



CROSS INTERNATIONAL, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020





REPORT OF INDEPENDENT AUDITOR

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

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, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, 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.

Battt Morrison Wales & Lee, P.A.

BATTT MORRISON WALES & LEE, P.A.

Orlando, Florida
December 9, 2021

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CROSS INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 2,084,202	\$ 1,036,911
Investments	200,000	200,000
Restricted cash	233,000	233,000
Other assets	198,416	130,822
Property and equipment, net	30,650	25,704
Total assets	\$ 2,746,268	\$ 1,626,437

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 223,568	\$ 297,967
Notes payable	596,845	681,819
Total liabilities	820,413	979,786
NET ASSETS		
Without donor restrictions	977,481	(80,244)
With donor restrictions	948,374	726,895
Total net assets	1,925,855	646,651
Total liabilities and net assets	\$ 2,746,268	\$ 1,626,437

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES

	For The Year Ended June 30, 2021			For The Year
	Without Donor Restrictions	With Donor Restrictions	Total	Ended June 30, 2020
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions without donor restrictions	\$ 76,622,934	\$ —	\$ 76,622,934	\$ 46,307,145
Cash contributions without donor restrictions	4,948,268	—	4,948,268	4,963,143
Cash contributions with donor restrictions	—	1,831,990	1,831,990	1,346,852
Other revenue, net	390,101	—	390,101	(1,433)
Net assets released from time and use restrictions	<u>1,610,511</u>	<u>(1,610,511)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>83,571,814</u>	<u>221,479</u>	<u>83,793,293</u>	<u>52,615,707</u>
EXPENSES				
Program	79,631,668	—	79,631,668	53,445,954
Management and general	1,496,371	—	1,496,371	1,543,483
Fundraising	<u>1,386,050</u>	<u>—</u>	<u>1,386,050</u>	<u>1,814,028</u>
Total expenses	<u>82,514,089</u>	<u>—</u>	<u>82,514,089</u>	<u>56,803,465</u>
Change in net assets without donor restrictions	1,057,725	—	1,057,725	(4,424,211)
Change in net assets with donor restrictions	<u>—</u>	<u>221,479</u>	<u>221,479</u>	<u>236,453</u>
CHANGE IN NET ASSETS	1,057,725	221,479	1,279,204	(4,187,758)
NET ASSETS - Beginning of year	<u>(80,244)</u>	<u>726,895</u>	<u>646,651</u>	<u>4,834,409</u>
NET ASSETS - End of year	<u>\$ 977,481</u>	<u>\$ 948,374</u>	<u>\$ 1,925,855</u>	<u>\$ 646,651</u>

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENTS OF CASH FLOWS

	For The Years Ended	
	June 30,	
	2021	2020
OPERATING CASH FLOWS		
Cash received from contributors	\$ 6,780,258	\$ 6,125,600
Cash received from other sources	35,397	6,524
Cash paid for operating activities and costs	<u>(6,029,563)</u>	<u>(6,344,193)</u>
Net operating cash flows	<u>786,092</u>	<u>(212,069)</u>
INVESTING CASH FLOWS		
Net proceeds from sales of investments	—	455,991
Purchases of and improvements to property and equipment	<u>(8,531)</u>	<u>(4,277)</u>
Net investing cash flows	<u>(8,531)</u>	<u>451,714</u>
FINANCING CASH FLOWS		
Proceeds from borrowings	321,380	354,704
Repayments of notes payable	<u>(51,650)</u>	<u>(17,216)</u>
Net financing cash flows	<u>269,730</u>	<u>337,488</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	1,047,291	577,133
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year	<u>1,269,911</u>	<u>692,778</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year	<u>\$ 2,317,202</u>	<u>\$ 1,269,911</u>
REPORTED IN THE STATEMENTS OF FINANCIAL POSITION AS FOLLOWS		
Cash and cash equivalents	\$ 2,084,202	\$ 1,036,911
Restricted cash	<u>233,000</u>	<u>233,000</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 2,317,202</u>	<u>\$ 1,269,911</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS		
Change in net assets	\$ 1,279,204	\$ (4,187,758)
Adjustments to reconcile change in net assets to net operating cash flows		
Depreciation	3,585	15,633
Conversion of note payable	(354,704)	
Net loss on investments	—	7,957
Noncash donation of investments	—	(200,000)
Change in inventories	(64,890)	4,245,536
Change in other assets	(2,704)	38,326
Change in accounts payable and accrued expenses	<u>(74,399)</u>	<u>(131,763)</u>
Net operating cash flows	<u>\$ 786,092</u>	<u>\$ (212,069)</u>

