



CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.

COMBINING AND COMBINED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015





REPORT OF INDEPENDENT AUDITORS

The Boards of Directors
Cross Catholic Outreach, Inc.
Cross International, Inc.
Pompano Beach, Florida

We have audited the accompanying combining and combined financial statements of Cross Catholic Outreach, Inc. and Cross International, Inc. (collectively "the Ministries"), which comprise the combining and combined statements of financial position as of December 31, 2015 and 2014, and the related individual and combined statements of activities, combining and combined statements of cash flows, and individual statements of functional expenses for the years then ended, and the related notes to the combining and combined financial statements.

Management's Responsibility for the Combining and Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combining and combined 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 combining and combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combining and combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combining and combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Ministries' preparation and fair presentation of the combining and combined 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 Ministries' 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 combining and combined 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 combining and combined financial statements referred to above present fairly, in all material respects, the combining and combined financial position of Cross Catholic Outreach, Inc. and Cross International, Inc. as of December 31, 2015 and 2014, the individual and combined changes in their net assets, and their combining and combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Batts Morrison Wales & Lee, P.A.

BATTS MORRISON WALES & LEE, P.A.

Fort Lauderdale, Florida
August 12, 2016

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CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
 COMBINING AND COMBINED STATEMENT OF FINANCIAL POSITION
 December 31, 2015

ASSETS

	Cross Catholic Outreach, Inc.	Cross International, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 9,621,527	\$ 465,221	\$ —	\$ 10,086,748
Inventories	—	2,430,315	—	2,430,315
Due from affiliate	3,072,598	—	(3,072,598)	—
Other assets	299,750	897,587	—	1,197,337
Investments restricted to endowment	—	233,000	—	233,000
Property and equipment, net	1,233,494	56,959	—	1,290,453
Total assets	<u>\$ 14,227,369</u>	<u>\$ 4,083,082</u>	<u>\$ (3,072,598)</u>	<u>\$ 15,237,853</u>

LIABILITIES AND NET ASSETS

LIABILITIES				
Accounts payable and accrued expenses	\$ 929,416	\$ 53,034	\$ —	\$ 982,450
Due to affiliate	—	3,072,598	(3,072,598)	—
Total liabilities	<u>929,416</u>	<u>3,125,632</u>	<u>(3,072,598)</u>	<u>982,450</u>
NET ASSETS				
Unrestricted	12,435,710	700,842	—	13,136,552
Temporarily restricted	862,243	23,608	—	885,851
Permanently restricted	—	233,000	—	233,000
Total net assets	<u>13,297,953</u>	<u>957,450</u>	<u>—</u>	<u>14,255,403</u>
Total liabilities and net assets	<u>\$ 14,227,369</u>	<u>\$ 4,083,082</u>	<u>\$ (3,072,598)</u>	<u>\$ 15,237,853</u>

The Accompanying Notes are an Integral
 Part of These Combining and Combined Financial Statements

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
 COMBINING AND COMBINED STATEMENT OF FINANCIAL POSITION
 December 31, 2014

ASSETS

	Cross Catholic Outreach, Inc.	Cross International, Inc.	Eliminations	Combined Total
ASSETS				
Cash and cash equivalents	\$ 9,036,885	\$ 903,889	\$ —	\$ 9,940,774
Inventories	—	2,375,908	—	2,375,908
Due from affiliate	3,072,598	—	(3,072,598)	—
Other assets	478,573	572,384	—	1,050,957
Investments restricted to endowment	—	233,000	—	233,000
Property and equipment, net	704,387	75,059	—	779,446
Total assets	<u>\$ 13,292,443</u>	<u>\$ 4,160,240</u>	<u>\$ (3,072,598)</u>	<u>\$ 14,380,085</u>

LIABILITIES AND NET ASSETS

LIABILITIES				
Accounts payable and accrued expenses	\$ 949,699	\$ 76,450	\$ —	\$ 1,026,149
Due to affiliate	—	3,072,598	(3,072,598)	—
Total liabilities	<u>949,699</u>	<u>3,149,048</u>	<u>(3,072,598)</u>	<u>1,026,149</u>
NET ASSETS				
Unrestricted	12,293,801	778,192	—	13,071,993
Temporarily restricted	48,943	—	—	48,943
Permanently restricted	—	233,000	—	233,000
Total net assets	<u>12,342,744</u>	<u>1,011,192</u>	<u>—</u>	<u>13,353,936</u>
Total liabilities and net assets	<u>\$ 13,292,443</u>	<u>\$ 4,160,240</u>	<u>\$ (3,072,598)</u>	<u>\$ 14,380,085</u>

