Crossover Mission, Inc.

Year Ended August 31, 2025 (with comparative totals for 2024)

Financial Statements

Rehmann

CROSSOVER MISSION, INC.

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Rehmann

INDEPENDENT AUDITORS' REPORT

January 19, 2026

Board of Directors
Crossover Mission, Inc.
Vero Beach, Florida

Opinion

We have audited the financial statements of ***Crossover Mission, Inc.*** ("Crossover"), a not-for-profit organization, which comprise the statement of financial position as of August 31, 2025, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of ***Crossover Mission, Inc.*** as of August 31, 2025, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crossover and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Crossover's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS*,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks 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.

- 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 Crossover'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 the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crossover'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.

Report on Summarized Comparative Information

The previously audited financial statements of ***Crossover Mission, Inc.*** as of and for the year ended August 31, 2024 were audited by Kmetz, Elwell, Graham and Associates, PLLC ("KEGA"), who combined with Rehmann Robson LLC effective June 1, 2025. KEGA's report dated December 6, 2024, expressed an unmodified opinion on the 2024 financial statements. In our opinion, the summarized comparative information presented herein as of and for year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Rehmann Robson LLC

CROSSOVER MISSION, INC.

Statements of Financial Position

	August 31	
ASSETS	**2025**	**2024**
Current assets		
Cash and cash equivalents	$ 2,779,788	$ 2,003,494
Cash and cash equivalents - restricted for endowment	4,009	435,000
Total cash and cash equivalents	2,783,797	2,438,494
Grant receivable	21,653	20,817
Pledges receivable (net) - current portion	155,000	644,000
Other current assets	70,173	71,390
Total current assets	3,030,623	3,174,701
Endowment Assets	576,329	-
Pledges receivable (net) - non-current portion		
Contributions receivable restricted for long-term purposes	255,000	75,000
Other pledges receivable, greater than 1 year	100,000	50,000
Net property and equipment	7,083,516	6,395,138
Total assets	**$ 11,045,468**	**$ 9,694,839**
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$ 180,804	$ 302,332
Payroll liabilities	107,714	76,848
Total liabilities (all current)	**288,518**	**379,180**
Net assets		
Without donor restrictions	8,518,441	7,431,329
With donor restrictions	2,238,509	1,884,330
Total net assets	**10,756,950**	**9,315,659**
Total liabilities and net assets	**$ 11,045,468**	**$ 9,694,839**

The accompanying notes are an integral part of these financial statements.

CROSSOVER MISSION, INC.

Statement of Activities

Year Ended August 31, 2025

(with comparative totals for the year ended August 31, 2024)

	Year Ended August 31			
	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Totals	Totals
Revenues, gains, and other support				
Grants	$ 587,207	$ -	$ 587,207	$ 384,783
Contributions	585,432	1,682,928	2,268,360	4,706,573
Program income	58,071	-	58,071	68,896
Fundraising events, net	505,054	-	505,054	424,059
Investment return, net of fees	-	45,338	45,338	-
Interest income	89,503	-	89,503	88,552
Other income	4,289	-	4,289	-
Net assets released from restrictions	1,374,087	(1,374,087)	-	-
Total revenues, gains, and other support	**3,203,643**	**354,179**	**3,557,822**	**5,672,863**
Expenses and losses				
Program services				
Athletics	578,358	-	578,358	539,737
Education	638,933	-	638,933	676,446
Total program services	1,217,291	-	1,217,291	1,216,183
Supporting services				
Fundraising	532,972	-	532,972	385,187
Administrative	366,268	-	366,268	306,140
Total supporting services	899,240	-	899,240	691,327
Total expenses	**2,116,531**	**-**	**2,116,531**	**1,907,510**
Changes in net assets	**1,087,112**	**354,179**	**1,441,291**	**3,765,353**
Net assets, beginning of year	7,431,329	1,884,330	9,315,659	5,550,306
Net assets, end of year	**$ 8,518,441**	**$ 2,238,509**	**$ 10,756,950**	**$ 9,315,659**

The accompanying notes are an integral part of these financial statements.

