

CROSSOVER MISSION, INC.

**Financial Statements
with
Independent Auditors' Report**

For the year ended August 31, 2024
(With Comparative Totals for 2023)

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of the Crossover Mission, Inc. (a nonprofit organization) which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Crossover Mission, Inc. as of August 31, 2024, and the results of its operations and its 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. 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 Mission, Inc. 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 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 Crossover Mission, Inc.'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 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.

To the Board of Directors
Crossover Mission, Inc.

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 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 Mission, Inc.'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 Mission, Inc.'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

We have previously audited Crossover Mission, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Kmetz, Elwell, Graham & Associates

Kmetz, Elwell, Graham, & Associates, PLLC
Certified Public Accountants
Vero Beach, Florida

December 6, 2024

Crossover Mission, Inc.
Statement of Financial Position
August 31, 2024
(With Comparative Totals for 2023)

	2024	2023
	Total	Total (memo only)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,438,494	\$ 1,234,814
Grant receivable	20,817	28,237
Pledges receivable (net) - current portion	764,000	437,992
Other current assets	71,390	22,146
Total Current Assets	3,294,701	1,723,189
Other Assets:		
Pledges receivable (net) - non-current portion	5,000	694,000
Property and equipment, net	6,395,138	5,262,320
Total Other Assets	6,400,138	5,956,320
Total Assets	\$ 9,694,839	\$ 7,679,509
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 302,332	\$ 219,900
Accrued payroll liabilities	76,848	73,441
Current portion, long-term debt	-	177,004
Total Current Liabilities	379,180	470,345
Long-term debt, net of current portion	-	1,658,858
Total Liabilities	379,180	2,129,203
Without Donor Restrictions	7,431,329	4,203,200
With Donor Restrictions	1,884,330	1,347,106
Total Net Assets	9,315,659	5,550,306
Total Liabilities and Net Assets	\$ 9,694,839	\$ 7,679,509

See accompanying notes to financial statements.



Crossover Mission, Inc.
Statement of Activities and Changes in Net Assets
For the year ended August 31, 2024
(With Comparative Totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total (memo only)
Public Support and Revenues				
Grants	\$ 384,783	\$ -	\$ 384,783	\$ 287,583
Contributions	3,534,634	1,171,939	4,706,573	1,838,880
Program income	68,896	-	68,896	29,831
Investment income	87,527	1,025	88,552	13,337
Fundraising events, net	424,059	-	424,059	452,459
Net assets released from restriction	635,740	(635,740)	-	-
Total Revenue and other support	5,135,639	537,224	5,672,863	2,622,090
Expenses				
Athletics	539,737	-	539,737	418,267
Education	676,446	-	676,446	631,718
Total Functional Expenses	1,216,183	-	1,216,183	1,049,985
Fundraising	385,187	-	385,187	295,329
Administrative	306,139	-	306,139	176,928
Total Expenses	1,907,510	-	1,907,510	1,522,242
Increase in Net Assets	3,228,129	537,224	3,765,353	1,099,848
Net Assets, beginning of year	4,203,200	1,347,106	5,550,306	4,450,458
Net Assets, end of year	\$ 7,431,329	\$ 1,884,330	\$ 9,315,659	\$ 5,550,306

See accompanying notes to financial statements.



Crossover Mission, Inc.
Statement of Functional Expenses
For the year ended August 31, 2024
(With Comparative Totals for 2023)

	2024				2023	
	Program Services		Supporting Services			
	Athletics	Education	Fundraising	Administrative	Total	(memo only)
Salaries, wages, and benefits	\$ 287,656	\$ 421,190	\$ 137,136	\$ 124,198	\$ 970,180	\$ 746,611
Total Payroll	287,656	421,190	137,136	124,198	970,180	746,611
Program expenses	55,660	64,985	-	-	120,645	99,171
Professional fees	6,150	-	183,667	106,781	296,598	251,572
Insurance	41,646	41,646	3,500	5,426	92,218	57,294
Facilities	47,973	47,973	5,330	5,330	106,606	98,568
Supplies and other	-	-	-	53,221	53,221	31,266
Marketing and outreach	-	-	44,371	-	44,371	37,934
Interest	19,902	19,902	2,211	2,211	44,226	88,051
Depreciation	80,751	80,751	8,971	8,971	179,445	111,775
Total Expenses	\$ 539,737	\$ 676,446	\$ 385,187	\$ 306,139	\$ 1,907,510	\$ 1,522,242

See accompanying notes to financial statements.



