimated fair value on the date of donation, if donated. Depreciation is computed using either the straight-line method or accelerated methods over the estimated useful lives of the respective assets.

Net assets

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of funds held for an endowment and amounts held by the Organization for use toward specific projects.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Noncash contributions

The Organization receives donations of medicines, medical supplies, food, water, disaster relief supplies, and other supplies and utilizes such donations for use in relieving suffering and poverty throughout the world through its various program activities. Noncash contributions are not monetized. Unless otherwise noted, noncash contributions do not have donor-imposed restrictions. Noncash contributions are recognized as revenue at estimated fair value on the date the gifts are received and are recognized as expenses when the related gifts are distributed to the end user or the date upon which the Organization no longer exercises practical control over the gifts. Pharmaceutical noncash contributions are generally valued using “wholesale acquisition cost” when available or 80% of the “average wholesale price” according to Red Book, a well-known industry pricing guide for pharmaceuticals sold in the United States. Non-pharmaceutical noncash contributions, such as clothing, building supplies, food, and water, are generally valued at 65% of the retail price for new items and 25% of the retail price for used items. The Organization considers the valuation practices used for noncash contributions to be consistent with industry standards.

Functional allocation of expenses

The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among the various functional areas based primarily on employee time and space utilization.

Income taxes

The Organization is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Organization is further classified as a public charity and not a private foundation for federal tax purposes. The Organization has not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying financial statements.

Use of estimates

Management uses estimates and assumptions in preparing the accompanying financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include the estimated fair value of noncash contributions. Actual results could differ from the estimates.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through the date of the report of independent auditor, the date as of which the accompanying financial statements were available to be issued.

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure within one year of the date of the statements of financial position are as follows:

| <u>Category</u> | <u>June 30,</u> | |
|--|-----------------|----------------|
| | <u>2023</u> | <u>2022</u> |
| Cash and cash equivalents | \$ 2,496,346 | \$ 2,475,144 |
| Cash restricted for long-term purposes | <u>263,000</u> | <u>233,000</u> |
| Total financial assets available within one year | 2,759,346 | 2,708,144 |

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

| | June 30, | |
|---|--------------|--------------|
| Category | 2023 | 2022 |
| Less: | | |
| Amounts unavailable for general expenditure within one year, due to donor imposed restrictions | \$ (263,000) | \$ (233,000) |
| Net financial assets available within one year | \$ 2,496,346 | \$ 2,475,144 |

The Organization is primarily supported by contributions. As part of the Organization’s liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has certain donor-restricted net assets that are available for general expenditure within one year, because the restrictions on the net assets are expected to be met by conducting the normal activities of the Organization’s programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year. The Organization also has assets limited to use for long-term donor-restricted purposes. Because a donor’s restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus those financial assets may not be available for general expenditure within one year, and are excluded from net financial assets available to meet general expenditures within one year. Management believes the Organization has sufficient financial assets available for general operations that may be drawn upon in the event of unanticipated financial distress or immediate liquidity need.

NOTE D – CONCENTRATIONS

The Organization maintains its cash and cash equivalents in deposit accounts which may not be federally insured, may exceed federally insured limits, or may be insured by an entity other than an agency of the federal government. The Organization has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk related to cash and cash equivalents. During the years ended June 30, 2023 and 2022, approximately 99% and 98% of total noncash contribution revenue was sourced from the Organization’s largest four donors and three donors, respectively.

NOTE E – TRANSACTIONS WITH COOPERATING MINISTRY

The Organization and Cross Catholic Outreach, Inc. (“CCO”) operate under a shared services agreement, the terms of which are defined in the agreement. During the years ended June 30, 2023 and 2022, the Organization paid CCO approximately \$39,000 and \$67,000, respectively, under the shared services agreement for various administrative services. The agreement expired on June 30, 2022.