The Accompanying Notes are an Integral
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CROSS CATHOLIC OUTREACH, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 260,625,192	\$ —	\$ —	\$ 260,625,192
Cash contributions	16,048,604	14,205,034	—	30,253,638
Other revenue	388,277	—	—	388,277
Net assets released from time and use restrictions	<u>13,391,734</u>	<u>(13,391,734)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>290,453,807</u>	<u>813,300</u>	<u>—</u>	<u>291,267,107</u>
EXPENSES				
Program	277,267,634	—	—	277,267,634
Management and general	7,434,017	—	—	7,434,017
Fundraising	<u>5,610,247</u>	<u>—</u>	<u>—</u>	<u>5,610,247</u>
Total expenses	<u>290,311,898</u>	<u>—</u>	<u>—</u>	<u>290,311,898</u>
CHANGE IN NET ASSETS	141,909	813,300	—	955,209
NET ASSETS - Beginning of year	<u>12,293,801</u>	<u>48,943</u>	<u>—</u>	<u>12,342,744</u>
NET ASSETS - End of year	<u>\$ 12,435,710</u>	<u>\$ 862,243</u>	<u>\$ —</u>	<u>\$ 13,297,953</u>

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CROSS CATHOLIC OUTREACH, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 220,684,312	\$ —	\$ —	\$ 220,684,312
Cash contributions	14,837,374	11,979,722	—	26,817,096
Other revenue	147,975	—	—	147,975
Net assets released from time and use restrictions	<u>11,930,779</u>	<u>(11,930,779)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>247,600,440</u>	<u>48,943</u>	<u>—</u>	<u>247,649,383</u>
EXPENSES				
Program	234,205,986	—	—	234,205,986
Management and general	6,128,709	—	—	6,128,709
Fundraising	<u>5,516,550</u>	<u>—</u>	<u>—</u>	<u>5,516,550</u>
Total expenses	<u>245,851,245</u>	<u>—</u>	<u>—</u>	<u>245,851,245</u>
CHANGE IN NET ASSETS	1,749,195	48,943	—	1,798,138
NET ASSETS - Beginning of year	<u>10,544,606</u>	<u>—</u>	<u>—</u>	<u>10,544,606</u>
NET ASSETS - End of year	<u>\$ 12,293,801</u>	<u>\$ 48,943</u>	<u>\$ —</u>	<u>\$ 12,342,744</u>

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CROSS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 85,934,539	\$ —	\$ —	\$ 85,934,539
Cash contributions	1,578,867	5,317,730	—	6,896,597
Other revenue	133,158	—	—	133,158
Net assets released from time and use restrictions	<u>5,294,122</u>	<u>(5,294,122)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>92,940,686</u>	<u>23,608</u>	<u>—</u>	<u>92,964,294</u>
EXPENSES				
Program	89,439,680	—	—	89,439,680
Management and general	1,505,976	—	—	1,505,976
Fundraising	<u>2,072,380</u>	<u>—</u>	<u>—</u>	<u>2,072,380</u>
Total expenses	<u>93,018,036</u>	<u>—</u>	<u>—</u>	<u>93,018,036</u>
CHANGE IN NET ASSETS	(77,350)	23,608	—	(53,742)
NET ASSETS - Beginning of year	<u>778,192</u>	<u>—</u>	<u>233,000</u>	<u>1,011,192</u>
NET ASSETS - End of year	<u>\$ 700,842</u>	<u>\$ 23,608</u>	<u>\$ 233,000</u>	<u>\$ 957,450</u>

