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**THE CROSSING**  
*FINANCIAL STATEMENTS*  
*AUGUST 31, 2023*

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

## Independent Accountants' Review Report

Board of Directors  
The Crossing  
Chesterfield, Missouri

We have reviewed the accompanying financial statements of The Crossing (the Church), a not-for-profit organization, which comprise the statement of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Church's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### *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.

### *Accountants' Responsibility*

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Board of Directors  
The Crossing

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***Emphasis Of Matter***

As discussed in Note 1 to the financial statements, as of September 1, 2022, The Crossing adopted Accounting Standards Codification Topic 842, *Leases*. Our conclusion is not modified with respect to this matter.

***Accountants' Conclusion***

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*RubinBrown LLP*

January 5, 2024

**THE CROSSING**  
**STATEMENT OF FINANCIAL POSITION**

**Assets**

	August 31,	
	2023	2022
<b>Current Assets</b>		
Cash and cash equivalents (Note 1)	\$ 4,842,114	\$ 6,159,125
Prepaid expenses	30,998	31,531
Inventory	27,985	32,620
Cash equivalents restricted for donor designations (Note 1)	3,670,197	4,382,150
<b>Total Current Assets</b>	<b>8,571,294</b>	<b>10,605,426</b>
<b>Finance Lease Right-Of-Use Assets, Net (Note 6)</b>	<b>275,393</b>	<b>—</b>
<b>Other Assets</b>	<b>516,162</b>	<b>241,436</b>
<b>Land, Buildings And Equipment, Net (Note 3)</b>	<b>33,663,860</b>	<b>34,008,214</b>
	<b>\$ 43,026,709</b>	<b>\$ 44,855,076</b>

**Liabilities And Net Assets**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 229,216	\$ 198,759
Deferred revenue	6,510	4,984
Current portion of long-term debt (Note 5)	1,004,009	964,941
Current portion of finance lease liabilities (Note 6)	42,876	—
<b>Total Current Liabilities</b>	<b>1,282,611</b>	<b>1,168,684</b>
<b>Long-Term Liabilities</b>		
Long-term debt		
Principal amount (Note 5)	5,529,907	6,548,876
Less: Unamortized debt issuance costs (Note 1)	6,936	9,313
Long-term debt less unamortized debt issuance costs	5,522,971	6,539,563
Finance lease liabilities (Note 6)	236,285	—
<b>Total Long-Term Liabilities</b>	<b>5,759,256</b>	<b>6,539,563</b>
<b>Net Assets</b>		
Without Donor Restrictions:		
Investment in land, buildings and equipment	27,090,515	26,422,244
Operations	5,224,130	6,342,435
<b>Total Without Donor Restrictions</b>	<b>32,314,645</b>	<b>32,764,679</b>
With Donor Restrictions (Note 4)	3,670,197	4,382,150
<b>Total Net Assets</b>	<b>35,984,842</b>	<b>37,146,829</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 43,026,709</b>	<b>\$ 44,855,076</b>

## THE CROSSING

### STATEMENT OF ACTIVITIES

For The Years Ended August 31, 2023 And 2022

	2023		2022	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>Support And Revenue</b>				
Contributions	\$ 14,678,720	\$ 1,021,812	\$ 15,700,532	\$ 1,291,004
Program fees	225,077	—	225,077	—
Bookstores sales (net of cost of sales of \$37,463 and \$139,943 for 2023 and 2022, respectively)	16,151	—	16,151	—
Investment income	53,275	—	53,275	—
Net assets released from restrictions (Note 4)	1,733,765	(1,733,765)	—	(580,684)
<b>Total Support And Revenue</b>	<b>16,706,988</b>	<b>(711,953)</b>	<b>15,995,035</b>	<b>710,320</b>
<b>Expenses</b>				
Program Services:				
Ministry	9,677,397	—	9,677,397	—
Community Inreach & Outreach	2,692,658	—	2,692,658	—
Total Program Services	12,370,055	—	12,370,055	—
Supporting Services:				
Management and general	4,857,860	—	4,857,860	—
Fundraising and development	73,459	—	73,459	—
Total Supporting Services	4,931,319	—	4,931,319	—
<b>Total Expenses</b>	<b>17,301,374</b>	<b>—</b>	<b>17,301,374</b>	<b>—</b>
<b>Excess (Deficit) Of Support And Revenue Over Expenses Before Nonoperating Activity</b>	<b>(594,386)</b>	<b>(711,953)</b>	<b>(1,306,339)</b>	<b>710,320</b>
Nonoperating Income				
Other income	144,352	—	144,352	—
<b>Increase (Decrease) In Net Assets</b>	<b>(450,034)</b>	<b>(711,953)</b>	<b>(1,161,987)</b>	<b>710,320</b>
<b>Net Assets - Beginning Of Year</b>	<b>32,764,679</b>	<b>4,382,150</b>	<b>37,146,829</b>	<b>3,671,830</b>
<b>Net Assets - End Of Year</b>	<b>\$ 32,314,645</b>	<b>\$ 3,670,197</b>	<b>\$ 35,984,842</b>	<b>\$ 4,382,150</b>