Cross over Mission, Inc.
Statement of Cash Flows
For the year ended August 31, 2024
(With Comparative Totals for 2023)

	2024	2023
		Total (memo only)
Cash Flows From Operating Activities:		
Change in net assets	\$ 3,765,353	\$ 1,099,848
Adjustments to reconcile change in net assets to net cash flows provided by (used for) operating activities:		
Depreciation	179,445	111,775
Net loss on investments	-	1,251
(Increase) decrease in:		
Grant receivable	7,420	(14,086)
Pledges receivable	362,992	(86,992)
Other current assets	(49,244)	(6,947)
Increase (decrease) in:		
Accounts payable	82,432	94,051
Accrued expenses	3,407	48,909
Net cash provided by operating activities	4,351,805	1,247,809
Cash Flows From Investing Activities:		
Purchase and sale of investments, net	-	(898,145)
Purchase of property and equipment	(1,312,263)	(1,291,320)
Net cash used for investing activities	(1,312,263)	(2,189,465)
Cash Flows From Financing Activities:		
Payments on long-term debt	(1,835,862)	(254,138)
Net cash used for financing activities	(1,835,862)	(254,138)
Net increase (decrease) in cash	1,203,680	(1,195,794)
Cash and Cash Equivalents, beginning of year	1,234,814	1,400,555
Cash and Cash Equivalents, end of year	\$ 2,438,494	\$ 1,234,814
See accompanying notes to financial statements.		
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 44,226	\$ 88,051

Note 1 – Nature of Organization and Purpose

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.

Note 2 – Summary of Significant Accounting Policies

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

Contributions received are recorded as unrestricted or restricted support, depending on the existence and/or nature of any donor imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor imposed 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 statement of activities as net assets released from restrictions.

Expenses are reported as decreases in net assets without donor imposed restrictions. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor imposed restrictions unless their use is restricted by explicit donor stipulation or by grantor agreement.

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible into cash and have original maturities of three months or less.

Investments

Investments are reported in accordance with FASB ASC 320, Investments in Debt and Equity Securities. Under this topic, investments are recorded at the fair market value in the Statement of Financial Position. Realized and unrealized gains and losses are reflected in the Statement of Activities.

Property and Equipment

Property and equipment acquisitions greater than \$500 are capitalized and are stated at cost. Donated property and equipment is recorded at the fair market value at the date of the gift. Depreciation is provided on a straight-line basis over the estimated useful life of the assets.

Computers and technology	3 years
Vehicles	5 years
Furniture and equipment	5-10 years
Building and improvements	28 years

Note 2 – Summary of Significant Accounting Policies (continued)

Leases

Crossover determines whether to account for its leases as operating, capital or financing leases depending on the underlying terms of the lease agreement(s). This determination of classification is complex and requires significant judgment about Crossover’s cost of funds, minimum lease payments and other lease terms. Additionally, Crossover has made the accounting policy election not to recognize right-of-use assets and lease liabilities for leases of 12 months or less and therefore, these are expensed on a straight-line basis. Lease and non-lease components are accounted for together as a single lease component for operating leases associated with office space and equipment leases.

Revenue Recognition

Crossover recognizes revenue in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the guidance is that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. No contract liabilities were recorded for the fiscal year.

Support and Revenue

Support and revenue is reported as an increase in unrestricted net assets unless use of the related assets is limited by time, donor-imposed or contractual restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of the temporary donor-imposed, time or contractual restrictions on net assets are reported as reclassifications to unrestricted net assets in the period in which the restriction expires. A restriction expires when the stipulated time period has elapsed and/or the stipulated purpose has been fulfilled.

Unconditional Promises to Give

Unconditional promises to give are recognized as revenue and as assets in the year the promise is received. Unconditional promises to give that are scheduled to be received in the succeeding twelve months are reflected as current promises to give and are recorded as pledges receivable at their net realizable value. Unconditional promises to give that are scheduled to be received beyond the succeeding twelve months are reflected as non-current promises to give and are recorded as pledges receivable at the present value of their net realizable value.

Functional Allocation of Expenses

The cost of providing the program and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management on an equitable basis.

The significant expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll expense	Time and effort
Occupancy	Square footage
Depreciation	Square footage
Insurance	Actual costs

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Crossover Mission, Inc.