CROSSOVER MISSION, INC.

Statement of Functional Expenses

Year Ended August 31, 2025

(with comparative totals for the year ended August 31, 2024)

	2025							
	Program Services			Supporting Services				
	Athletics	Education	Total Program Services	Fundraising	Management and General	Total Supporting Services	Combined Total	2024 Combined Total
Salaries, wages, and benefits	$ 327,897	$ 376,585	$ 704,482	$ 217,421	$ 150,584	$ 368,005	$ 1,072,487	$ 970,180
Total salaries and related expenses	**327,897**	**376,585**	**704,482**	**217,421**	**150,584**	**368,005**	**1,072,487**	**970,180**
Mentoring and camp activity fees	102,749	93,124	195,873	-	-	-	195,873	120,645
Professional fees	-	-	-	165,020	105,995	271,015	271,015	296,598
Insurance	36,971	40,619	77,590	15,350	11,635	26,985	104,575	92,218
Facilities	36,344	42,341	78,685	22,947	15,455	38,402	117,087	106,606
Supplies and other	-	-	-	145,741	50,599	196,340	196,340	154,598
Marketing	-	-	-	64,588	-	64,588	64,588	44,371
Interest	-	-	-	-	-	-	-	44,226
Depreciation	74,397	86,264	160,661	47,646	32,000	79,646	240,307	179,445
Total expenses	**578,358**	**638,933**	**1,217,291**	**678,713**	**366,268**	**1,044,981**	**2,262,272**	**2,008,887**
Less expenses included with revenues, gains and other support on the statement of activities								
Cost of direct benefit to donors	-	-	-	(145,741)	-	(145,741)	(145,741)	(101,377)
Total expenses included in the expenses section of the statement of activities	**$ 578,358**	**$ 638,933**	**$ 1,217,291**	**$ 532,972**	**$ 366,268**	**$ 899,240**	**$ 2,116,531**	**$ 1,907,510**

The accompanying notes are an integral part of these financial statements.

CROSSOVER MISSION, INC.

Statements of Cash Flows

	Year Ended August 31	
	2025	2024
Cash flows from operating activities		
Changes in net assets	$ 1,441,291	$ 3,765,353
Adjustments to reconcile changes in net assets to net cash from operating activities		
Depreciation	240,307	179,445
Net realized and unrealized gains on investment securities	(45,338)	-
Change in allowance for noncollectable pledges	50,000	-
Donations restricted for permanent endowments	(100,000)	(433,975)
Donations restricted to capital improvements	(868,128)	(1,630,011)
Changes in operating assets and liabilities which (used) provided cash		
Grants receivable	(836)	7,420
Pledges receivable, net	209,000	362,992
Other current assets	1,217	(49,244)
Accounts payable and accrued expenses	(121,528)	82,432
Payroll liabilities	30,866	3,407
Net change in cash from operating activities	**836,851**	**2,287,819**
Cash flows from investing activities		
Purchases of property and equipment	(928,685)	(1,312,263)
Purchases of investments	(530,991)	-
Net change in cash from investing activities	**(1,459,676)**	**(1,312,263)**
Cash flows from financing activities		
Repayments of long-term debt	-	(1,835,862)
Collected donations restricted for permanent endowments	100,000	433,975
Collected donations restricted to capital improvements	868,128	1,630,011
Net change in cash from financing activities	**968,128**	**228,124**
Net change in cash and cash equivalents	**345,303**	**1,203,680**
Cash and cash equivalents, beginning of year	2,438,494	1,234,814
Cash and cash equivalents, end of year	**$ 2,783,797**	**$ 2,438,494**

The accompanying notes are an integral part of these financial statements.

CROSSOVER MISSION, INC.

Notes to Financial Statements

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The ***Crossover Mission, Inc.*** ("Crossover") is a Florida not-for-profit organization that was incorporated on March 12, 2014. Crossover was formed to support and mentor at-risk students through after-school athletics and academic programs managed by dedicated coaches and adult mentors. Crossover is located in Vero Beach, Florida and provides its programs in the greater Vero Beach and Indian River County area. Crossover's activities and programs are funded from private sector donations and grants received from private and public charitable organizations. Crossover's ability to continue operations is based upon its ability to solicit and receive future grants and donations.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, using the accrual basis of accounting.