SUPPLEMENTAL DISCLOSURE

During the year ended June 30, 2021, \$354,704 of principal reductions of a certain note payable are included in "other revenue" in the accompanying statement of activities. See Note G.

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2021

	Program Activities				Supporting Activities			Total Expenses
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising	Total Supporting	
Salaries	\$ —	\$ 378,758	\$ 45,415	\$ 424,173	\$ 675,884	\$ 249,517	\$ 925,401	\$ 1,349,574
Employee benefits	—	91,251	8,001	99,252	174,906	79,962	254,868	354,120
Payroll taxes	—	30,993	3,975	34,968	53,509	21,451	74,960	109,928
Total personnel-related expenses	—	501,002	57,391	558,393	904,299	350,930	1,255,229	1,813,622
Goods distributed	76,558,044	—	—	76,558,044	—	—	—	76,558,044
Grants	—	1,668,803	—	1,668,803	—	—	—	1,668,803
Contractors and consultants	—	7,854	—	7,854	289,176	308,331	597,507	605,361
Airtime	—	—	282,738	282,738	—	282,738	282,738	565,476
Other expenses	1,958	234,254	—	236,212	69,182	28,959	98,141	334,353
Shipping expenses	270,627	—	—	270,627	—	—	—	270,627
Merchant processing and bank fees	—	—	—	—	—	160,517	160,517	160,517
Professional services	—	380	—	380	127,786	5,070	132,856	133,236
Occupancy	35,880	—	—	35,880	40,376	—	40,376	76,256
Printing	—	—	—	—	—	74,188	74,188	74,188
Software	—	—	—	—	21,208	49,508	70,716	70,716
Postage	—	—	—	—	—	60,961	60,961	60,961
Advertising and solicitation	—	—	—	—	—	49,114	49,114	49,114
Travel	—	6,405	4,332	10,737	17,573	15,734	33,307	44,044
Property insurance	—	—	—	—	17,965	—	17,965	17,965
Office supplies	—	—	—	—	7,554	—	7,554	7,554
Product acquisition fees	2,000	—	—	2,000	—	—	—	2,000
Equipment rental	—	—	—	—	1,252	—	1,252	1,252
Total	\$ 76,868,509	\$ 2,418,698	\$ 344,461	\$ 79,631,668	\$ 1,496,371	\$ 1,386,050	\$ 2,882,421	\$ 82,514,089

