



CROSS INTERNATIONAL, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021





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, 2022 and 2021, 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, 2022 and 2021, 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, including omissions, 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 14, 2022

CROSS INTERNATIONAL, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2022	2021
ASSETS		
Cash and cash equivalents	\$ 2,475,144	\$ 2,084,202
Investments	—	200,000
Restricted cash	233,000	233,000
Inventory	22,414,967	194,265
Other assets	108,493	133,526
Property and equipment, net	73,544	30,650
Total assets	\$ 25,305,148	\$ 2,875,643

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 219,090	\$ 223,568
Goods distributed in transit	22,414,967	129,375
Notes payable	206,599	596,845
Total liabilities	22,840,656	949,788
NET ASSETS		
Without donor restrictions	1,082,288	977,481
With donor restrictions	1,382,204	948,374
Total net assets	2,464,492	1,925,855
Total liabilities and net assets	\$ 25,305,148	\$ 2,875,643

The Accompanying Notes are an Integral
Part of These Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENTS OF ACTIVITIES

	For The Year Ended June 30, 2022			For The Year Ended June 30, 2021
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions without donor restrictions	\$ 77,065,019	\$ —	\$ 77,065,019	\$ 76,622,934
Cash contributions without donor restrictions	4,775,188	—	4,775,188	4,948,268
Cash contributions with donor restrictions	—	3,642,682	3,642,682	1,831,990
Other revenue, net	559,771	—	559,771	390,101
Net assets released from time and use restrictions	<u>3,208,852</u>	<u>(3,208,852)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>85,608,830</u>	<u>433,830</u>	<u>86,042,660</u>	<u>83,793,293</u>
EXPENSES				
Program activities				
Medical, food, and other assistance	77,525,528	—	77,525,528	76,868,509
Project development	4,973,064	—	4,973,064	2,418,698
Missions education	<u>391,617</u>	<u>—</u>	<u>391,617</u>	<u>344,461</u>
Total program activities	<u>82,890,209</u>	<u>—</u>	<u>82,890,209</u>	<u>79,631,668</u>
Supporting activities				
Management and general	1,379,262	—	1,379,262	1,496,371
Fundraising	<u>1,234,552</u>	<u>—</u>	<u>1,234,552</u>	<u>1,386,050</u>
Total supporting activities	<u>2,613,814</u>	<u>—</u>	<u>2,613,814</u>	<u>2,882,421</u>
Total expenses	<u>85,504,023</u>	<u>—</u>	<u>85,504,023</u>	<u>82,514,089</u>
Change in net assets without donor restrictions	104,807	—	104,807	1,057,725
Change in net assets with donor restrictions	<u>—</u>	<u>433,830</u>	<u>433,830</u>	<u>221,479</u>
CHANGE IN NET ASSETS	104,807	433,830	538,637	1,279,204
NET ASSETS - Beginning of year	<u>977,481</u>	<u>948,374</u>	<u>1,925,855</u>	<u>646,651</u>
NET ASSETS - End of year	<u>\$ 1,082,288</u>	<u>\$ 1,382,204</u>	<u>\$ 2,464,492</u>	<u>\$ 1,925,855</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,	
	2022	2021
OPERATING CASH FLOWS		
Cash received from contributors	\$ 8,417,870	\$ 6,780,258
Cash received from other sources	238,391	35,397
Cash paid for operating activities and costs	(8,329,658)	(6,029,563)
Net operating cash flows	326,603	786,092
INVESTING CASH FLOWS		
Net proceeds from sales of investments	200,000	—
Purchases of and improvements to property and equipment	(66,795)	(8,531)
Net investing cash flows	133,205	(8,531)
FINANCING CASH FLOWS		
Proceeds from borrowings	—	321,380
Repayments of notes payable	(68,866)	(51,650)
Net financing cash flows	(68,866)	269,730
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	390,942	1,047,291
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of year	2,317,202	1,269,911
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of year	\$ 2,708,144	\$ 2,317,202
REPORTED IN THE STATEMENTS OF FINANCIAL POSITION AS FOLLOWS		
Cash and cash equivalents	\$ 2,475,144	\$ 2,084,202
Restricted cash	233,000	233,000
Total cash, cash equivalents, and restricted cash	\$ 2,708,144	\$ 2,317,202

SUPPLEMENTAL DISCLOSURE

During the years ended June 30, 2022 and 2021, \$321,380 and \$354,704 of principal reductions of certain notes payable are included in "other revenue" in the accompanying statements of activities. See Note G.