Notes to Financial Statements (continued)

Note 2 – Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses

As needed, Crossover accrued an allowance for credit losses for estimated losses that result from the failure or inability of grantors to make required payments. When determining the allowance, Crossover considers the probability of recoverability of receivables based on expected losses and recoveries, taking into account current collection trends as well as general economic factors. The analysis of all classes of receivables is performed throughout the year. For the year ended August 31, 2024, management determined that an allowance was not necessary for grants receivable. Accordingly, the balance of the allowance for credit losses for grants receivables is \$0 at August 31, 2024.

Income Tax Status

Crossover Mission is a not-for-profit organization that is generally exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, Crossover has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Management of Crossover Mission considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to Crossover's status as a not-for-profit entity. Management believes Crossover met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. Crossover's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

Prior Period Information

The financial statements include certain prior year summarized comparative information intended to be read only in relation to the current period figures. The comparative information was derived from Crossover Mission's financial statements for the year ended August 31, 2023 and does not herein include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Additionally, the prior year comparative figures may reflect certain reclassifications of amounts to conform to current year presentations.

Note 3 – Concentrations of Credit Risk

Crossover Mission maintains cash in financial institutions which are insured by the Federal Deposit Insurance Corporation ("FDIC"). The FDIC deposit insurance limit for cash is currently \$250,000 per depositor, per insured institution. Crossover has not experienced any losses on such amounts and does not believe it is exposed to any significant risk with respect to its cash balances.

Note 4 – Fair Value Measurements

ASC Topic 825, "Financial Instruments", requires certain disclosures regarding the fair value of financial instruments. Crossover Mission previously adopted ASC Topic 820, "Fair Value Measurements and Disclosures", which defines fair value, establishes guidelines for measuring fair value, and expands disclosure regarding fair value measurements. ASC Topic 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three levels. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is available and significant to the fair value measurement.

Crossover Mission recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended August 31, 2024.

Crossover Mission, Inc.
Notes to Financial Statements (continued)

Note 4 – Fair Value Measurements (continued)

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability.

The following methods and assumptions were used by Crossover Mission in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents, certificates of deposit, accounts receivable, contracts receivable, inventory, accounts payable, deferred revenue, accrued liabilities, accrued vacation and long term debt: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments or because they are not subject to valuation on a recurring basis.
- Investments: The fair value of current and other investments is based on quoted market prices for those or similar investments where available.

Fair values of assets at August 31, 2024 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Pledges receivable (net)	\$ 769,000	\$ -	\$ -	\$ 769,000
	\$ 769,000	\$ -	\$ -	\$ 769,000



Crossover Mission, Inc.
Notes to Financial Statements (continued)

Note 5 – Pledges Receivable

Outstanding pledges receivable at August 31, 2024 are expected to be realized in the following periods:

2025	\$ 764,000
2026	5,000
	\$ 769,000

Outstanding pledges by program at August 31, 2024 are as follows:

Program services	\$ 644,000
Summer camp	50,000
Construction and equipment	75,000
	\$ 769,000

Note 6 – Property and Equipment

The following is a summary of property and equipment at August 31, 2024:

	Balance 8/31/2023	Additions	Disposals	Balance 8/31/2024
Land	\$ 1,450,000	\$ -	\$ -	\$ 1,450,000
Building	700,000	-	-	700,000
Building improvements	1,706,069	1,847,701	-	3,553,770
Vehicles	96,617	62,859	-	159,476
Furniture and equipment	179,189	80,739	-	259,928
Computer and technology	88,780	11,464	-	100,244
Intangible assets	2,705	-	-	2,705
Construction in progress	1,375,386	1,157,201	(1,847,701)	684,886
Total property and equipment	5,598,746	3,159,964	(1,847,701)	6,911,009
Less: accumulated depreciation	(336,426)	(179,445)	-	(515,871)
Net property and equipment	\$ 5,262,320	\$ 2,980,519	\$ (1,847,701)	\$ 6,395,138

Note 7 – Long-Term Debt

During 2024, Crossover extinguished its long-term debt totaling \$1,835,862. Principal and interest payments on the mortgage with Marine Bank & Trust Company totaled \$1,612,500 and \$39,566, respectively. Principal and interest payments on the second mortgage with one of Crossover's directors totaled \$102,500 and \$4,660, respectively. Principal and interest payments on the Line of Credit totaled \$125,000 and \$4,348, respectively.

Crossover Mission, Inc.
 Notes to Financial Statements (continued)

Note 7 – Long-Term Debt (continued)

The unsecured Line of Credit with one of Crossover’s directors 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.