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2020

	Program Activities			Supporting Activities			Total Expenses	
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising		Total Supporting
Salaries	\$ —	\$ 204,049	\$ 73,489	\$ 277,538	\$ 595,960	\$ 388,902	\$ 984,862	\$ 1,262,400
Employee benefits	—	34,857	34,166	69,023	232,580	79,385	311,965	380,988
Payroll taxes	—	20,293	7,308	27,601	54,364	37,690	92,054	119,655
Total personnel-related expenses	—	259,199	114,963	374,162	882,904	505,977	1,388,881	1,763,043
Goods distributed	50,352,681	—	—	50,352,681	—	—	—	50,352,681
Grants	—	1,688,749	—	1,688,749	—	—	—	1,688,749
Airtime	—	—	466,094	466,094	—	466,094	466,094	932,188
Contractors and consultants	—	6,055	3,286	9,341	226,657	191,792	418,449	427,790
Other expenses	25,188	245,494	—	270,682	72,326	81,456	153,782	424,464
Merchant processing and bank fees	—	—	—	—	—	201,054	201,054	201,054
Shipping expenses	167,600	—	—	167,600	—	—	—	167,600
Professional services	—	—	—	—	147,160	—	147,160	147,160
Printing	—	—	—	—	—	143,567	143,567	143,567
Travel	—	32,337	37,095	69,432	17,088	35,890	52,978	122,410
Software	—	—	—	—	113,062	—	113,062	113,062
Advertising and solicitation	—	—	—	—	—	101,570	101,570	101,570
Occupancy	41,213	—	—	41,213	54,364	—	54,364	95,577
Postage	—	—	—	—	—	86,628	86,628	86,628
Equipment rental	—	—	—	—	14,786	—	14,786	14,786
Property insurance	—	—	—	—	9,695	—	9,695	9,695
Product acquisition fees	6,000	—	—	6,000	—	—	—	6,000
Office supplies	—	—	—	—	5,441	—	5,441	5,441
Total	\$ 50,592,682	\$ 2,231,834	\$ 621,438	\$ 53,445,954	\$ 1,543,483	\$ 1,814,028	\$ 3,357,511	\$ 56,803,465

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.” Contributions of noncash assets are recorded at estimated fair value on the date of the gift.

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.

Investments

Investments as of June 30, 2021 and 2020 consist of the Organization’s interest in a limited liability company which invests primarily in domestic real estate loans. For fair value measurement purposes, the Organization considers such amounts to be valued using “Level 3” inputs which is defined by accounting principles generally accepted in the United States of America (“U.S. GAAP”) as significant unobservable inputs.

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.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Economic uncertainties

In January 2020, the World Health Organization (“WHO”) announced a global health emergency related to the outbreak of a virus originating in China. In March 2020, WHO elevated the classification of the outbreak to a pandemic (“the pandemic”). Management is closely monitoring the potential impact of the pandemic on the Organization’s financial condition and has taken actions to mitigate its impact. Such actions include availing the Organization of relief measures available under federal law and reducing the overall scope and cost of operations. Because of the unknown impact on global commerce, management is not able to estimate the effects of the pandemic on its operating results, financial condition, or liquidity for the year ending June 30, 2022.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through December 9, 2021, the date as of which the accompanying financial statements were available to be issued.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

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:

Category	June 30,	
	2021	2020
Cash and cash equivalents	\$ 2,084,202	\$ 1,036,911
Investments	200,000	200,000
Restricted cash	233,000	233,000
Total financial assets available within one year	2,517,202	1,469,911
Less:		
Amounts unavailable for general expenditure within one year, due to donor imposed restrictions	(233,000)	(233,000)
Net financial assets available within one year	\$ 2,284,202	\$ 1,236,911

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, 2021 and 2020, approximately 97% and 98% of total noncash contribution revenue was sourced from the Organization’s largest three donors and two 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, 2021 and 2020, the Organization paid CCO approximately \$70,000 and \$100,000, respectively, under the shared services agreement for various administrative services. During the year ended June 30, 2020, CCO paid the Organization approximately \$257,000 for office rent and common area costs pursuant to a lease under which the Organization was liable. Additionally, the Organization has a note payable due to CCO, which is further described in Note G.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	June 30,	
	2021	2020
Leasehold improvements	\$ 84,560	\$ 84,560
Furniture and equipment	271,236	262,705
Total property and equipment	355,796	347,265
Less: Accumulated depreciation	(325,146)	(321,561)
Net property and equipment	\$ 30,650	\$ 25,704

Depreciation expense amounted to \$3,585 and \$15,633 during the years ended June 30, 2021 and 2020, respectively.

