

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

CROSS SERVICES, INC.

MARCH 31, 2021 AND 2020

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Independent Auditors' Report

To the Board of Directors
CROSS Services, Inc.

We have audited the accompanying financial statements of CROSS Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 entity'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 entity'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 Services, Inc. as of March 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of CROSS Services, Inc. as of March 31, 2020, were audited by other auditors whose report dated September 29, 2020, expressed an unmodified opinion on those statements.

DS&B, Ltd.

Minneapolis, Minnesota
October 5, 2021

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts payable	\$ 8,017	\$ 6,404
Accrued payroll liabilities	20,742	15,749
Long-term obligations, current portion	20,549	16,837
Total current liabilities	49,308	38,990
LONG-TERM OBLIGATIONS, less current maturities	182,693	205,502
Total liabilities	232,001	244,492
 COMMITMENTS AND CONTINGENCIES		
 NET ASSETS		
Net assets without donor restriction		
Undesignated	1,020,391	902,573
Designated for financial assurance	482,063	119,322
Total without donor restriction	1,502,454	1,021,895
Net assets with donor restriction	208,529	89,231
Total net assets	1,710,983	1,111,126
Total liabilities and net assets	\$ 1,942,984	\$ 1,355,618

CROSS Services Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended March 31, 2021

CHANGES IN NET ASSETS	Without Donor	With Donor Restriction	Total
	<u> </u>	<u> </u>	<u> </u>
Public support and other revenue:			
Public support:			
Grants	\$ 580,511	\$ -	\$ 580,511
Contributions	352,272	695,897	1,048,169
Program service revenue	74,192	-	74,192
Special event income	28,094	-	28,094
Net assets released from restrictions	576,599	(576,599)	-
Total fundraising	<u>1,611,668</u>	<u>119,298</u>	<u>1,730,966</u>
Donated goods and services	3,406,608	-	3,406,608
Total public support	<u>5,018,276</u>	<u>119,298</u>	<u>5,137,574</u>
Other revenue:			
Interest income	1,341	-	1,341
PPP loan forgiveness and other income	107,935	-	107,935
Total public support and other revenue	<u>5,127,552</u>	<u>119,298</u>	<u>5,246,850</u>
Expenses:			
Program services	4,413,513	-	4,413,513
Supporting services:			
Management and general	77,180	-	77,180
Fundraising	156,300	-	156,300
Total expenses	<u>4,646,993</u>	<u>-</u>	<u>4,646,993</u>
CHANGE IN NET ASSETS	480,559	119,298	599,857
Beginning of year	<u>1,021,895</u>	<u>89,231</u>	<u>1,111,126</u>
End of year	<u>\$ 1,502,454</u>	<u>\$ 208,529</u>	<u>\$ 1,710,983</u>

The accompanying notes are an integral part of these statements.

CROSS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year ended March 31, 2020

CHANGES IN NET ASSETS	Donor Restriction	With Donor Restriction	Total
Public support and other revenue:			
Public support:			
Grants	\$ 138,638	\$ -	\$ 138,638
Contributions	383,626	131,903	515,529
Program service revenue	127,798	-	127,798
Special event income	131,717	-	131,717
Net assets released from restrictions	84,175	(84,175)	-
Total fundraising	<u>865,954</u>	<u>47,728</u>	<u>913,682</u>
Donated goods and services	3,229,975	-	3,229,975
Total public support	<u>4,095,929</u>	<u>47,728</u>	<u>4,143,657</u>
Other revenue:			
Interest income	658	-	658
Other income	256	-	256
Total public support and other revenue	<u>4,096,843</u>	<u>47,728</u>	<u>4,144,571</u>
Expenses:			
Program services	3,918,181	-	3,918,181
Supporting services:			
Management and general	52,876	-	52,876
Fundraising	129,856	-	129,856
Total expenses	<u>4,100,913</u>	<u>-</u>	<u>4,100,913</u>
CHANGE IN NET ASSETS	(4,070)	47,728	43,658
	<u>1,025,965</u>	<u>41,503</u>	<u>1,067,468</u>
	<u>\$ 1,021,895</u>	<u>\$ 89,231</u>	<u>\$ 1,111,126</u>

The accompanying notes are an integral part of these statements.