See the independent accountants' review report and notes to financial statements.

# THE CROSSING

## STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended August 31, 2023

	Program Services			Supporting Services			Total
	Ministry	Community Inreach & Outreach	Total Program Services	Management And General Development	Fundraising And Development	Supporting Services	
<b>Salaries And Benefits</b>	\$ 3,802,757	\$ 267,637	\$ 4,070,394	\$ 3,410,773	\$ 73,459	\$ 3,484,232	\$ 7,554,626
<b>Other Expenses</b>							
Communications	10,403	—	10,403	15,262	—	15,262	25,665
Conferences and conventions	80,203	25,496	105,699	4,744	—	4,744	110,443
Drives and events	34,985	349,597	384,582	2,160	—	2,160	386,742
Equipment rentals	214,905	—	214,905	—	—	—	214,905
Grants, benevolence and donations	—	2,042,411	2,042,411	397,672	—	397,672	2,440,083
Insurance	—	—	—	104,325	—	104,325	104,325
Interest	260,419	—	260,419	27,549	—	27,549	287,968
Occupancy	1,155,065	—	1,155,065	102,178	—	102,178	1,257,243
Office administration	26,068	127	26,195	113,304	—	113,304	139,499
Other expenses	2,123	374	2,497	28,228	—	28,228	30,725
Outsourced services	396,191	1,359	397,550	76,531	—	76,531	474,081
Processing fees	249	—	249	201,137	—	201,137	201,386
Professional fees	5,999	—	5,999	76,401	—	76,401	82,400
Rent	—	—	—	18,800	—	18,800	18,800
Services/events/classes	1,279,292	811	1,280,103	7,765	—	7,765	1,287,868
Subscriptions and memberships	65,149	4,106	69,255	130,113	—	130,113	199,368
Supplies and repairs	77,300	—	77,300	100,073	—	100,073	177,373
Training and development	117,877	740	118,617	40,845	—	40,845	159,462
<b>Total Other Expenses</b>	<b>3,726,228</b>	<b>2,425,021</b>	<b>6,151,249</b>	<b>1,447,087</b>	<b>—</b>	<b>1,447,087</b>	<b>7,598,336</b>
<b>Depreciation And Amortization</b>	<b>2,148,412</b>	<b>—</b>	<b>2,148,412</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,148,412</b>
	<b>\$ 9,677,397</b>	<b>\$ 2,692,658</b>	<b>\$ 12,370,055</b>	<b>\$ 4,857,860</b>	<b>\$ 73,459</b>	<b>\$ 4,931,319</b>	<b>\$ 17,301,374</b>

See the independent accountants' review report and notes to financial statements.