NOTE G – NOTES PAYABLE

Notes payable consisted of the following:

	June 30,	
	2021	2020
Paycheck Protection Program note payable (“PPP loan”) 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, 2021; recognized in “other revenue” in the statement of activities	\$ —	\$ 354,704
Paycheck Protection Program note payable (“PPP2 loan”) to a financial institution at a fixed rate of 1.00%; deferred interest and principal payments with the deferral period ending on the earlier of the date the Small Business Administration issues a decision on the forgiveness amount of the loan or September 2021; matures in February 2026; unsecured; see below for additional details	321,380	—
Note payable to CCO in varying quarterly installments per the terms of the agreement; unsecured; matures in October 2024	275,465	327,115
Total	\$ 596,845	\$ 681,819

PPP2 Loan

Pursuant to federal law, the Organization expects the PPP2 loan to be forgiven based on the nature of the Organization’s expenditures during an applicable period. The PPP2 loan will be recognized as “other revenue” and a decrease in “notes payable” upon the Organization’s receipt of notification of forgiveness from the Small Business Administration, which is expected to occur during the year ending June 30, 2022.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – NOTES PAYABLE (Continued)

Approximate future maturities of notes payable are as follows (after giving effect to the expected forgiveness of the PPP loan described above):

Year Ending <u>June 30.</u>	
2022	\$ 69,000
2023	77,000
2024	86,000
2025	<u>43,000</u>
Total	<u>\$ 275,000</u>

NOTE H – RESTRICTIONS ON NET ASSETS

Net assets were restricted by donors for the following purposes during the year ended June 30, 2021:

	<u>Balance</u> <u>July 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30</u>
Aid to orphans and vulnerable children	\$ 30,000	\$ 1,438,931	\$ (947,952)	\$ 520,979
Reach25	199,204	259,912	(276,735)	182,381
Disaster, educational, and other aid	264,691	133,147	(385,824)	12,014
Endowment	<u>233,000</u>	<u>—</u>	<u>—</u>	<u>233,000</u>
Total	<u>\$ 726,895</u>	<u>\$ 1,831,990</u>	<u>\$ (1,610,511)</u>	<u>\$ 948,374</u>

Net assets were restricted by donors for the following purposes during the year ended June 30, 2020:

	<u>Balance</u> <u>July 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>June 30</u>
Aid to orphans and vulnerable children	\$ —	\$ 63,482	\$ (33,482)	\$ 30,000
Reach25	—	371,656	(172,452)	199,204
Disaster, educational, and other aid	257,442	911,714	(904,465)	264,691
Endowment	<u>233,000</u>	<u>—</u>	<u>—</u>	<u>233,000</u>
Total	<u>\$ 490,442</u>	<u>\$ 1,346,852</u>	<u>\$ (1,110,399)</u>	<u>\$ 726,895</u>

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – NONCASH CONTRIBUTIONS

The Organization receives donations of food, water, medicine, and other supplies for use in relieving suffering and poverty throughout the world. Noncash contributions are recognized as revenue at their 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 the RED BOOK, a well-known industry pricing guide. 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.

NOTE J – 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 \$0 and approximately \$22,000 to the Plan during the years ended June 30, 2021 and 2020, respectively.

NOTE K – FUNDRAISING ACTIVITIES

The Organization incurred joint costs in the approximate amounts of \$565,000 and \$932,000 during the years ended June 30, 2021 and 2020, respectively, for informational activities which included fundraising appeals in connection with the Organization’s exempt purposes. Of those costs, approximately \$283,000 and \$466,000 were allocated to “program” expense, and approximately \$283,000 and \$466,000, were allocated to “fundraising” expense in the accompanying statements of activities, respectively.

NOTE L – OPERATING LEASES

The Organization leases building space and equipment under operating lease agreements. Total rent expense for all operating leases for the years ended June 30, 2021 and 2020 (including common area charges and short-term rentals) amounted to approximately \$42,000 and \$69,000, respectively.

Future minimum rental payments under noncancelable operating leases are approximately as follows:

Year Ending <u>June 30,</u>	
2022	\$ 40,000
2023	36,000
2024	38,000
2025	<u>6,000</u>
Total	<u>\$ 120,000</u>