CROSS Services, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

Year ended March 31, 2021

	Program Services	Management and General	Fundraising	Total
Auto and van expense	\$ 14,441	\$ -	\$ -	\$ 14,441
Client Services	362,048	-	-	362,048
Depreciation	38,295	1,222	1,222	40,739
Food and supplies	162,953	-	-	162,953
Fundraising and marketing	438	438	7,878	8,754
In-kind donations	3,259,323	-	-	3,259,323
Insurance	18,735	598	598	19,931
Interest	13,316	425	425	14,166
Meals on Wheels	48,173	-	-	48,173
Occupancy	48,136	1,536	1,536	51,208
Office expenses	30,218	965	965	32,148
Other expenses	9,740	311	311	10,362
Payroll taxes	21,969	3,138	6,277	31,384
Professional fees	37,711	18,855	37,711	94,277
Travel	228	8	8	244
Wages	347,789	49,684	99,369	496,842
Total expense	\$ 4,413,513	\$ 77,180	\$ 156,300	\$ 4,646,993

The accompanying notes are an integral part of these statements.

CROSS Services, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year ended March 31, 2020

	Program Services	Management and General	Supporting Activities	Total
Auto and van expense	\$ 9,817	\$ 313	\$ 314	\$ 10,444
Client Services	49,929	1,593	1,594	53,116
Depreciation	40,820	2,606	-	43,426
Food and supplies	60,320	1,257	1,256	62,833
Fundraising and marketing	1,024	1,024	18,440	20,488
In-kind donations	3,164,896	3,320	18,778	3,186,994
Insurance	12,544	809	135	13,488
Interest	14,021	447	448	14,916
Meals on Wheels	34,415	348	-	34,763
Occupancy	45,871	1,952	976	48,799
Office expenses	36,193	1,155	1,155	38,503
Other expenses	15,030	480	479	15,989
Payroll taxes	28,394	906	906	30,206
Professional fees	49,075	24,538	49,075	122,688
Travel	1,306	42	41	1,389
Wages	354,526	12,086	36,259	402,871
Total expense	\$ 3,918,181	\$ 52,876	\$ 129,856	\$ 4,100,913

The accompanying notes are an integral part of these statements.

CROSS Services, Inc.
STATEMENTS OF CASH FLOWS
Years ending March 31

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 599,857	\$ 43,658
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	40,739	43,426
Grant reduction	40,000	-
Noncash contributions of goods and services	(3,406,608)	(3,229,975)
Noncash donations of goods and services	3,259,323	3,186,994
PPP loan forgiveness	(107,900)	-
Changes in current assets and liabilities:		
Accounts and grants receivable	46,066	(29,867)
Prepaid expenses	(1,091)	406
Accounts payable	1,613	(629)
Accrued expenses	4,993	5,690
	476,992	19,703
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment and other	(18,560)	(8,996)
Cash flows from financing activities		
Proceeds on long-term debt	107,900	-
Payments on long-term debt	(19,097)	(18,142)
	88,803	(18,142)
Net cash provided by (used in) financing activities		
NET INCREASE (DECREASE) IN CASH	547,235	(7,435)
Cash and cash equivalents, beginning of year	345,911	353,346
Cash and cash equivalents, end of year	\$ 893,146	\$ 345,911

The accompanying notes are an integral part of these statements.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

CROSS Services, Inc. (the "Organization") is a not-for-profit Minnesota organization whose mission and principal activities are to provide direct assistance and support services to residents of Champlin, Corcoran, Dayton, Maple Grove, Osseo, and Rogers. The Organization also provides special outreach programs in Brooklyn Park and St. Michael, targeting households with low incomes and those faced with a financial crisis.

The Organization's program focus is threefold: Addressing food insecurity, addressing housing instability, and addressing children's' needs. The Organization receives the majority of contributions in the form of donated goods, which are not monetized, but utilized and distributed throughout the community through the following programs and services:

Food Insecurity:

- CROSS Food Warehouse: The Organization's grocery-store-style food warehouse allows clients to choose from a wide variety of healthy food that their families will actually eat.
- Mobile Food Pantries: The Organization sends food out into the community at six locations, where families can get the food they need without having to travel to the warehouse.
- CROSS Kidpack Weekend Food for Kids: The Organization works with 13 community partners to provide nutritious food for kids who receive free and reduced school lunches to eat over the weekend, when those lunches are not available. The Organization serves approximately 3,500 kids across 20 area schools.
- CROSS Meals on Wheels: The Organization's program volunteers deliver almost 8,000 hot meals to area seniors annually.
- CROSS Partnerships: The Organization provides food to three YMCA locations, the Humanity Alliance, and various individual churches to assist them in their outreach to at-risk youth and families.
- In total, CROSS provides nearly two million meals to approximately 14,000 individuals annually.