Note 8 – Net Assets with Donor Restrictions

As of August 31, 2024, Crossover had restricted net assets consisting of resources currently available for use but limited by donor restrictions that can be fulfilled by the passing of time or removed by the activities of the organization.

Net assets with donor restrictions at August 31, 2024 are restricted as follows:

	2024
Time restricted:	
Pledges receivable	\$ 769,000
Purpose restricted:	
Endowment fund - general	185,000
Endowment fund - elite training program	250,000
Construction	612,964
Scholarship fund	67,366
	\$ 1,884,330

Note 9 – Net Assets Released from Donor Restrictions

Net assets released from donor restrictions during the fiscal year ended August 31, 2024 were as follows:

	2024
Program services	\$ 380,000
Construction and equipment	152,573
Sports equipment	25,240
College readiness program	65,000
Scholarship fund	12,927
	\$ 635,740



Note 10 – Endowments

Crossover classifies a portion of its financial resources as endowment, which is invested to generate income to be used to support operating and strategic initiatives. Currently, these assets include pure endowment funds and the related investment income. These assets are subject to permanent donor restrictions and may be spent subject to the restrictions of the board-established endowment spending policy and the wishes of the donor. Any funds designated by the Board and functioning as endowment are recorded as unrestricted net assets.

Interpretation of Relevant Law

FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958-205 also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) and whether or not Crossover is subject to UPMIFA. The Board of Directors of Crossover does not require 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.

Crossover classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment if so directed by the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Crossover's board.

During the year ended August 31, 2024 Crossover adopted the provisions of UPMIFA in accordance with the requirements of the State of Florida and the recommendations of FASB ASC 958-205. Some of Crossover's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

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.

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.

Crossover Mission, Inc.
Notes to Financial Statements (continued)

Note 10 – Endowments (continued)

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, 2024.

Changes in endowment net assets for the year ended August 31, 2024, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at August 31, 2023	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	433,975	433,975
Investment income (loss)	-	1,025	-	1,025
Appropriation of endowment assets for expenditure	-	-	-	-
	\$ -	\$ 1,025	\$ 433,975	\$ 435,000

Note 11 – Fundraising Events

During the year ended August 31, 2024, Crossover conducted a fundraising event which resulted in income of \$417,592 and expenses that were of direct benefit to the donors in the amount of \$86,500. The event's net income, totaling \$331,092, is included in Crossover's total fundraising events net revenue, totaling \$424,059, at the Statement of Activities for the year ended August 31, 2024.

Note 12 – Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of August 31, 2024 are:

Cash and cash equivalents	\$ 2,438,494
Pledges receivable - current portion	764,000
Grants receivable	20,817
Less:	
Amounts with donor restrictions - current portion	(805,330)
Endowment funds	(435,000)
Total financial assets available for general expenditure	\$ 1,982,981

Additionally, Crossover funds operating needs through contributions, grants and fundraising.

Crossover Mission, Inc.

Notes to Financial Statements (continued)

Note 13 – Concentrations

Crossover received a large portion of its contributions from one funder. For the fiscal year 2024, the total contributions received from this source totaled approximately 35% of revenues.

Note 14 – Related Parties

During the year ended August 31, 2022, two members of the Board of Directors had provided funding to the organization in the form of a \$352,500 second mortgage for the purchase of a building and a \$500,000 line of credit to help provide liquidity for the planned improvements to the same property. During the year ended August 31, 2024, Crossover made interest and principal payments to the two members of the Board of Directors per the terms of their respective notes. These payments are described in Note 8.

Note 15 – Commitments

Crossover has signed a contract for the construction of improvements to the building. At August 31, 2024, future expected payments, including retainage, remaining under the current terms of the contracts totaled \$366,405.

Note 16 - New Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued a new Accounting Standards Update (ASU), ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* on June 16, 2016. The standard introduced an impairment model (the Current Expected Credit Losses(CECL) model) that is based on expected losses rather than incurred losses. The new standard is effective for years beginning after December 15, 2022. Crossover adopted the new standard prospectively as of September 1, 2023. The adoption of the standard had no material effect on the financial statements.

Note 17 – Subsequent Events

Management has evaluated subsequent events through December 6, 2024, the date the financial statements were available to be issued. After consideration of the above, management is not aware of any events subsequent to the statement of financial position date which would require additional adjustments to, or disclosure in, the accompanying financial statements.