NOTE F – NOTES PAYABLE

Notes payable consisted of the following:

| | June 30, | |
|--|------------|------------|
| | 2023 | 2022 |
| Note payable to CCO in varying quarterly installments per the terms of the agreement; unsecured; matures in April 2025 | \$ 172,133 | \$ 206,599 |

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – NOTES PAYABLE (Continued)

| | June 30, | |
|--|-------------------|-------------------|
| | 2023 | 2022 |
| Paycheck Protection Program note payable to a financial institution at a fixed rate of 1.00%; deferred interest and principal payments for a certain period; forgiven by the Small Business Administration during the year ended June 30, 2022 based on the nature of expenditures during an applicable period; recognized in "other revenue, net" in the statement of activities for the year ended June 30, 2022 | \$ — | \$ — |
| Total | <u>\$ 172,133</u> | <u>\$ 206,599</u> |

Approximate future maturities of notes payable are as follows:

| Year Ending <u>June 30,</u> | |
|--------------------------------|-------------------|
| 2024 | \$ 86,000 |
| 2025 | <u>86,000</u> |
| Total | <u>\$ 172,000</u> |

NOTE G – RESTRICTIONS ON NET ASSETS

Net assets were restricted by donors for the following purposes during the year ended June 30, 2023:

| | Balance July 1 | Contributions | Releases | Balance June 30 |
|--|---------------------|---------------------|-----------------------|---------------------|
| Aid to orphans and vulnerable children | \$ 443,304 | \$ 1,954,865 | \$ (1,823,605) | \$ 574,564 |
| Reach25 | 371,260 | 169,600 | (101,093) | 439,767 |
| Disaster, educational, and other aid | 247,882 | 1,005,755 | (888,172) | 365,465 |
| Other | 86,758 | 538,975 | (486,698) | 139,035 |
| Endowment | <u>233,000</u> | <u>30,000</u> | <u>—</u> | <u>263,000</u> |
| Total | <u>\$ 1,382,204</u> | <u>\$ 3,699,195</u> | <u>\$ (3,299,568)</u> | <u>\$ 1,781,831</u> |

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – RESTRICTIONS ON NET ASSETS (Continued)

Net assets were restricted by donors for the following purposes during the year ended June 30, 2022:

| | Balance | | | Balance |
|--|-------------------|----------------------|-----------------------|---------------------|
| | <u>July 1</u> | <u>Contributions</u> | <u>Releases</u> | <u>June 30</u> |
| Aid to orphans and vulnerable children | \$ 520,979 | \$ 1,628,806 | \$ (1,706,481) | \$ 443,304 |
| Reach25 | 182,381 | 465,281 | (276,402) | 371,260 |
| Disaster, educational, and other aid | 12,014 | 1,416,901 | (1,181,033) | 247,882 |
| Other | — | 131,694 | (44,936) | 86,758 |
| Endowment | <u>233,000</u> | <u>—</u> | <u>—</u> | <u>233,000</u> |
| Total | <u>\$ 948,374</u> | <u>\$ 3,642,682</u> | <u>\$ (3,208,852)</u> | <u>\$ 1,382,204</u> |

NOTE H – NONCASH CONTRIBUTIONS

Noncash contributions recognized in the statements of activities included:

| <u>Category</u> | <u>For the Years Ended</u> | |
|--------------------------------|----------------------------|----------------------|
| | <u>2023</u> | <u>2022</u> |
| Medicines and medical supplies | \$ 89,541,766 | \$ 75,799,102 |
| Food | 1,006,801 | 951,278 |
| Disaster relief supplies | — | 314,639 |
| Other | <u>10,000</u> | <u>—</u> |
| Total noncash contributions | <u>\$ 90,558,567</u> | <u>\$ 77,065,019</u> |

NOTE I – RETIREMENT PLAN

The Organization has adopted a 401(k) Profit Sharing Plan (“the Plan”) for the benefit of the Organization’s employees. All employees meeting the Plan’s eligibility requirements may participate in the Plan. The Organization contributed approximately \$70,000 and \$34,000 to the Plan during the years ended June 30, 2023 and 2022, respectively.

NOTE J – FUNDRAISING ACTIVITIES

The Organization incurred joint costs in the approximate amounts of \$541,000 and \$638,000 during the years ended June 30, 2023 and 2022, respectively, for informational activities which included fundraising appeals in connection with the Organization’s exempt purposes. Of those costs, approximately \$271,000 and \$319,000 were allocated to “program” expense, and approximately \$271,000 and \$319,000, respectively, were allocated to “fundraising” expense in the accompanying statements of activities.