



WOODMEN VALLEY CHAPEL
AND SUBSIDIARY

Financial Statements
With Independent Auditors' Report

September 30, 2017 and 2016

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6
Supplementary Information	
Independent Auditors' Report on Supplementary Information	13
Consolidating Statement of Financial Position	14
Consolidating Statement of Activities	15

INDEPENDENT AUDITORS' REPORT

Finance Council
Woodmen Valley Chapel
and Subsidiary
Colorado Springs, Colorado

We have audited the accompanying consolidated statements of financial position of Woodmen Valley Chapel and Subsidiary (collectively, WVC), which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to WVC's preparation and fair presentation of the consolidated 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 WVC'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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Finance Council
Woodmen Valley Chapel
and Subsidiary
Colorado Springs, Colorado

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Woodmen Valley Chapel and Subsidiary as of September 30, 2017 and 2016, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Colorado Springs, Colorado
January 11, 2018

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Consolidated Statements of Financial Position

	September 30,	
	2017	2016
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,690,240	\$ 1,965,744
Restricted cash	-	1,076,217
Accounts receivable and other assets	78,375	184,177
Property held for sale	905,191	1,676,549
	3,673,806	4,902,687
Prepaid payment in lieu of taxes	495,886	596,206
Property held for investment purposes	963,734	1,779,051
Property and equipment–net	8,966,544	8,484,708
	\$ 14,099,970	\$ 15,762,652
Total Assets	\$ 14,099,970	\$ 15,762,652
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable	\$ 197,751	\$ 196,834
Accrued expenses	397,700	515,198
Current portion of note payable–net	554,894	331,383
	1,150,345	1,043,415
Long-term portion of note payable–net	6,499,503	9,107,979
	7,649,848	10,151,394
Net assets:		
Unrestricted:		
Operating	1,214,402	338,782
Board designated	1,000,000	1,000,000
Equity in property and equipment–net, property held for sale, and property held for investment purposes	3,781,072	3,577,163
	5,995,474	4,915,945
Temporarily restricted	454,648	695,313
	6,450,122	5,611,258
Total Liabilities and Net Assets	\$ 14,099,970	\$ 15,762,652

See notes to consolidated financial statements

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Consolidated Statements of Activities

	Year Ended September 30,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Tithes and offerings	\$ 9,983,400	\$ 1,800,301	\$ 11,783,701	\$ 9,879,733	\$ 812,871	\$ 10,692,604
Program and other income	786,831	-	786,831	631,889	-	631,889
Loss on write off of capitalized bond fees	(410,806)	-	(410,806)	-	-	-
Gain on sale of property held for sale	312,316	-	312,316	231,236	-	231,236
Total Support and Revenue	10,671,741	1,800,301	12,472,042	10,742,858	812,871	11,555,729
NET ASSETS RELEASED:						
Purpose and time restrictions	2,040,966	(2,040,966)	-	761,877	(761,877)	-
EXPENSES:						
Salaries and benefits	6,186,993	-	6,186,993	5,770,136	-	5,770,136
Ministry	2,470,708	-	2,470,708	2,608,006	-	2,608,006
Office expense	1,775,879	-	1,775,879	1,921,203	-	1,921,203
Depreciation	646,146	-	646,146	647,040	-	647,040
Interest	553,452	-	553,452	716,334	-	716,334
Total Expenses	11,633,178	-	11,633,178	11,662,719	-	11,662,719
Change in Net Assets	1,079,529	(240,665)	838,864	(157,984)	50,994	(106,990)
Net Assets, Beginning of Year	4,915,945	695,313	5,611,258	5,073,929	644,319	5,718,248
Net Assets, End of Year	\$ 5,995,474	\$ 454,648	\$ 6,450,122	\$ 4,915,945	\$ 695,313	\$ 5,611,258