Housing Instability:

- Peace of Mind Financial Assistance: The Organization provides funds for rent, mortgage, utilities, car repairs, and other pressing financial needs so that individuals and families can get caught up without losing their homes while they work toward financial stability. The Organization provides assistance to more than 100 families annually.
- CROSS' Sweet Repeats Boutique: The Organization's thrift shop provides clothing and household goods, including furniture, to families at very low or no cost. This allows families to put their budget dollars toward stable housing and other necessary areas. The Organization distributes more than 60,000 pounds of donated goods annually.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business - Continued

Children's Needs

- Peaceful Dreams for CROSS Kids: In partnership with the Maple Grove Rotary Club, the Organization provides beds, bedding, and books to children in our area.
- Special Event & Holiday Programs: The Organization provides holiday toys, Easter baskets, school supplies, and birthday gifts and supplies to families so their kids can enjoy special occasions. The Organization distributes more than \$100,000 in new toys and school supplies annually.
- CROSS-Over Scholarship Program: The Organization provides funds for children to participate in community enrichment programs such as sports, dance and driver's education courses that their families could not otherwise afford. Approximately 15 kids are served by this program each year.

Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual method of accounting, whereby support and revenue are recognized in the period earned and expenses are recognized when incurred. The Organization follows accounting and reporting standards applicable to nonprofit organizations.

For financial reporting purposes, contributions received are recorded as increases in net assets without donor restriction or net assets with donor restriction, depending on the existence and nature of any donor restrictions. Net assets of the Organization are classified and reported as follows:

Net Assets without Donor Restriction

Those resources over which the Organization has discretionary control. Designated amounts represent those revenues that the Board of Directors has set aside for a particular purpose.

Net Assets with Donor Restriction

Resources subject to donor-imposed restrictions, which are satisfied by actions of the Organization or passage of time, or are to be maintained permanently. As of March 31, 2021 and 2020, net assets with donor restriction consisted of \$208,529 and \$89,231, respectively.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Cash and Cash Equivalents

The Organization considers all short-term debt instruments purchased with maturity of three months or less to be cash equivalents. The Organization maintains cash in bank deposit accounts at high credit quality financial institutions. Cash accounts are insured by the FDIC. The balances, at times, may exceed federally insured limits.

3. Grants Receivable

Grants receivable is composed primarily of reimbursement requests under grant awards. Grants receivable are recorded at awarded grant cost and adjusted for all known uncollectible amounts. Adjustments to estimated grants receivable balances are made in the period the change in estimate occurs, which may occur when the estimated costs associated with the grant change. Management considers historical write-off and recovery information in determining the estimated bad debt provision. No allowance for doubtful accounts has been provided as of March 31, 2021 and 2020, since management expects all receivables to be collectible.

4. Inventory

Inventory consists mainly of donated food, clothing, and non-food supplies and are stated at estimated values based on management prepared cost studies and estimates. Management's current estimate as of March 31, 2021 and 2020 is \$1.70 per pound of food, \$1 per pound for clothing and household items, \$5 per pound for school supplies, and \$9 per pound for toy donations.

5. Property and Equipment

Property and equipment is recorded at cost, or fair value, if donated, and depreciated generally on a straight-line basis over the estimated useful lives of each asset which range from five to thirty-nine years. Cost of maintenance and repairs that do not improve or extend the lives of the respective assets are expenses.

The Organization periodically evaluates the recoverability of the carrying value of long-lived assets, including property and equipment, whenever events or circumstances indicate the carrying amount may not be recoverable. An impairment in the carrying value of an asset is recognized when the fair value of the asset is less than its carrying value.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Public Support and Other Revenue

Grant Revenue

Grant revenue arises under agreements with local government agencies. These agreements normally represent transactions between the Organization and the grantors. Revenue from grants is recognized according to the terms of the agreements, which commonly is when expenditures are incurred.

Contribution Revenue

The Organization receives support from individuals, foundations, corporations and other nonprofit organizers in support of the Organization's mission. Contribution revenue is recognized at fair value on the earlier of the receipt of cash or an unconditional promise to give. From time to time, the Organization receives promises to give that have certain conditions such as meeting specific performance-related barriers or limiting the Organization's discretion on use of the funds. Other contributions may have revocable features to the promise to give. Such conditional promises to give are recognized when the conditions are substantially met.

