



FINANCIAL REPORT

2016-2017

“We are anxious that no one should find fault with the way we are handling this generous gift. We are careful to be honorable before the Lord, but we also want everyone else to know we are honorable.”

2 CORINTHIANS 8:20-21

Introduction

It is the desire of the Pastoral Team and Financial Board to manage the financial resources at Crossroads Church in a manner that is honorable both “before the Lord” and “everyone else” (1 Corinthians 8:21). With sincere gratitude we receive God’s provision through those who contribute to this ministry and with prayerful consideration attempt to utilize these funds to pursue the vision He has given to us. This Annual Report is intended to provide an overview of the church’s financial position as of August 31, 2017 (the end of our fiscal year).

Annual Independent Financial Review

An independent review of the church’s financial statements for the fiscal year has been completed by Propp, Christensen, Caniglia, LLP, CPA. A copy of this report may be reviewed in the church office with Ed Lech (Executive Pastor). The information in this document is derived from the church’s CPA reviewed financial statements.

Financial Board

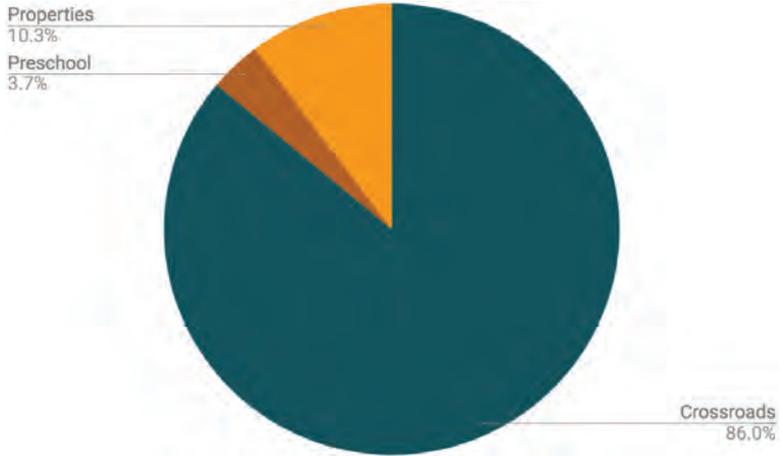
Josh Blevins, Luke Cummings, Ed Lech, Tony Tibshirani, Denny Welch

Income & Expense

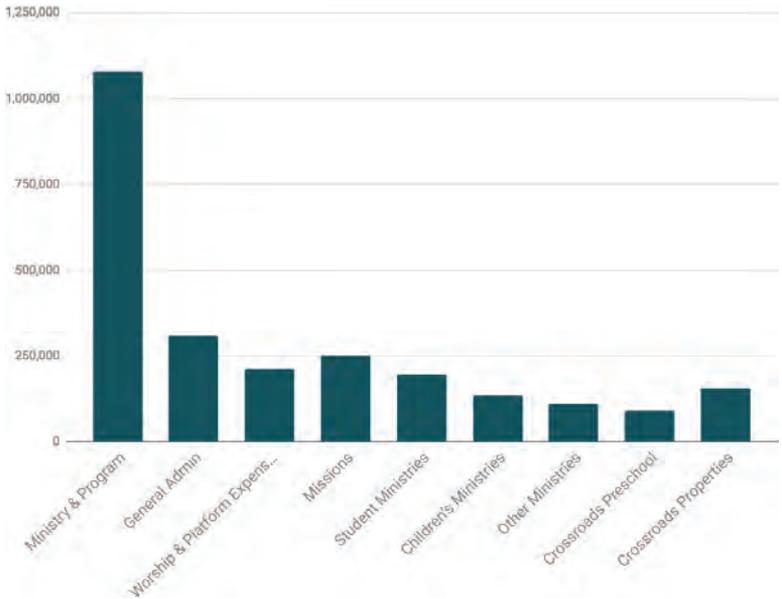
The following data presents year-end 2015/2016 and year-end 2016/2017 income and expense figures for the two main organizational segments within the church.

Income	2015/2016	2016/2017
Crossroads Church	2,261,604	2,054,232
Crossroads Christian Preschool	40,361	88,154
Crossroads Properties	233,551	244,872
Loss on Disposition of Assets Construction in Process*	0	(333, 971)
Total Income	2,535,516	2,053,287
Expenses		
North Campus Ministry & Program	870,032	852,795
South Campus Ministry & Program	134,052	225,053
North Campus General Admin	185,568	223,003
South Campus General Admin	47,888	87,865
Worship & Platform Expenses	172,548	211,858
Missions	372,613	251,580
Student Ministries	134,113	197,410
Children's Ministries	128,277	136,396
Other Ministries	120,576	109,832
Crossroads Preschool	42,109	89,775
Crossroads Properties	166,675	155,604
Total Expenses	2,374,451	2,541,171
Net Income (Loss)	161,065	(487,884)

Income



Expenses



Cash Flow

The following table provides a statement of cash flows for the years ended August 31, 2016 and August 31, 2017.

Operating Activities	2015/2016	2016/2017
Net Operating Income (Loss)	161,065	(487,884)
Depreciation and Amortization (non-cash expense)	144,543	168,801
Loss on disposition of Assets (Construction in Process, non-cash expense)	0	333,971
Deposits, Pre-paid expenses, Deferred Income	36,002	42,415
Net Cash	341,610	57,303
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Other Activities		
Fixed Asset/Capital Purchase	(130,710)	(21,282)
Principal Payment*	(167,347)	(167,136)
Net Cash	(298,057)	(188,418)
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Net Cash Increase (Decrease)	43,553	(131,115)

*The mortgage balance at the end of the fiscal year was \$3,186,740.

Summary

The complex nature of accounting for an organization of our size and variety means there are some aspects to the numbers that warrant additional explanation.

Construction In Process

Back in 2009 a preliminary site plan was submitted to the county for the development and expansion of the North Campus. As of 2016, a total of \$376,383 was spent on this project. During 2017, it was determined that the project was not going to be implemented since we had purchased the South Campus, and \$333,971 was written off as a loss on disposition of asset. The remaining \$42,412 relates to costs spent on Phase 2.

Mortgage Financing

During 2016 the church expanded to a second site in Auburn. This facility was acquired for the cost of assuming the loan on the property. The church refinanced the loans for both campuses into a single loan at 4.5%, secured by both properties.

Solar System for North Campus

Construction of a solar system in the south parking lot is projected to offset all of the church electric utility costs each month. The project was financed for \$405,400 at 4.75% on a 20-year term. The solar system went live in January of 2018 and is projected to save Crossroads about \$30,000 annually.



530.268.2539 / 530.885.6332

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