## THE CROSSING

### STATEMENT OF FUNCTIONAL EXPENSES For The Year Ended August 31, 2022

	Program Services			Supporting Services			Total
	Ministry	Community Inreach & Outreach	Total Program Services	Management And General	Fundraising And Development	Supporting Services	
<b>Salaries And Benefits</b>	\$ 3,527,885	\$ 248,291	\$ 3,776,176	\$ 3,432,380	\$ 65,740	\$ 3,498,120	\$ 7,274,296
<b>Other Expenses</b>							
Communications	7,398	—	7,398	2,783	—	2,783	10,181
Conferences and conventions	27,602	31,003	58,605	2,423	—	2,423	61,028
Drives and events	8,392	357,711	366,103	—	—	—	366,103
Equipment rentals	151,323	—	151,323	—	—	—	151,323
Grants, benevolence and donations	—	1,192,693	1,192,693	—	—	—	1,192,693
Insurance	—	—	—	108,597	—	108,597	108,597
Interest	299,661	—	299,661	23,701	—	23,701	323,362
Occupancy	1,009,117	—	1,009,117	89,508	—	89,508	1,098,625
Office administration	21,329	261	21,590	151,251	—	151,251	172,841
Other expenses	2,797	1,215	4,012	2,238	—	2,238	6,250
Outsourced services	296,035	—	296,035	213,744	—	213,744	509,779
Processing fees	2,261	—	2,261	187,675	—	187,675	189,936
Professional fees	5,526	—	5,526	71,028	—	71,028	76,554
Rent	—	—	—	17,896	—	17,896	17,896
Services/events/classes	1,135,022	2,024	1,137,046	6,162	—	6,162	1,143,208
Subscriptions and memberships	51,217	5,829	57,046	126,126	—	126,126	183,172
Supplies and repairs	62,167	—	62,167	89,458	—	89,458	151,625
Training and development	114,081	1,220	115,301	40,207	—	40,207	155,508
<b>Total Other Expenses</b>	<b>3,193,928</b>	<b>1,591,956</b>	<b>4,785,884</b>	<b>1,132,797</b>	<b>—</b>	<b>1,132,797</b>	<b>5,918,681</b>
<b>Depreciation And Amortization</b>	<b>2,054,841</b>	<b>—</b>	<b>2,054,841</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,054,841</b>
	<b>\$ 8,776,654</b>	<b>\$ 1,840,247</b>	<b>\$ 10,616,901</b>	<b>\$ 4,565,177</b>	<b>\$ 65,740</b>	<b>\$ 4,630,917</b>	<b>\$ 15,247,818</b>

See the independent accountants' review report and notes to financial statements.



**THE CROSSING**  
**STATEMENT OF CASH FLOWS**

	For The Years Ended August 31,	
	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,161,987)	\$ 1,068,136
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	2,148,412	2,054,841
Amortization of debt issuance costs reported as interest expense	2,377	2,378
Gain on sale of equipment	(47,850)	(16,953)
Amounts received to be used for capital projects	(758,272)	(961,661)
Changes in assets and liabilities:		
Prepaid expenses	533	6,135
Inventory	4,635	78,895
Other assets	(274,726)	79,072
Accounts payable and accrued expenses	65,558	63,093
Deferred revenue	1,526	1,103
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>(19,794)</b>	<b>2,375,039</b>
<b>Cash Flows From Investing Activities</b>		
Purchases of land, buildings and equipment	(1,807,062)	(631,197)
Proceeds from sale of property	47,850	98,790
<b>Net Cash Used In Investing Activities</b>	<b>(1,759,212)</b>	<b>(532,407)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings under notes payable	—	2,097,187
Principal payments on long-term debt	(979,901)	(3,015,986)
Contributions received for capital projects	758,272	961,661
Payments on finance lease liabilities	(28,329)	—
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b>(249,958)</b>	<b>42,862</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(2,028,964)</b>	<b>1,885,494</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>10,541,275</b>	<b>8,655,781</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 8,512,311</b>	<b>\$ 10,541,275</b>
<b>Supplemental Disclosure Of Cash Flow Information</b>		
Interest paid	\$ 285,591	\$ 320,984
Noncash transactions:		
Fixed assets in accounts payable	46,365	81,466
<b>Cash And Cash Equivalents - End Of Year Consist Of</b>		
Cash and cash equivalents	\$ 4,842,114	\$ 6,159,125
Cash equivalents restricted for capital projects	3,670,197	4,382,150
	<b>\$ 8,512,311</b>	<b>\$ 10,541,275</b>

# THE CROSSING

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## NOTES TO FINANCIAL STATEMENTS

August 31, 2023 And 2022

### 1. Summary Of Significant Accounting Policies

#### Accounting Basis

The Crossing (the Church)'s financial statements have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### Basis Of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board for not-for-profit organizations by presenting assets and liabilities within similar groups and classifying them in a way that provides relevant information about the interrelationships, liquidity, and financial flexibility. As a result, the Church is required to report information regarding its financial position and activities according to the following classes of net assets:

*Net assets without donor restrictions* - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Church. These net assets may be used at the discretion of management and the Board of Directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors and grantors. Donor restrictions will be met by actions of the Church or by the passage of time.