See notes to consolidated financial statements

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 838,864	\$ (106,990)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization of capitalized loan (bond) fees	18,599	22,319
Depreciation	646,146	647,040
Contributions restricted for long-term purposes	(1,422,014)	(90,092)
Gain on sale of property held for sale	(312,316)	(231,236)
Loss on write off of capitalized bond fees	410,806	-
Change in operating assets and liabilities:		
Accounts receivable and other assets	105,802	376,458
Prepaid payment in lieu of taxes	100,320	(453,461)
Accounts payable	917	(71,088)
Accrued expenses	(117,498)	(185,113)
Net Cash Provided (Used) by Operating Activities	269,626	(92,163)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions related to property held for sale and investment	(73,583)	(133,263)
Proceeds from sale of property held for sale	2,230,000	1,925,000
Purchases of property and equipment	(1,385,408)	(222,262)
Net Cash Provided by Investing Activities	771,009	1,569,475
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term purposes	1,422,014	90,092
Change in restricted cash	1,076,217	153,631
Proceeds from note payable	7,103,746	-
Principal payments on bonds payable	(9,918,116)	(1,982,001)
Net Cash Used by Financing Activities	(316,139)	(1,738,278)
Net Change in Cash and Cash Equivalents	724,496	(260,966)
Cash and Cash Equivalents, Beginning of Year	1,965,744	2,226,710
Cash and Cash Equivalents, End of Year	\$ 2,690,240	\$ 1,965,744
SUPPLEMENTAL DISCLOSURE AND NON-CASH TRANSACTIONS:		
Cash paid for interest	\$ 681,190	\$ 731,018
Property transferred to/from property held for investment purposes	\$ (888,900)	\$ 797,354
Property held for investment purposes transferred to property held for sale	\$ 1,146,326	\$ 926,442

See notes to consolidated financial statements

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

1. NATURE OF ORGANIZATIONS:

Woodmen Valley Chapel (the Church) is a non-denominational, evangelical church which was organized in 1980. Since 1991, the Church has grown from average total attendance of 600 to 5,500. The Church's mission is to love well and change lives through Christ. Ministries of the Church include weekend worship services and classes, children's activities, youth groups, single adult fellowships, small group fellowships, and ministries to men, women, and families. Various groups in the Church are involved in evangelistic outreach in Colorado Springs, Colorado, as well as worldwide.

During the year ended September, 30, 2006, the Church formed a new corporation called The Center for Strategic Ministry (CSM). CSM has received tax exempt status under section 501(c)(3) of the Internal Revenue Code. The purpose of CSM is to: (1) develop and manage the local missions strategy of the Church, (2) facilitate strategic ministry projects and partnerships organized or supported by the Church or this corporation (3) support, encourage, and facilitate the growth of the Christian faith throughout the country, and (4) support other organizations, projects, and initiatives that are organized and operated for similar purposes. CSM is under the authority of the Elder Council of the Church. During the year ending September 30, 2009, the Church granted various assets to CSM and CSM began operations. All intercompany transactions have been eliminated in the consolidated financial statements.

CSM Development & Services Corporation (CSM D&S) is a for-profit corporation, formed in 2009. Due to the small amount of financial activity, CSM D&S is consolidated within CSM on the supplementary consolidating schedules.

The Church and CSM (collectively, WVC) are operated as a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law(s). However, WVC is subject to federal income tax on any unrelated business taxable income. In addition, WVC is not classified as a private foundation within the meaning of Section 509(c) of the IRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

WVC maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity 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, disclosures of any contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of petty cash, demand deposits, and money market accounts. These accounts may, at times, exceed federally insured limits. WVC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RESTRICTED CASH

Restricted cash consists of:

	September 30,	
	2017	2016
Payment in lieu of taxes escrow:		
Bond repayment	\$ -	\$ 254,795
Land improvements	-	232,973
Bond sinking fund	-	327,991
Insurance proceeds escrow	-	237,546
Land proceeds escrow	-	22,912
	<u>\$ -</u>	<u>\$ 1,076,217</u>

Due to refinancing bonds payable into a note payable during the year ended September 30, 2017, there is no longer any restricted cash required.

ACCOUNTS RECEIVABLE AND OTHER ASSETS

Accounts receivable and other assets primarily consists of a grant receivable for CSM and a note receivable from the Woodmen Heights Metropolitan District (the District). Management believes that all accounts receivable and other assets are fully collectible. Therefore, no allowance for doubtful accounts has been recorded as of September 30, 2017 and 2016, respectively.

PROPERTY HELD FOR SALE AND PROPERTY HELD FOR INVESTMENT PURPOSES

Property held for sale and property held for investment purposes consists of land held at the Woodmen Heights campus and one parcel of land at the Rockrimmon campus. Property held for sale and property held for investment purposes are recorded at the lower of historical cost or market value. Property classified as held for sale includes property with an active contract that is expected to be executed within one year. Property not being used for operating purposes or active contracts not expected to be executed within one year are classified as property held for investment purposes on the consolidated statements of financial position.