The Accompanying Notes are an Integral
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CROSS INTERNATIONAL, INC.
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 85,501,659	\$ —	\$ —	\$ 85,501,659
Cash contributions	1,209,621	5,019,867	—	6,229,488
Other revenue	148,915	—	—	148,915
Net assets released from time and use restrictions	<u>5,091,796</u>	<u>(5,091,796)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>91,951,991</u>	<u>(71,929)</u>	<u>—</u>	<u>91,880,062</u>
EXPENSES				
Program	88,727,028	—	—	88,727,028
Management and general	1,258,169	—	—	1,258,169
Fundraising	<u>1,997,681</u>	<u>—</u>	<u>—</u>	<u>1,997,681</u>
Total expenses	<u>91,982,878</u>	<u>—</u>	<u>—</u>	<u>91,982,878</u>
CHANGE IN NET ASSETS	(30,887)	(71,929)	—	(102,816)
NET ASSETS - Beginning of year	<u>809,079</u>	<u>71,929</u>	<u>233,000</u>	<u>1,114,008</u>
NET ASSETS - End of year	<u>\$ 778,192</u>	<u>\$ —</u>	<u>\$ 233,000</u>	<u>\$ 1,011,192</u>

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Part of These Combining and Combined Financial Statements

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
 COMBINED STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 346,559,731	\$ —	\$ —	\$ 346,559,731
Cash contributions	17,627,471	19,522,764	—	37,150,235
Other revenue	521,435	—	—	521,435
Net assets released from time and use restrictions	18,685,856	(18,685,856)	—	—
Total public support and revenue and net assets released from restrictions	383,394,493	836,908	—	384,231,401
EXPENSES				
Program	366,707,314	—	—	366,707,314
Management and general	8,939,993	—	—	8,939,993
Fundraising	7,682,627	—	—	7,682,627
Total expenses	383,329,934	—	—	383,329,934
CHANGE IN NET ASSETS	64,559	836,908	—	901,467
NET ASSETS - Beginning of year	13,071,993	48,943	233,000	13,353,936
NET ASSETS - End of year	\$ 13,136,552	\$ 885,851	\$ 233,000	\$ 14,255,403

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CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
 COMBINED STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE AND NET ASSETS RELEASED FROM RESTRICTIONS				
Noncash contributions	\$ 306,185,971	\$ —	\$ —	\$ 306,185,971
Cash contributions	16,046,995	16,999,589	—	33,046,584
Other revenue	296,890	—	—	296,890
Net assets released from time and use restrictions	<u>17,022,575</u>	<u>(17,022,575)</u>	<u>—</u>	<u>—</u>
Total public support and revenue and net assets released from restrictions	<u>339,552,431</u>	<u>(22,986)</u>	<u>—</u>	<u>339,529,445</u>
EXPENSES				
Program	322,933,014	—	—	322,933,014
Management and general	7,386,878	—	—	7,386,878
Fundraising	<u>7,514,231</u>	<u>—</u>	<u>—</u>	<u>7,514,231</u>
Total expenses	<u>337,834,123</u>	<u>—</u>	<u>—</u>	<u>337,834,123</u>
CHANGE IN NET ASSETS	1,718,308	(22,986)	—	1,695,322
NET ASSETS - Beginning of year	<u>11,353,685</u>	<u>71,929</u>	<u>233,000</u>	<u>11,658,614</u>
NET ASSETS - End of year	<u>\$ 13,071,993</u>	<u>\$ 48,943</u>	<u>\$ 233,000</u>	<u>\$ 13,353,936</u>

The Accompanying Notes are an Integral
 Part of These Combining and Combined Financial Statements

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
COMBINING AND COMBINED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2015

	Cross Catholic Outreach, Inc.	Cross International, Inc.	Combined Total
OPERATING CASH FLOWS			
Cash received from contributors	\$ 30,253,638	\$ 6,896,597	\$ 37,150,235
Cash received from other sources	388,277	133,158	521,435
Cash paid for operating activities and costs	(29,385,014)	(7,467,750)	(36,852,764)
Net operating cash flows	1,256,901	(437,995)	818,906
INVESTING CASH FLOWS			
Purchases of and improvements to property and equipment	(672,259)	(673)	(672,932)
Net investing cash flows	(672,259)	(673)	(672,932)
NET CHANGE IN CASH AND CASH EQUIVALENTS	584,642	(438,668)	145,974
CASH AND CASH EQUIVALENTS - Beginning of year	9,036,885	903,889	9,940,774
CASH AND CASH EQUIVALENTS - End of year	\$ 9,621,527	\$ 465,221	\$ 10,086,748
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS			
Change in net assets	\$ 955,209	\$ (53,742)	\$ 901,467
Adjustments to reconcile change in net assets to net operating cash flows			
Depreciation	143,152	18,773	161,925
Change in inventories	—	(54,407)	(54,407)
Change in due to/from affiliate	—	—	—
Change in other assets	178,823	(325,203)	(146,380)
Change in accounts payable and accrued expenses	(20,283)	(23,416)	(43,699)
Net operating cash flows	\$ 1,256,901	\$ (437,995)	\$ 818,906