#### Estimates And Assumptions

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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

#### Nonoperating Activity

Nonoperating income and nonoperating expenses include other income and expenses that are not typically recurring items.

## THE CROSSING

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### Notes To Financial Statements (Continued)

#### Cash And Cash Equivalents

Cash and cash equivalents and cash equivalents restricted for capital projects include all monies in banks and highly liquid investments with maturity dates of less than three months. From time to time, these accounts may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. Funds held in excess of the FDIC limit at August 31, 2023 totaled approximately \$4,819,000. Total cash held represents the amount of cash physically deposited in the banks at August 31, 2023 without regard to deposits in transit or outstanding checks. The Church has not experienced any losses on these accounts and does not feel it is subject to significant credit risk related to these accounts.

#### Cash Equivalents Restricted For Donor Designations

Contributions received that are restricted by donors have been segregated from cash and cash equivalents and shown in this category.

#### Inventories

Inventories represent primarily items held for resale by the bookstore and café. Inventory is stated at the lower of cost or net realizable value, with cost determined on the first-in, first-out method (FIFO).

#### Land, Buildings And Equipment

Land, buildings and equipment in excess of \$5,000 are capitalized at cost, or if donated, at the fair market value on the date of the gift. Buildings and improvements, equipment and furniture and fixtures are depreciated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years. Leasehold improvements are amortized over 15 years.

#### Debt Issuance Costs

During 2019, the Church incurred costs of \$16,645 in connection with obtaining a loan, which are classified as a direct deduction from the carrying amount of the related long-term debt. The costs incurred in 2019 will be amortized on a straight-line basis over the related loan period. Amortization expense of debt issuance costs included in interest expense amounted to \$2,377 and \$2,378 for the years ended August 31, 2023 and 2022, respectively.

	2023	2022
Debt issuance costs	\$ 16,645	\$ 16,645
Less: Accumulated amortization	9,709	7,332
	<u>\$ 6,936</u>	<u>\$ 9,313</u>

## THE CROSSING

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### Notes To Financial Statements (*Continued*)

#### Leases

On September 1, 2022, the Church utilized the modified retrospective approach to adopt the provisions of Accounting Standards Codification (ASC) Topic 842, *Leases*, which includes a number of optional practical expedients that entities may elect to apply. The Church has elected certain practical expedients, including the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification and initial direct costs. The initial adoption of ASC 842 did not result in a cumulative adjustment to net assets. Results for 2023 are presented under ASC 842, while the prior period financial statements have not been adjusted and continue to be presented under ASC 840, the accounting standard in effect at that time.

The Church maintains leases of office equipment and parking lot space. Lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The ROU assets represent the lease liability, plus any lease payments made at or before the commencement date, less any lease incentives received. The Church's leases generally have terms of five years. The Church does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. When determining if a renewal option is reasonably certain of being exercised, the factors considered, include but are not limited to, the cost of moving to another location, the cost of disruption of operations, the purpose or location of the leased asset and the terms associated with extending the lease.

As most leases do not provide an implicit discount rate, the Church has made an election available to private companies that allows the use of the risk-free rate at the lease commencement date to determine the present value of the lease payments.

The Church does not separate non-lease components of a contract from the lease components to which they relate for all classes of lease assets.

**Support With And Without Donor Restrictions**

Disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue streams that are not within the scope of *Revenue from Contracts with Customers (Topic 606)* are as follows:

Contributions, including unconditional promises to give, are classified as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

If the Church receives contributions, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, amounts received would be recognized as contribution revenue when the Church has met the performance requirements and/or incurred expenditures in compliance with specific contract or grant provisions. Any amounts received prior to meeting these conditions would be reported as refundable advances in the statement of financial position. The Church did not have any conditional contributions as of August 31, 2023 or 2022.

**Deferred Revenue**

Payments received in the current year for an event to be held in the following year are recorded as deferred revenue in the current year and are recognized as revenue in the following year.

**Contributed Services**

The Church receives a substantial amount of services donated by its members in carrying out the Church's ministry. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

**Advertising Costs**

During 2023 and 2022, the Church's advertising costs were expensed as incurred and totaled \$3,541 and \$968, respectively.