PROPERTY HELD FOR SALE AND PROPERTY HELD FOR INVESTMENT PURPOSES, continued

WVC has entered into multiple contracts to sell portions of property held for sale and property held for investment purposes. During the years ended September 30, 2017 and 2016, two parcels of land were sold for \$2,230,000 and \$1,925,000, respectively. The related gains on these sales of \$312,316 and \$231,236 are recorded in the consolidated statements of activities. The remaining active contracts, which are to be executed over a two year period, will exchange a portion of property held for sale and property held for investment purposes for approximately \$4,525,000.

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Property donated with restrictions regarding their use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time. Purchases of long-lived assets in excess of \$1,000 with a useful life in excess of one year are capitalized. Depreciation is recorded using the straight-line method over estimated useful lives of thirty years for buildings, ten years for land improvements, and five to twenty years for furniture and equipment.

NET ASSETS

The net assets of WVC have been reported in the following two classes:

Unrestricted net assets include those resources that are available for current operations, including those resources board designated and those resources invested in property and equipment—net, property held for sale, and property held for investment purposes.

Temporarily restricted net assets include those resources donor restricted for various ministry projects and programs.

SUPPORT AND REVENUE

Contributions from tithes and offerings are recorded when made, which may be when cash or other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated amounts. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributed services and faith promises for contributions are not reflected in the consolidated financial statements as they do not meet the definitions for skilled services and unconditional promises to give under accounting standards.

Program and other income is related to fees collected from program activities, such as retreats, events and bookstore sales. This income is recorded when earned.

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

3. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	September 30,	
	2017	2016
Land	\$ 1,354,270	\$ 1,429,499
Land improvements	652,929	653,889
Buildings and improvements	18,372,761	16,967,560
Furniture and equipment	3,440,516	3,407,312
Vehicles	147,143	140,343
	23,967,619	22,598,603
Less accumulated depreciation	(15,157,977)	(14,363,710)
	8,809,642	8,234,893
Construction in progress	156,902	249,815
	\$ 8,966,544	\$ 8,484,708

Equity in property and equipment–net, property held for sale, and property held for investment purposes consists of:

	September 30,	
	2017	2016
Property and equipment–net	\$ 8,966,544	\$ 8,484,708
Property held for sale	905,191	1,676,549
Property held for investment purposes	963,734	1,779,051
Restricted cash	-	1,076,217
Less related note payable–net	(7,054,397)	(9,439,362)
	\$ 3,781,072	\$ 3,577,163

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

4. NOTE PAYABLE—NET:

Prior to the year ended September 30, 2017, bonds payable consisted of issued First Mortgage 2012 Series Bonds (the bonds) of \$12,775,000. These simple interest bonds were issued at face value and paid in semi-annual interest payments on each December 1st and June 1st, at an average interest rate of 6.44%. The bonds matured between December 1, 2012 and June 1, 2034. As of September 30, 2016, outstanding bonds payable was \$9,868,999. The bonds could be redeemed, prior to the stated maturity and without penalty, on any of the monthly anniversaries of the date of issue without penalty or prepayment premium. The bonds were secured by a first deed of trust that is in favor of the bondholders. The bonds were also secured by a lien on substantially all of the property and equipment of the Church campus and the bond sinking fund associated with the bonds.

WVC was required to make weekly deposits into a bond sinking fund of \$17,710 until May 2022. The weekly deposits may be reduced in the event of redemption of outstanding bonds at the option of WVC, and certain weekly deposits may be reduced through prepayment of such monthly deposits or through the accumulation of investment income in the sinking fund account. WVC was required to make monthly deposits into an escrow account of \$6,500 for the payment in lieu of taxes liability. The bond sinking fund balance and the payment in lieu of taxes escrow account are included in restricted cash on the consolidated statements of financial position.

During the year ended September 30, 2017, WVC refinanced their bonds payable into a note payable of approximately \$7,120,000, which matures in August 2027. Monthly payments and interest rates vary over the next 10 years with monthly payments ranging from \$70,577 to \$72,497 and interest rates from 3.5% to 4.75%. The note is secured by land and buildings. WVC is in compliance, or has obtained waivers, for all covenants related to this note as of September 30, 2017.