The Accompanying Notes are an Integral
Part of These Combining and Combined Financial Statements

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
COMBINING AND COMBINED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2014

	Cross Catholic Outreach, Inc.	Cross International, Inc.	Combined Total
OPERATING CASH FLOWS			
Cash received from contributors	\$ 26,817,096	\$ 6,229,488	\$ 33,046,584
Cash received from other sources	147,975	148,915	296,890
Cash paid for operating activities and costs	<u>(24,893,697)</u>	<u>(7,033,319)</u>	<u>(31,927,016)</u>
Net operating cash flows	<u>2,071,374</u>	<u>(654,916)</u>	<u>1,416,458</u>
INVESTING CASH FLOWS			
Purchases of and improvements to property and equipment	<u>(355,344)</u>	<u>—</u>	<u>(355,344)</u>
Net investing cash flows	<u>(355,344)</u>	<u>—</u>	<u>(355,344)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,716,030	(654,916)	1,061,114
CASH AND CASH EQUIVALENTS - Beginning of year	<u>7,320,855</u>	<u>1,558,805</u>	<u>8,879,660</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 9,036,885</u>	<u>\$ 903,889</u>	<u>\$ 9,940,774</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET OPERATING CASH FLOWS			
Change in net assets	\$ 1,798,138	\$ (102,816)	\$ 1,695,322
Adjustments to reconcile change in net assets to net operating cash flows			
Depreciation	78,151	20,776	98,927
Change in inventories	—	(19,650)	(19,650)
Change in due to/from affiliate	350,000	(350,000)	—
Change in other assets	(318,576)	(215,827)	(534,403)
Change in accounts payable and accrued expenses	<u>163,661</u>	<u>12,601</u>	<u>176,262</u>
Net operating cash flows	<u>\$ 2,071,374</u>	<u>\$ (654,916)</u>	<u>\$ 1,416,458</u>

The Accompanying Notes are an Integral
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CROSS CATHOLIC OUTREACH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2015

	Program				Supporting			Total Expenses
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising	Total Supporting	
Salaries	\$ 673,932	\$ 635,385	\$ 2,104,754	\$ 3,414,071	\$ 3,201,873	\$ 1,417,524	\$ 4,619,397	\$ 8,033,468
Employee benefits	146,709	126,573	243,487	516,769	1,097,973	362,043	1,460,016	1,976,785
Payroll taxes	52,726	41,647	51,010	145,383	240,725	96,453	337,178	482,561
Total personnel-related expenses	873,367	803,605	2,399,251	4,076,223	4,540,571	1,876,020	6,416,591	10,492,814
Goods distributed	260,625,192	—	—	260,625,192	—	—	—	260,625,192
Grants	—	8,823,233	—	8,823,233	32,118	—	32,118	8,855,351
Printing	69,993	—	286,704	356,697	13,488	1,554,945	1,568,433	1,925,130
Shipping expenses	1,630,746	—	—	1,630,746	1,734	1,203	2,937	1,633,683
Other expenses	33,469	203,665	69,766	306,900	752,497	177,243	929,740	1,236,640
Travel	75,948	122,440	560,011	758,399	89,934	343,514	433,448	1,191,847
Postage	11,029	34	65,274	76,337	243,331	803,835	1,047,166	1,123,503
Occupancy	195,864	—	—	195,864	606,499	16,062	622,561	818,425
Data processing	—	—	—	—	466,481	264,260	730,741	730,741
Advertising and solicitation	20,714	—	9,519	30,233	1,451	396,938	398,389	428,622
Contractors and consultants	74,597	50,942	15,502	141,041	132,181	119,566	251,747	392,788
Professional services	6,231	—	1,750	7,981	315,813	8,164	323,977	331,958
Product acquisition fees	227,588	—	—	227,588	154	37,018	37,172	264,760
Merchant processing and bank fees	—	—	—	—	237,765	279	238,044	238,044
Airtime	—	—	11,200	11,200	—	11,200	11,200	22,400
Total	\$ 263,844,738	\$ 10,003,919	\$ 3,418,977	\$ 277,267,634	\$ 7,434,017	\$ 5,610,247	\$ 13,044,264	\$ 290,311,898