**THE CROSSING**

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Notes To Financial Statements (*Continued*)

**Description Of Program Services And Supporting Activities**

The following program services and supporting activities are included in the accompanying financial statements:

**Program Services**

Includes adult and youth ministry; membership and community inreach and outreach; communication and music/worship expenses of the Church; and overall building operations.

**Management And General Activities**

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Church's program strategy; secure proper administrative functioning of the Board; and manage the financial and budgetary responsibility of the Church.

**Fundraising And Development**

Provides the structure necessary to encourage and secure financial support from individuals, organizations, corporations, and public agencies.

**Functional Expense Allocation**

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Church are reported as specific to that functional area. Expenses that benefit multiple functional or program areas have been allocated across programs and other supporting services based on time studies and square footage. The expenses that are allocated include the following:

<u>Natural Category</u>	<u>Method</u>
Salaries and benefits	Time study
Interest	Direct and square footage
Occupancy	Direct and square footage
Rent	Square footage
Supplies & repairs	Direct and square footage
Depreciation	Square footage

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### Notes To Financial Statements (Continued)

#### Tax Status

The United States Treasury Department has advised that the Church constitutes a qualified not-for-profit organization and is, therefore, exempt from federal income taxes on related, exempt income under Section 501(c)(3) of the Internal Revenue Code.

#### Subsequent Events

Management has evaluated subsequent events through the date of the accompanying review report, which is the date the financial statements were available for issue.

### 2. Nature Of Organization

The Church was organized on September 7, 1990. The Church is a not-for-profit organization with locations in Chesterfield, Fenton, Mehlville and O'Fallon, Missouri, and is dedicated to spreading the Gospel through establishing, developing and promoting all aspects of church ministry within the St. Louis metropolitan area. The Church is supported primarily through contributions from the church attendees. Weekly attendance approximates 5,800 across all locations.

### 3. Land, Buildings And Equipment

Land, buildings and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 4,029,281	\$ 4,029,281
Buildings and improvements	45,789,892	45,355,904
Office equipment, furniture and fixtures	5,130,190	3,955,043
	<u>54,949,363</u>	<u>53,340,228</u>
Less: Accumulated depreciation and amortization	21,285,503	19,332,014
	<u>\$ 33,663,860</u>	<u>\$ 34,008,214</u>

Depreciation and amortization charged to expense amounted to \$2,148,412 and \$2,054,841 in 2023 and 2022, respectively.

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### Notes To Financial Statements (Continued)

The Church reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. If the property and equipment are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value of such property and equipment. There was no impairment loss recognized for the years ended August 31, 2023 or 2022.

#### 4. Net Assets With Donor Restrictions

At August 31, 2023 and 2022, net assets with donor restrictions consist of:

	<u>2023</u>	<u>2022</u>
Big Picture Campaign	\$ 3,666,194	\$ 4,359,336
Outreach	3,755	22,330
Bibles	248	484
	<u>\$ 3,670,197</u>	<u>\$ 4,382,150</u>

During fiscal years 2023 and 2022, net assets were released from restrictions as follows:

	<u>2023</u>	<u>2022</u>
Big Picture Campaign	\$ 1,133,198	\$ —
Outreach	543,681	580,684
Bibles	236	—
Red Tail Cadets	56,650	—
	<u>\$ 1,733,765</u>	<u>\$ 580,684</u>



## THE CROSSING

### Notes To Financial Statements (Continued)

#### 5. Long-Term Debt

Long-term debt consists of the following:

	<u>2023</u>	<u>2022</u>
Mortgage payable with monthly principal and interest payments of \$73,259. Unpaid principal and interest is due in February 2027. The mortgage is secured by real property in Chesterfield, Missouri.	\$ 2,406,095	\$ 3,168,980
Mortgage payable with monthly principal and interest payments of \$15,219. Unpaid principal and interest is due on July 31, 2026. The loan is secured by real property in Chesterfield and Fenton, Missouri.	2,176,288	2,283,307
Mortgage payable with monthly principal and interest payments of \$14,972. Unpaid principal and interest is due April 22, 2027. The loan is secured by real property in St. Charles County, Missouri.	1,951,533	2,061,530
	<u>6,533,916</u>	<u>7,513,817</u>
Less: Current portion of long-term debt	<u>1,004,009</u>	<u>964,941</u>
	<u>\$ 5,529,907</u>	<u>\$ 6,548,876</u>

Long-term debt matures as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 1,004,009
2025	1,045,040
2026	2,886,096
2027	1,598,771
	<u>\$ 6,533,916</u>

Interest expense totaled \$277,849 and \$320,984 and for the years ended August 31, 2023 and 2022, respectively.