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

	Program Activities				Supporting Activities			Total Expenses
	Medical, 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.
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.
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 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.

Inventory

Inventory consists of humanitarian goods which were not yet distributed to beneficiaries as of June 30, 2022 and 2021. 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.

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.

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.

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. 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.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting pronouncement

The Financial Accounting Standards Board issued Accounting Standards Update *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU is effective for the Organization’s financial statements for the year ended June 30, 2022. The ASU requires that contributed nonfinancial assets be presented separately in the statement of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies, and valuation techniques. The provisions of the ASU have been retrospectively applied to the Organization’s financial statements for the year ended June 30, 2021, as required by applicable guidance.

Reclassifications

Certain amounts included in the June 30, 2021 financial statements have been reclassified to conform to classifications adopted during the year ended June 30, 2022. The reclassifications had no material effect on the accompanying financial statements.

Subsequent events

The Organization has evaluated for possible financial reporting and disclosure subsequent events through December 14, 2022, 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:

Category	June 30,	
	2022	2021
Cash and cash equivalents	\$ 2,475,144	\$ 2,084,202
Investments	—	200,000
Restricted cash	233,000	233,000
Total financial assets available within one year	2,708,144	2,517,202
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	\$ 2,475,144	\$ 2,284,202

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.

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

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, 2022 and 2021, approximately 98% and 97% 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, 2022 and 2021, the Organization paid CCO approximately \$67,000 and \$70,000, respectively, under the shared services agreement for various administrative services.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Category	June 30,	
	2022	2021
Leasehold improvements	\$ —	\$ 84,560
Furniture and equipment	185,728	271,236
Total property and equipment	185,728	355,796
Less: Accumulated depreciation	(112,184)	(325,146)
Net property and equipment	\$ 73,544	\$ 30,650

Depreciation expense amounted to \$23,901 and \$3,585 during the years ended June 30, 2022 and 2021, respectively.

NOTE G – NOTES PAYABLE

Notes payable consisted of the following:

	June 30,	
	2022	2021
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" in the statement of activities for the year ended June 30, 2022	\$ —	\$ 321,380
Note payable to CCO in varying quarterly installments per the terms of the agreement; unsecured; matures in October 2024	206,599	275,465
Total	\$ 206,599	\$ 596,845

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G – NOTES PAYABLE (Continued)

Approximate future maturities of notes payable are as follows:

Year Ending <u>June 30.</u>		
2023	\$	77,000
2024		86,000
2025		<u>44,000</u>
Total	\$	<u>207,000</u>

NOTE H – RESTRICTIONS ON NET ASSETS

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

	<u>Balance July 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance 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>

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

	<u>Balance July 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance 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>

CROSS INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I – NONCASH CONTRIBUTIONS

Noncash contributions recognized in the statements of activities included:

Category	For the Year Ended June 30,	
	2022	2021
Medicines and medical supplies	\$ 75,799,102	\$ 75,591,466
Food	951,278	834,435
Disaster relief supplies	314,639	—
Other	—	197,033
Total noncash contributions	\$ 77,065,019	\$ 76,622,934

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 approximately \$34,000 to the Plan during the year ended June 30, 2022 and \$0 during the year ended June 30, 2021.

NOTE K – FUNDRAISING ACTIVITIES

The Organization incurred joint costs in the approximate amounts of \$638,000 and \$565,000 during the years ended June 30, 2022 and 2021, respectively, for informational activities which included fundraising appeals in connection with the Organization’s exempt purposes. Of those costs, approximately \$319,000 and \$283,000 were allocated to “program” expense, and approximately \$319,000 and \$283,000, respectively, were allocated to “fundraising” expense in the accompanying statements of activities.

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, 2022 and 2021 (including common area charges and short-term rentals) amounted to approximately \$41,000 and \$42,000, respectively.

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

Year Ending June 30,	
2023	\$ 36,000
2024	38,000
2025	6,000
Total	\$ 80,000