The Accompanying Notes are an Integral
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CROSS CATHOLIC OUTREACH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2014

	Program				Supporting			Total Expenses
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising	Total Supporting	
Salaries	\$ 448,240	\$ 593,185	\$ 2,077,680	\$ 3,119,105	\$ 2,545,896	\$ 1,253,814	\$ 3,799,710	\$ 6,918,815
Employee benefits	115,068	82,863	236,433	434,364	843,425	318,802	1,162,227	1,596,591
Payroll taxes	36,163	39,919	58,037	134,119	205,601	87,840	293,441	427,560
Total personnel-related expenses	599,471	715,967	2,372,150	3,687,588	3,594,922	1,660,456	5,255,378	8,942,966
Goods distributed	220,684,312	—	—	220,684,312	—	—	—	220,684,312
Grants	—	6,939,218	—	6,939,218	—	—	—	6,939,218
Printing	—	—	261,390	261,390	5,223	1,511,313	1,516,536	1,777,926
Postage	1,114	198	59,270	60,582	235,397	1,139,405	1,374,802	1,435,384
Shipping expenses	1,148,466	—	13,561	1,162,027	916	1,051	1,967	1,163,994
Other expenses	4,900	202,687	59,629	267,216	556,605	283,117	839,722	1,106,938
Travel	61,883	102,775	573,412	738,070	76,089	242,353	318,442	1,056,512
Occupancy	161,178	—	156	161,334	562,706	16,565	579,271	740,605
Data processing	—	—	—	—	506,058	180,902	686,960	686,960
Contractors and consultants	87,210	55,866	19,280	162,356	85,179	112,114	197,293	359,649
Advertising and solicitation	—	—	13,833	13,833	1,456	321,220	322,676	336,509
Professional services	—	—	—	—	294,939	12,254	307,193	307,193
Merchant processing and bank fees	—	—	—	—	209,219	—	209,219	209,219
Product acquisition fees	56,860	—	—	56,860	—	24,600	24,600	81,460
Airtime	—	—	11,200	11,200	—	11,200	11,200	22,400
Total	<u>\$ 222,805,394</u>	<u>\$ 8,016,711</u>	<u>\$ 3,383,881</u>	<u>\$ 234,205,986</u>	<u>\$ 6,128,709</u>	<u>\$ 5,516,550</u>	<u>\$ 11,645,259</u>	<u>\$ 245,851,245</u>

The Accompanying Notes are an Integral
Part of These Combining and Combined Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2015

	Program				Supporting			Total Expenses
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising	Total Supporting	
Salaries	\$ 101,629	\$ 148,382	\$ 171,776	\$ 421,787	\$ 552,004	\$ 389,169	\$ 941,173	\$ 1,362,960
Employee benefits	28,112	51,882	27,859	107,853	181,484	74,824	256,308	364,161
Payroll taxes	8,034	10,966	13,790	32,790	40,524	31,404	71,928	104,718
Total personnel-related expenses	137,775	211,230	213,425	562,430	774,012	495,397	1,269,409	1,831,839
Goods distributed	85,880,132	—	—	85,880,132	—	—	—	85,880,132
Grants	—	1,701,614	—	1,701,614	541	—	541	1,702,155
Airtime	—	—	758,837	758,837	—	750,337	750,337	1,509,174
Shipping expenses	416,959	—	—	416,959	—	—	—	416,959
Printing	—	—	4,878	4,878	2,820	342,042	344,862	349,740
Postage	3,195	4	16	3,215	61,382	195,593	256,975	260,190
Other expenses	1,420	2,065	195	3,680	156,035	50,363	206,398	210,078
Data processing	—	—	—	—	169,611	20,499	190,110	190,110
Travel	5,693	156	46,194	52,043	18,715	100,950	119,665	171,708
Merchant processing and bank fees	—	—	—	—	170,553	—	170,553	170,553
Occupancy	11,744	—	—	11,744	97,973	—	97,973	109,717
Advertising and solicitation	—	—	—	—	85	77,000	77,085	77,085
Contractors and consultants	10,466	12,432	—	22,898	21,863	27,698	49,561	72,459
Product acquisition fees	21,250	—	—	21,250	—	12,481	12,481	33,731
Professional services	—	—	—	—	32,386	20	32,406	32,406
Total	\$ 86,488,634	\$ 1,927,501	\$ 1,023,545	\$ 89,439,680	\$ 1,505,976	\$ 2,072,380	\$ 3,578,356	\$ 93,018,036