Basis of Presentation

Crossover prepares its financial statements in accordance with generally accepted accounting principles ("GAAP"). Net assets, revenues, support, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in genral operations and are not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported as net assets released from restrictions in the consolidated statements of activities. See Note 5.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks, cash on hand, and deposits in money market accounts and US Treasury bills with original maturities when purchased of less than three months. The Organization maintains its deposits in amounts which, at times, may exceed federally insured limits. Management does not believe Crossover is exposed to any significant interest rate or other financial risk as a result of these deposits.

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates or assumptions that market participants would use in pricing the asset or liability.

For further discussion of Fair Value Measurements, refer to Note 2 to the financial statements.

Investments

Investments in marketable equity securities are carried at fair value. Donated investments are recorded at fair value at the date of donation. Realized gains and losses on investments are recorded upon sale and are determined using the specific identification method. Investment return (loss), including realized and unrealized gains and losses, is reflected as an increase or decrease in the net assets without donor restrictions category except for income on restricted donations which is reflected in net assets with donor restrictions. Investment return (loss) is reported net of external investment expenses.

Notes to Financial Statements

Crossover invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

Grant and Pledges Receivable

Grant and pledges receivables are stated at the amount Crossover expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grant and pledges receivable. Grant receivables totaling $21,653 are expected to be collected within one year. At August 31, 2025, management has determined $50,000 of pledges receivable to be uncollectable, therefore a valuation allowance has been recorded. See Note 3.

Property and Equipment

Property and equipment acquisitions greater than $500 are capitalized and stated at cost. Property and equipment are stated at cost if purchased or, if donated, at the fair value at the date of gift. Management reviews these assets for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. Depreciation, which includes amortization of a trademark, is provided for all classes of property and equipment using the straight-line method over estimated useful lives ranging from 3 to 28 years.

Advertising Costs

The cost of advertising and public relations are expensed as incurred. Crossover incurred $32,157 in advertising and public relations expense during 2025.

Contributions and Unconditional Promises to Give

Contributions are recognized as revenue in the period the unconditional promise to give is received. Conditional contributions, those with a measurable performance or other barrier and a right of return or release, are not recognized as revenue until the conditions on which they depend have been met. Contributions of nonfinancial assets are recognized at their estimated fair value. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a donor 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 statement of activities as net assets released from restrictions. When donor restrictions are met in the same reporting period as the donations are received, the donations are reported as without donor restrictions.

Notes to Financial Statements

Crossover records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Grants

Grant awards that are conditional contributions - Grants that qualify as revenue are recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses of asset acquisitions are reflected as refundable advances on conditional contributions. Conditional contribution revenue is recognized as an increase to net assets without donor restrictions if the restrictions are met in the same period that the revenue is recognized in the financial statements. Total grants determined to be contributions were $587,207 and $384,783 for the years ended August 31, 2025 and 2024, respectively. As of August 31, 2025, Crossover has been awarded approximately $10,826 in grant funds for programs, that have not been recognized at August 31, 2025 because qualifying expenditures have not yet been incurred; no amounts have been received in advance for these awards.

Fundraising

Fundraising event revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. Crossover recognizes fundraising event revenue equal to the fair value of direct benefits to donors when the event takes place. Crossover recognizes the contribution element of fundraising event revenue immediately, unless there is a right of return if the event does not take place.

Program and Other Income

Program income and other income, which consist primarily of fees students and families pay to participate in Crossover programs, are recorded as revenue upon receipt, which is also the point at which the related services have been provided and the revenue is considered earned.

Contributed Services

Crossover receives donated services from unpaid volunteers who assist in fundraising, administration and program services. However, these amounts have not been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort have not been satisfied.

Notes to Financial Statements

Functional Allocation of Expenses

The costs to provide the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Natural expenses attributable to more than one functional expense category are allocated on the basis of either specific identification, salaries, or square footage utilized, whichever is more appropriate. Although the methods of allocation are considered reasonable, other methods could be used that would produce different amounts.