Program Service Revenue

Program service revenue represents amounts paid by individuals or organizations for food, clothing, or other goods. Program service revenue is recognized when payment is received for the goods.

Special Events Revenue

Special events revenue is the total amount paid by sponsors and attendees of an event and includes elements of both contributions and exchange transactions. Special event revenue is recognized when the event occurs.

Donated Goods and Services

The Organization reports the fair value of gifts of donated food and other goods as public support, without donor restrictions, and thereafter, as expense when provided to individuals and other organizations in need of the food and other goods. The Organization does not monetize any contributed nonfinancial assets.

Contributed services are valued and are reported at the estimated fair value in the financial statements based on current market rates for similar services. For those services that do not require special expertise, the estimated fair value of such donated services has not been recorded in the financial statements.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Revenue Recognition - Continued

Other Income

In April 2020, the Organization entered into a promissory note agreement in the amount of \$107,900 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The terms of this agreement provided for forgiveness of the note upon spending of the note proceeds on eligible expenditures within the timeframe stipulated by the program. The Organization met the terms of the agreement within the required time frame, and in November 2020, the note was forgiven by the lender. Proceeds of this program are included within other income on the accompanying statement of activities and changes in net assets.

7. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Personnel expenses are allocated on the basis of management's estimates of time and effort. Expenses, other than personnel expenses, which allocation is not directly identifiable are allocated on the bases of management's estimates. Volunteers, whose time is not report in the financial statements, perform program support including fundraising activities for the Organization.

8. Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) of 1954, as amended, and the Revenue and Taxation Code of the State of Minnesota.

The Organization's policy is to evaluate the likelihood that any uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the IRC, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Organization has no significant uncertain tax positions that would be subject to change upon examination. Accordingly, the Organization has not recorded any reserve or related accruals for interest and penalties for uncertain income tax positions as of March 31, 2021 and 2020. The federal and state income tax returns of the Organization are subject to examination by the income taxing authorities, generally for three years after they were filed. Interest and penalties, if any, assessed by income taxing authorities, will be recorded in management and general expenses.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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. Management's estimate of time allocated to administrative personnel expense in the accompanying statements of functional expenses is considered a significant estimate. Actual results could differ from those estimates.

10. New Accounting Pronouncements

In September of 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, requiring entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets an entity has received. The Organization adopted this standard beginning April 1, 2020, with retrospective presentation presented for the period ending March 31, 2020.

NOTE B – INVENTORY

Inventory consisting of donated materials is comprised of the following:

	March 31,	
	2021	2020
Food	\$ 208,242	\$ 84,362
School supplies and toys	52,965	39,083
Gift cards	12,303	2,819
Clothing and household	3,590	3,281
	<u>\$ 276,830</u>	<u>\$ 129,545</u>

NOTE C – REVOLVING LINE OF CREDIT

The Organization has a revolving line of credit agreement with a bank which expires on February 19, 2022. The revolving line of credit allows for borrowings up to \$80,000 and is collateralized by substantially all assets of the Organization. The interest rate on funds borrowed is 7.5 percent. The balance on this line of credit is \$0 as of March 31, 2021 and 2020.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE D – LONG-TERM OBLIGATIONS

Long-term obligations consist of the following as of March 31:

	<u>2021</u>	<u>2020</u>
Mortgage payable in monthly installments of \$2,731 including interest of 5.10% per annum for 60 months ending March 14, 2024, at which date the interest rate will change to equal the WSJP plus 0.50% but never lower than 4.50% per annum; final payment due April 2029; collateralized by the real property located in Rogers, MN.	\$ 203,242	\$ 222,339
Less current maturities	<u>20,549</u>	<u>16,837</u>
	<u>\$ 182,693</u>	<u>\$ 205,502</u>

On April 23, 2021, the Organization amended the mortgage payable, whereby the interest rate was reduced to a fixed rate of 3.90%, resulting in a reduced monthly installment payment of \$2,468. Future maturities in the table below reflects this change.