Long-term debt agreements contain certain administrative covenants. The Church was in compliance with all covenants as of the date of this report. In September 2023, the Church repaid the mortgage payable of \$2,406,095 to the bank.

## THE CROSSING

### Notes To Financial Statements (Continued)

#### 6. Leases

The Church has a financing lease for parking lot space in Fenton, Missouri that expires in May 2027. The lease includes an option to renew for three additional five year terms or terminate the lease that can be exercised at the Church's discretion. The Church believes it is reasonably certain to exercise the options and the entire option period is included in the lease term. The Church also has two finance leases for copiers that expire in February 2026 and January 2028.

The components of lease expense for the year ended August 31, 2023 are as follows:

Finance Lease Costs	Classification	
Amortization of ROU assets:	Office administration	\$ 24,594
	Rent	7,503
Interest	Interest	<u>7,742</u>
		<u>\$ 39,839</u>

Cash flow and other information related to these leases are:

#### Cash Flow Information:

Cash paid for finance leases included in operating activities	\$ 7,742
Cash paid for finance leases included in financing activities	28,329
ROU assets obtained in exchange for new finance lease obligations	187,172

#### Other Information:

Weighted-average remaining term - finance leases	7.9 years
Weighted-average discount rate - finance leases	4.03%

The reconciliation of the undiscounted cash flows for each of the next five years and total remaining years of the lease liabilities recorded on the balance sheet is as follows:

Year	Finance Leases
2024	\$ 53,318
2025	53,318
2026	51,856
2027	50,618
2028	27,149
Thereafter	91,125
Total minimum obligations	327,384
Less: Amount representing interest	48,223
Present value of minimum lease payments	279,161
Less: Current portion	42,876
	<u>\$ 236,285</u>

## THE CROSSING

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### Notes To Financial Statements (Continued)

The future minimum lease commitments under the terms of the lease were as follows at August 31, 2022:

<u>Year</u>	<u>Fenton Lease</u>	<u>Equipment Leases</u>	<u>Total</u>
2023	\$ 9,000	\$ 34,896	\$ 43,896
2024	9,000	41,393	50,393
2025	9,000	41,393	50,393
2026	9,000	41,393	50,393
2027	6,750	41,393	48,143
Thereafter	—	13,798	13,798
	<u>\$ 42,750</u>	<u>\$ 214,266</u>	<u>\$ 257,016</u>

Rent expense for all leases amounted to \$72,745 for the year ended August 31, 2022.

#### 7. Retirement Plan

The Church maintains a retirement plan in accordance with Internal Revenue Code Section 401(k). The plan covers eligible employees and provides for tax deferred contributions. Employee contributions are discretionary and are subject to the maximum amounts allowed by law. Employer contributions are made from time to time in such amounts as determined by the Church. The Church made contributions to the plan totaling \$314,784 and \$284,147 for the years ended August 31, 2023 and 2022, respectively.

#### 8. Commitments And Contingencies

The Church is involved in various legal matters that, in the opinion of management, will not have a material effect on the Church's financial position or changes in net assets.

## THE CROSSING

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### Notes To Financial Statements (Continued)

#### 9. Liquidity And Available Resources

As of August 31, 2023 and 2022, assets available within one year of the statement of financial position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,842,114	\$ 6,159,125
Cash equivalents restricted for capital projects	3,670,197	4,382,150
Other assets	516,162	241,436
<u>Total financial assets</u>	<u>9,028,473</u>	<u>10,782,711</u>
Less amounts not intended to be used within one year or with restrictions:		
Net assets with donor restrictions	3,670,197	4,382,150
Other assets	516,162	241,436
<u>Total financial assets not intended to be used within one year</u>	<u>4,186,359</u>	<u>4,623,586</u>
<u>Financial assets available to meet cash needs for general expenditures within one year</u>	<u>\$ 4,842,114</u>	<u>\$ 6,159,125</u>

The Church regularly monitors liquidity required to meet its operating needs. The Church's sources of liquidity at its disposal include cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Church considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those programs to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Church anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.