The Accompanying Notes are an Integral
Part of These Combining and Combined Financial Statements

CROSS INTERNATIONAL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2014

	Program				Supporting			Total Expenses
	Medical, Food, and Other Assistance	Project Development	Missions Education	Total Program	Management and General	Fundraising	Total Supporting	
Salaries	\$ 88,673	\$ 139,215	\$ 179,968	\$ 407,856	\$ 475,253	\$ 335,766	\$ 811,019	\$ 1,218,875
Employee benefits	23,523	41,317	19,344	84,184	154,862	61,704	216,566	300,750
Payroll taxes	7,227	10,722	14,419	32,368	37,441	27,198	64,639	97,007
Total personnel-related expenses	119,423	191,254	213,731	524,408	667,556	424,668	1,092,224	1,616,632
Goods distributed	85,482,009	—	—	85,482,009	—	—	—	85,482,009
Airtime	—	—	778,934	778,934	—	811,288	811,288	1,590,222
Grants	—	1,410,371	—	1,410,371	—	—	—	1,410,371
Shipping expenses	400,773	—	—	400,773	5	—	5	400,778
Printing	—	—	8,394	8,394	1,753	265,920	267,673	276,067
Postage	234	25	1,081	1,340	47,688	200,984	248,672	250,012
Other expenses	1,995	2,138	90	4,223	147,178	46,949	194,127	198,350
Data processing	—	—	—	—	151,572	37,418	188,990	188,990
Travel	7,743	116	60,033	67,892	18,034	93,227	111,261	179,153
Occupancy	10,011	—	—	10,011	91,220	—	91,220	101,231
Merchant processing and bank fees	—	—	—	—	87,542	—	87,542	87,542
Contractors and consultants	9,461	23,572	—	33,033	18,666	26,788	45,454	78,487
Advertising and solicitation	—	—	—	—	83	78,284	78,367	78,367
Professional services	—	—	36	36	26,872	2,983	29,855	29,891
Product acquisition fees	5,604	—	—	5,604	—	9,172	9,172	14,776
Total	<u>\$ 86,037,253</u>	<u>\$ 1,627,476</u>	<u>\$ 1,062,299</u>	<u>\$ 88,727,028</u>	<u>\$ 1,258,169</u>	<u>\$ 1,997,681</u>	<u>\$ 3,255,850</u>	<u>\$ 91,982,878</u>

The Accompanying Notes are an Integral
Part of These Combining and Combined Financial Statements

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES

Cross Catholic Outreach, Inc. (“CCO”) and Cross International, Inc. (“CI”) form The Cross International Alliance (“the Alliance”) and were established in 2001 as Florida not-for-profit corporations for the purpose of helping Christian churches worldwide better serve the poor. Protestant and Catholic 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. CI and CCO were 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. CI and CCO also assist with operating expenses, including providing funding for teachers to schools and local crews for building construction. In this way, CI and CCO make effective use of existing infrastructure by better utilizing the buildings and staff already in place overseas.

The accompanying combining and combined financial statements include the accounts of CI and CCO, which operate under common management.

CI 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. CCO is a member of both the International Catholic Stewardship Council and the National Catholic Development Conference. The mission of the International Catholic Stewardship Council is to foster an environment in which stewardship is understood, accepted, and practiced throughout the Catholic church. The National Catholic Development Conference is an association of charitable religious fundraisers and works for and with its member organizations in the context of fundraising as a ministry.

Collectively, CI and CCO will be referred to as “the Ministries” in the notes that follow.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted and unrestricted revenue and support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the individual and combined 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 Ministries consider investment instruments purchased or donated with original maturities of three months or less to be cash and cash equivalents.