Note payable consists of—net:

	September 30,	
	2017	2016
Note payable	\$ 7,070,930	\$ -
Bonds payable	-	9,868,999
Less capitalized loan fees—net	(16,533)	-
Less capitalized bond fees—net	-	(429,637)
	<u>\$ 7,054,397</u>	<u>\$ 9,439,362</u>

Capitalized loan fees of \$16,533 are amortized over the life of the note payable using the straight-line method, which approximates the effective interest method. Accumulated amortization, related to the loan costs on the note payable, was \$0 as of September 30, 2017. During the year ended September 30, 2017, accumulated amortization related to the bonds issuance costs was \$113,454, prior to refinancing the bonds payable into the note payable and writing off \$411,038 of capitalized bond fees.

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

4. NOTE PAYABLE–NET, continued:

Future minimum note payable principal payments are:

<u>Year Ending September 30,</u>		
2018	\$	605,832
2019		627,684
2020		648,942
2021		666,480
2022		692,277
Thereafter		<u>3,829,715</u>
	<u>\$</u>	<u>7,070,930</u>

5. OPERATING LEASES:

WVC has several operating leases, with varying terms, for office equipment. Lease expense for the years ended September 30, 2017 and 2016 was \$170,296 and \$154,402, respectively. Future minimum payments are:

<u>Year Ending September 30,</u>		
2018	\$	223,486
2019		195,234
2020		79,524
2021		76,629
2022		<u>31,662</u>
	<u>\$</u>	<u>606,535</u>

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Purpose restricted:		
Global impact	\$ 246,913	\$ 144,961
Community impact	106,968	236,110
Natural disaster relief	43,752	43,752
Memorials and projects	-	148,862
Other	19,515	34,128
Time restricted	<u>37,500</u>	<u>87,500</u>
	<u>\$ 454,648</u>	<u>\$ 695,313</u>

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Notes to Consolidated Financial Statements

September 30, 2017 and 2016

7. RETIREMENT PLAN:

WVC sponsors a 403(b) plan for all employees. WVC provides a direct match of 1%, 2%, 4%, or 6%, depending on length of employment, of eligible salary for all participating employees. Participants are 100% vested immediately upon participation. Total employer contributions to the plan was \$124,924 and \$120,037 for the years ended September 30, 2017 and 2016, respectively.

8. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing various program services and supporting activities have been summarized on a functional basis below. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Functional expenses are:

	Year Ended September 30,	
	2017	2016
Program services	\$ 9,378,732	\$ 9,794,692
Supporting activities:		
General and administrative	2,199,193	1,868,027
Fundraising	55,257	-
	<u>\$ 11,633,182</u>	<u>\$ 11,662,719</u>

9. PREPAID PAYMENT IN LIEU OF TAXES:

WVC entered into an agreement for payment in lieu of taxes in October 2005 for property held in a new development. The terms of the agreement call for an annual payment in April of \$312,022. This agreement transferred to CSM in January 2009. Should CSM sell any portion of the property, the payment would be recalculated accordingly and, if the entire property were sold, CSM would no longer be obligated to make this payment.

During the years ended September 30, 2016 and 2015, WVC sold portions of the property. Part of the proceeds from these sales have been escrowed to pay for improvements to the District's property. Property sales during the year ended September 30, 2017 were not escrowed due to the bond refinance. As of September 30, 2017 and 2016, the amount included in escrow accounts was \$0 and \$255,885, respectively. As CSM incurs costs for these improvements, the escrow will be used and CSM will record an asset called prepaid payment in lieu of taxes, which was \$495,886 and \$596,206 as of September 30, 2017 and 2016, respectively. CSM will decrease this prepaid payment in lieu of taxes by a portion of their required payment to the District in future years.