Aggregate maturities of long-term obligations for the five years following March 31, 2021, are as follows:

<u>Years ending March 31,</u>	
2022	\$ 20,549
2023	22,888
2024	23,784
2025	24,744
2026	25,728

NOTE E – COMMITMENTS

Operating Leases

The Organization has a non-cancelable equipment operating lease requiring monthly payments of approximately \$330 that expires in April 2025. Rent expense was approximately \$3,900 and \$3,600 for the years ended March 31, 2021 and 2020, respectively.

Minimum rental payments under the lease agreement are approximately as follows for the years ending March 31:

2022	\$ 3,900
2023	3,900
2024	3,900
2025	<u>500</u>
	<u>\$ 12,200</u>

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE F – DEFINED CONTRIBUTION PLAN

The Organization sponsors a Simple IRA Plan (the “Plan”). The Plan covers substantially all of its employees. Contributions are determined as a dollar for dollar match of each eligible employee’s deferrals limited to 3% of the employee’s salary. Contributions totaled approximately \$6,120 and \$5,900 during the years ending March 31, 2021 and 2020, respectively.

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consist of the following as of:

	March 31,	
	2021	2020
Food Shelf	\$ 41,791	\$ 8,442
Peace of Mind	91,444	24,204
Meals on Wheels	2,831	3,185
Scholarships	3,991	917
School supplies	9,153	5,606
Weekend Food for Kids Program	6,598	8,036
Live to Give	39,328	38,841
Family Promise	2,793	-
Other	10,600	-
	<u>\$ 208,529</u>	<u>\$ 89,231</u>

NOTE H - DESIGNATED NET ASSETS

A Board Designated Fund shall be maintained to be used at the Board's discretion to fund capital improvements, major repairs and maintenance, other strategic plan initiatives, or any other use as designated by the board. Board Designated Funds can be withdrawn and used at the request of the board for capital expenses, strategic initiatives, and to repay mortgage principal balances.

Only funds in excess of a minimum or three months of operating reserve, defined as Unrestricted Cash, may be designated to the Board Designated Fund. The Board also desires to establish a maximum amount to be designated in the account at an amount equal to the cumulative total of the prior two (2) years capital and fixed asset maintenance expenses incurred, inclusive of mortgage principal payments made.

Based on the Organization’s policy, the Organization has designated \$482,063 and \$119,322 as of March 31, 2021 and 2020, respectively. The remaining balance of unrestricted net assets is not designated.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE I - IN-KIND CONTRIBUTIONS

During the fiscal years ended March 31, 2021 and 2020, respectively, the Organization distributed approximately 1.504 million pounds and 1.508 million pounds, respectively, of donated product received from individuals and local businesses and organizations. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. A description of the programs and activities for which donated food and other goods was utilized is found in Note A.

The fair value of one pound of donated food or other goods was estimated based on the approximate wholesale value that would be received by selling similar product in the United States, as well as the use of comparable rates obtained from similar leading organizations throughout the nation. There was no change in wholesale values determined for donated food or other goods for years ended March 31, 2021 and 2020.

In-kind contributions consisted of the following as of:

	March 31,	
	2021	2020
Food – Valued at \$1.70 per pound	\$ 3,126,468	\$ 2,909,531
School Supplies – Valued at \$5.00 per pound	25,100	46,334
Toys – Valued at \$9.00 per pound	58,581	81,405
Clothing and Household – Valued at \$1.00 per pound	160,181	164,569
Miscellaneous other donations	28,819	14,857
Donated services	7,459	13,279
	<u>\$ 3,406,608</u>	<u>\$ 3,229,975</u>

The Organization receives significant services from unpaid volunteers who support the Organization's primary programs and its management and fundraising activities. During the years ended March 31, 2021 and 2020, volunteers gave 26,460 and 31,770 hours of service, respectively. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort has not been satisfied.

CROSS Services, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2021 and 2020

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, 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:

	March 31,	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 893,146	\$ 345,911
Certificates of deposit	20,311	20,189
Grants receivable	-	<u>86,066</u>
Total financial assets available within one year	913,457	452,166
Less: amounts unavailable for general expenditures within one year, due to:		
Net assets with donor restriction	208,529	89,231
Board designation	<u>482,063</u>	<u>119,322</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 222,865</u>	<u>\$ 243,613</u>

As part of our liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of monthly requirements in certificates of deposit with maturity terms of 12 months or less.

NOTE K – SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest is approximately \$14,166 and \$14,916 for the years ended March 31, 2021 and 2020, respectively.

NOTE L – SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 5, 2021, which is the date the financial statements were available to be issued.