Inventories

Inventories consist of humanitarian relief goods which were not yet distributed to beneficiaries as of December 31, 2015 and 2014. Inventories are recorded at estimated fair value on the date of the gift.

Investments restricted to endowment

Investments restricted to endowment held by CI consist of amounts invested in a mutual fund, carried at estimated fair value, distributions from which are required to be used for food and medicinal aid.

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Temporarily restricted net assets

Temporarily restricted net assets consist primarily of amounts held by the Ministries for use toward specific projects. The Ministries satisfy certain use restrictions by distributing donated gifts in-kind. However, the Ministries strive to use at least 50% of restricted cash gifts in carrying out the related project.

Income taxes

The Ministries are exempt from federal income tax as organizations described in Section 501(c)(3) of the Internal Revenue Code and from state income tax pursuant to Florida law. The Ministries are further classified as public charities and not private foundations for federal tax purposes. The Ministries have not incurred unrelated business income taxes. As a result, no income tax provision or liability has been provided for in the accompanying combining and combined financial statements. The Ministries have not taken any material uncertain tax positions for which the associated tax benefits may not be recognized under accounting principles generally accepted in the United States of America.

Use of estimates

Management uses estimates and assumptions in preparing the combining and combined 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 combining and combined financial statements include those used in determining the useful lives of property and equipment and the estimated fair value of noncash contributions. Actual results could differ from the estimates.

Subsequent events

The Ministries have evaluated for possible financial reporting and disclosure subsequent events through August 12, 2016, the date as of which the combining and combined financial statements were available to be issued.

NOTE C – CONCENTRATIONS

The Ministries maintain their 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 Ministries have not experienced any losses in such accounts, and believe they are not exposed to any significant credit risk related to cash and cash equivalents.

During 2015 and 2014, approximately 95% and 97% of noncash contribution revenue for CCO and CI was sourced from each organization's three largest donors, respectively.

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE D – DUE FROM AND DUE TO AFFILIATE

As of December 31, 2015 and 2014, CCO’s financial statements included an asset (“due from affiliate”) and CI’s financial statements included a liability (“due to affiliate”) of \$3,072,598, for amounts owed by CI to CCO due to prior year deficits incurred by CI which were funded by CCO. CI plans to repay CCO as positive cash flows permit.

NOTE E – PROPERTY AND EQUIPMENT

As of December 31, 2015, property and equipment consisted of the following:

<u>Category</u>	<u>CCO</u>	<u>CI</u>
Leasehold improvements	\$ 138,817	\$ 84,278
Furniture and equipment	<u>1,721,830</u>	<u>231,310</u>
Total property and equipment	1,860,647	315,588
Less: Accumulated depreciation	<u>(627,153)</u>	<u>(258,629)</u>
Net property and equipment	<u>\$ 1,233,494</u>	<u>\$ 56,959</u>

As of December 31, 2014, property and equipment consisted of the following:

<u>Category</u>	<u>CCO</u>	<u>CI</u>
Leasehold improvements	\$ 95,770	\$ 83,605
Furniture and equipment	<u>1,092,618</u>	<u>231,310</u>
Total property and equipment	1,188,388	314,915
Less: Accumulated depreciation	<u>(484,001)</u>	<u>(239,856)</u>
Net property and equipment	<u>\$ 704,387</u>	<u>\$ 75,059</u>

During the years ended December 31, 2015 and 2014, depreciation expense was \$143,152 and \$78,151 for CCO and \$18,773 and \$20,776 for CI, respectively.

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE F – RESTRICTIONS ON NET ASSETS

Temporarily restricted net asset activity during 2015 for CCO was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Disaster, educational, and other aid	\$ —	\$ 6,279,106	\$ (5,900,756)	\$ 378,350
Food, water, and medicinal aid	48,943	2,553,748	(2,242,648)	360,043
Housing-related aid	—	4,685,260	(4,605,410)	79,850
Aid to orphans and vulnerable children	—	686,920	(642,920)	44,000
Total	<u>\$ 48,943</u>	<u>\$ 14,205,034</u>	<u>\$ (13,391,734)</u>	<u>\$ 862,243</u>