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through January 11, 2018, which is the date the consolidated financial statement were available to be issued.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Finance Council
Woodmen Valley Chapel
and Subsidiary
Colorado Springs, Colorado

We have audited the consolidated financial statements of Woodmen Valley Chapel and Subsidiary as of and for the years ended September 30, 2017 and 2016, and have issued our report thereon dated January 11, 2018, which expressed an unmodified opinion on those consolidated financial statements as a whole. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities for the year ended September 30, 2017, are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual organizations, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

Colorado Springs, Colorado
January 11, 2018

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Consolidating Statement of Financial Position

September 30, 2017

	Woodmen Valley Chapel	Center for Strategic Ministry	Eliminations	Consolidated Total
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 2,109,645	\$ 580,595	\$ -	\$ 2,690,240
Accounts receivable and other assets	28,427	62,766	(12,818)	78,375
Property held for sale	-	905,191	-	905,191
	<u>2,138,072</u>	<u>1,548,552</u>	<u>(12,818)</u>	<u>3,673,806</u>
Prepaid payment in lieu of taxes	-	495,886	-	495,886
Property held for investment purposes	190,700	773,034	-	963,734
Intercompany receivable	5,226,207	-	(5,226,207)	-
Property and equipment–net	8,098,494	868,050	-	8,966,544
	<u>8,098,494</u>	<u>868,050</u>	<u>-</u>	<u>8,966,544</u>
Total Assets	<u>\$ 15,653,473</u>	<u>\$ 3,685,522</u>	<u>\$ (5,239,025)</u>	<u>\$ 14,099,970</u>
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ 125,776	\$ 84,793	\$ (12,818)	\$ 197,751
Accrued expenses	393,412	4,288	-	397,700
Current portion of note payable–net	554,894	-	-	554,894
	<u>1,074,082</u>	<u>89,081</u>	<u>(12,818)</u>	<u>1,150,345</u>
Intercompany payable	-	5,226,207	(5,226,207)	-
Long-term portion of note payable–net	6,499,503	-	-	6,499,503
	<u>7,573,585</u>	<u>5,315,288</u>	<u>(5,239,025)</u>	<u>7,649,848</u>
Net assets:				
Unrestricted:				
Operating	5,801,339	(4,586,937)	-	1,214,402
Board designated	1,000,000	-	-	1,000,000
Equity in property and equipment–net, property held for sale, and property held for investment purposes	1,234,797	2,546,275	-	3,781,072
	<u>8,036,136</u>	<u>(2,040,662)</u>	<u>-</u>	<u>5,995,474</u>
Temporarily restricted	43,752	410,896	-	454,648
	<u>8,079,888</u>	<u>(1,629,766)</u>	<u>-</u>	<u>6,450,122</u>
Total Liabilities and Net Assets	<u>\$ 15,653,473</u>	<u>\$ 3,685,522</u>	<u>\$ (5,239,025)</u>	<u>\$ 14,099,970</u>

WOODMEN VALLEY CHAPEL AND SUBSIDIARY

Consolidating Statement of Activities

Year Ended September 30, 2017

	Woodmen Valley Chapel	Center for Strategic Ministry	Eliminations	Consolidated Total
OPERATING:				
SUPPORT AND REVENUE:				
Tithes and offerings	\$ 11,782,346	\$ 1,948,961	\$ (1,947,606)	\$ 11,783,701
Program and other income	599,543	197,290	(10,002)	786,831
Loss on write off of capitalized bond fees	(252,344)	(158,462)	-	(410,806)
Gain on sale of property held for sale	-	312,316	-	312,316
Total Support and Revenue	12,129,545	2,300,105	(1,957,608)	12,472,042
EXPENSES:				
Salaries and benefits	5,525,681	661,312	-	6,186,993
Ministry	1,084,408	1,386,300	-	2,470,708
Office expense	1,539,577	236,302	-	1,775,879
Depreciation	633,324	12,822	-	646,146
Interest	353,232	200,220	-	553,452
	<u>9,136,222</u>	<u>2,496,956</u>	<u>-</u>	<u>11,633,178</u>
Grants to CSM	<u>1,957,608</u>	<u>-</u>	<u>(1,957,608)</u>	<u>-</u>
Total Expenses	11,093,830	2,496,956	(1,957,608)	11,633,178
Change in Net Assets from Operations	<u>1,035,715</u>	<u>(196,851)</u>	<u>-</u>	<u>838,864</u>
NON-OPERATING:				
Reduction of intercompany receivable (payable)	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>535,715</u>	<u>303,149</u>	<u>-</u>	<u>838,864</u>
Net Assets, Beginning of Year	<u>7,544,173</u>	<u>(1,932,915)</u>	<u>-</u>	<u>5,611,258</u>
Net Assets, End of Year	<u>\$ 8,079,888</u>	<u>\$ (1,629,766)</u>	<u>\$ -</u>	<u>\$ 6,450,122</u>