Income Taxes

Crossover is a not-for-profit organization as described in Sec. 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. In addition, Crossover has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Crossover has evaluated fiscal years 2022 through 2025, the year which remain subject to examination by major tax jurisdictions as of August 31, 2025, for uncertain tax positions. Crossover concluded that there are no significant uncertain tax positions requiring recognition in Crossover's financial statements. Crossover does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. Crossover does not have any amounts accrued for interest and penalties related to UTBs at August 31, 2025, and it is not aware of any claims for such amounts by federal and state income tax authorities.

Reclassification

Certain amounts as reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

Summarized Comparative Information for the Year Ended August 31, 2024

The accompanying financials statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Notes to Financial Statements

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent statement of financial position presented herein, through the date these financial statements were available to be issued.

2. FAIR VALUE MEASUREMENTS AND INVESTMENTS

Crossover utilizes fair value measurements to record fair value adjustments to its investment securities and beneficial interests in perpetual trusts and to determine fair value disclosures. These assets are recorded at fair value on a recurring basis.

The following is a description of the valuation methodologies and key inputs used to measure financial assets recorded at fair value. The description includes an indication of the level of the fair value hierarchy in which the assets are classified.

Investments

Equity securities, money market funds, and exchange traded funds: fair value measurement is based upon the closing price reported on the active market in which the securities are traded, and are classified as Level 1.

Mutual funds: valued at quoted market prices that represent the net asset value ("NAV") of shares held by the fund at year end and are classified as Level 1. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by Crossover are deemed to be actively traded, and are classified as Level 1.

US Treasury Bills: fair value measurement is based upon the closing price reported on the active market in which the treasury bills are traded, and are classified as Level 1.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, Crossover believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Notes to Financial Statements

Assets Recorded at Fair Value on a Recurring Basis

The following tables set forth by level, within the fair value hierarchy, the recorded amount of assets measured at fair value on a recurring basis as of August 31, 2025:

	Assets at Fair Value			
2025	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury Bills	$ 2,670,277	$ -	$ -	$ 2,670,277
Exchange traded funds				
Large cap	412,312	-	-	412,312
Fixed income	164,017	-	-	164,017
Investments and cash equivalents at fair value	3,246,606	-	-	3,246,606
Reconciliation to Statement of Financial Position				
US Treasury Bills held as cash equivalents	(2,670,277)	-	-	(2,670,277)
Total Investments held in Endowment	$ 576,329	$ -	$ -	$ 576,329

Notes to Financial Statements

3. PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at August 31:

	2025	2024
Pledges receivable, not discounted to present value		
Receivable in less than one year	$ 155,000	$ 644,000
Pledges receivable, discounted to value		
Receivable in one to five years	405,000	125,000
Subtotal	560,000	769,000
Allowance for uncollectible pledges receivable	(50,000)	-
Total pledges receivable	**$ 510,000**	**$ 769,000**
Pledges receivable reconciliation		
Receivables for long term purposes expansion project	$ 255,000	$ 75,000
Other contributions receivable	255,000	694,000
Total pledges receivable	**$ 510,000**	**$ 769,000**

4. PROPERTY AND EQUIPMENT AND COMMITMENTS

Net property and equipment consists of the following at August 31, 2025:

Property and equipment	
Land	$ 1,450,000
Buildings and improvements	5,511,150
Machinery and equipment	576,350
Furniture and fixtures	114,042
Construction in progress	185,447
Trademark	2,705
Total	7,839,694
Less accumulated depreciation	(756,178)
Net property and equipment	**$ 7,083,516**

Notes to Financial Statements

Crossover has signed a contract for the construction of improvements to the building. At August 31, 2025, future expected payments, including retainage, remaining under the current terms of the contracts totaled $88,937.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of the following purpose restrictions at August 31, 2025:

Time restricted:		
Pledges receivable	$	510,000
Purpose restricted:		
Endowment fund - general		202,785
Endowment fund - elite training program		273,613
Endowment fund - executive development		103,940
Construction		753,689
Scholarship fund		385,243
Student support		9,239
Total net assets with donor restrictions	**$**	**2,238,509**

Net assets released from restriction consisted of the following at August 31, 2025:

Program Services	$	719,000
Construction and equipment		612,964
Scholarship fund		42,123
Total net assets released from restriction.	**$**	**1,374,087**

Notes to Financial Statements

6. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of August 31, 2025:

Financial assets	
Cash and cash equivalents	$ 2,783,797
Endowment assets	576,329
Grant receivable	21,653
Pledges receivable (net)	510,000
Total financial assets at year-end	3,891,779
Less amounts unavailable for general expenditures within one year due to	
Net assets with donor restrictions	(2,238,509)
Noncurrent portion of pledges receivable	(355,000)
Total financial assets available for general use within one year	**$ 1,298,270**

Crossover maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, Crossover invests cash in excess of weekly requirement in lower risk short-term investments. Crossover regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment funds. Crossover's investments are subject to an investment policy to manage risk and maximize return on funds not required for operations. To help manage unanticipated liquidity needs, Crossover has maintained a line of credit as noted in Note 7.

7. LINE OF CREDIT AND RELATED PARTIES

Crossover has an unsecured line of credit with one member of the Board of Directors, which remains available until its maturity date on December 31, 2025. Crossover may borrow up to $300,000 on this note for use towards construction and equipment related to the New Crossover Center. Draws on the line of credit are subject to a 5.75% - 7% per annum rate of interest. The note requires interest-only payments on a quarterly basis, and requires repayment of all principal at the aforementioned maturity date. There were no outstanding borrowings on this line of credit at August 31, 2025.

Notes to Financial Statements

8. ENDOWMENTS

Crossover's endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as such, all funds are classified as net assets with donor restrictions.

Interpretation of Relevant Law

The Board of Directors of Crossover has interpreted the State of Florida Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, Crossover classifies within net assets with donor restrictions (A) the historical dollar value of gifts donated to the endowment, (b) the historical dollar value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with the State of Florida UPMIFA, Crossover considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- Current investment policies

Return Objectives and Risk Parameters

Crossover has adopted investment and spending policies for endowment assets that attempt to maximize the real return of Crossover's assets, over a complete market cycle with emphasis on growing capital and reducing volatility through prudent diversification. Crossover's spending and investing policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Crossover relies on a balanced approach utilizing portfolios of equity securities (common stocks, preferred stocks, and convertible securities), fixed income securities (debt instruments), and short-term investments (cash equivalents), or mutual funds comprised of these security types, according to the asset allocation guideline established by the organization.

Notes to Financial Statements

Spending Policy

The spending policy establishes prudent objectives for the uses and purposes for which the endowment fund is established, consistent with the goal of conserving the purchasing power of the endowment. Currently the approved spending policy reflects an annual distribution, if needed of 4.5%. This calculation will be made based on the average market value of a fund over the 12 quarters immediately preceding the calculation with no distributions to be made during the first year of establishing a fund. Undistributed income will be added to the corpus of the fund generating such income at the conclusion of each fiscal year.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the corpus. In those instances, any expenditure must be carefully evaluated to ensure it aligns with the purposes of the endowment and is consistent with the long-term goal of sustaining the fund value. The expenditure must adhere to the guidelines set forth under UPMIFA as codified in Florida Statutes Section 617.2104(4). Prudent spending takes into account factors such as the purposes of the fund, general economic conditions, effect of inflation or deflation and the expected total return from income and the appreciation of investments. Crossover does not have any deficiencies as of August 31, 2025.

Endowment Net Asset Composition by Type of Fund as of August 31, 2025

Donor restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$	533,975
Accumulated investment gains		46,363
Total funds	**$**	**580,338**

Changes in Endowment Net Assets for the Year Ended August 31, 2025

		With Donor Restrictions
Endowment net assets, beginning of year	$	435,000
Contributions		100,000
Net investment return		45,338
Endowment net assets, end of year	**$**	**580,338**