Temporarily restricted net asset activity during 2014 for CCO was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Food, water, and medicinal aid	\$ —	\$ 3,997,254	\$ (3,948,311)	\$ 48,943
Aid to orphans and vulnerable children	—	773,267	(773,267)	—
Disaster, educational, and other aid	—	5,323,065	(5,323,065)	—
Housing-related aid	—	1,886,136	(1,886,136)	—
Total	<u>\$ —</u>	<u>\$ 11,979,722</u>	<u>\$ (11,930,779)</u>	<u>\$ 48,943</u>

Temporarily restricted net asset activity during 2015 for CI was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Aid to orphans and vulnerable children	\$ —	\$ 1,662,756	\$ (1,650,106)	\$ 12,650
Disaster, educational, and other aid	—	2,451,533	(2,440,575)	10,958
Food, water, and medicinal aid	—	805,418	(805,418)	—
Housing-related aid	—	398,023	(398,023)	—
Total	<u>\$ —</u>	<u>\$ 5,317,730</u>	<u>\$ (5,294,122)</u>	<u>\$ 23,608</u>

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE F – RESTRICTIONS ON NET ASSETS (Continued)

Temporarily restricted net asset activity during 2014 for CI was as follows:

	<u>Balance</u> <u>January 1</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance</u> <u>December 31</u>
Disaster, educational, and other aid	\$ 26,690	\$ 2,699,377	\$ (2,726,067)	\$ —
Food, water, and medicinal aid	26,573	492,939	(519,512)	—
Housing-related aid	13,367	112,175	(125,542)	—
Aid to orphans and vulnerable children	<u>5,299</u>	<u>1,715,376</u>	<u>(1,720,675)</u>	<u>—</u>
Total	<u>\$ 71,929</u>	<u>\$ 5,019,867</u>	<u>\$ (5,091,796)</u>	<u>\$ —</u>

Permanently restricted net assets consist of an endowment held by CI, distributions from which are restricted for food and medicinal aid.

NOTE G – NONCASH CONTRIBUTIONS

The Ministries receive donations of food, water, medicine, and other supplies for use in relieving suffering and poverty throughout the world. Noncash contributions are recognized as revenue at their estimated fair value on the date the gifts are received and are recognized as expenses when the related gifts are distributed to the end user or the date upon which the Ministries no longer exercise practical control over the gifts. Pharmaceutical noncash contributions are generally valued using “wholesale acquisition cost” when available or 80% of the “average wholesale price” according to the Red Book, a well-known industry pricing guide. Non-pharmaceutical noncash contributions, such as clothing, building supplies, food, and water, are generally valued at 65% of the retail price for new items and 25% of the retail price for used items. The Ministries consider the valuation practices used for noncash contributions to be consistent with industry standards.

NOTE H – RETIREMENT PLAN

CI has adopted a 401(k) Profit Sharing Plan (“the Plan”) for the benefit of the Ministries’ employees. All employees meeting the Plan’s eligibility requirements may participate in the Plan. The Ministries contributed approximately \$122,000 and \$108,000 to the Plan during 2015 and 2014.

NOTE I – FUNDRAISING ACTIVITIES

During 2015, CI incurred joint costs in the amount of \$1,509,174 for informational activities which included fundraising appeals in connection with CI’s exempt purposes. Of those costs, \$750,337 was allocated to fundraising expense and \$758,837 was allocated to missions education expense.

During 2014, CI incurred joint costs in the amount of \$1,590,222 for informational activities which included fundraising appeals in connection with CI’s exempt purposes. Of those costs, \$811,288 was allocated to fundraising expense and \$778,934 was allocated to missions education expense.

CROSS CATHOLIC OUTREACH, INC.
CROSS INTERNATIONAL, INC.
NOTES TO COMBINING AND COMBINED FINANCIAL STATEMENTS

NOTE I – OPERATING LEASES

The Ministries lease building space and equipment under operating lease agreements. Total rent expense for all operating leases for 2015 and 2014 (including common area charges and short-term rentals) amounted to approximately \$727,000 and \$613,000 for CCO and \$124,000 and \$103,000 for CI, respectively.

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

<u>Year Ending</u> <u>December 31,</u>	
2016	\$ 613,000
2017	586,000
2018	<u>24,000</u>
Total	<u>\$ 1,223,000</u>