

**CrossWalk Community Church
Consolidated Financial Statements
Year Ended December 31, 2024**



America Counts on CPAs

Brigham, Calhoun, Whitson & Associates, PC

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CROSSWALK COMMUNITY CHURCH
DECEMBER 31, 2024

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161 B John Jefferson Road, Williamsburg, VA 23185 (757) 259-0432

Independent Accountant's Review Report

To Senior Pastor Mark Morrow
CrossWalk Community Church
Williamsburg, Virginia 23188

We have reviewed the accompanying consolidated financial statements of CrossWalk Community Church (a nonprofit organization) and its subsidiaries, which comprise the statement of financial position as of December 31, 2024, and the related statement of activities, statement of functional expenses, and statement of cash flows for the year 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 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 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with the 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 consolidated 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.

Independence

We are required to be independent of CrossWalk Community Church and its subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Brigham, Calhoun, Whitson & Associates, P.C.

Brigham, Calhoun, Whitson & Associates, PC
Williamsburg, VA

August 27, 2025

STATEMENT OF FINANCIAL POSITION
December 31, 2024

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 237,728
Accounts Receivable	<u>8,835</u>
Total Current Assets	<u>246,563</u>

PROPERTY AND EQUIPMENT

Church Building	3,438,951
Building Improvements	386,316
Furnishings and Equipment	610,561
Vehicles	44,290
Less: Accumulated Depreciation	<u>(1,892,311)</u>

Net Depreciable Property and Equipment 2,587,807

Land 944,566

Total Property and Equipment 3,532,373

OTHER ASSETS

Amortized Loan Origination Costs	56,413
Computer Finance Lease	19,155
Less: Accumulated Amortization	<u>(45,749)</u>

Total Other Assets 29,819

TOTAL ASSETS \$ 3,808,755

See accompanying notes to consolidated financial statements and independent accountant's review report.

STATEMENT OF FINANCIAL POSITION
December 31, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 4,420
Current Portion, Long-term Debt	<u>123,509</u>

Total Current Liabilities	127,929
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LONG-TERM LIABILITIES

Church Building Loan, Net of Current Portion	<u>2,962,092</u>
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Total Long-Term Liabilities	<u>2,962,092</u>
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Total Liabilities	<u>3,090,021</u>
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NET ASSETS

Net Assets Without Donor Restrictions	<u>718,734</u>
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Total Net Assets	<u>718,734</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,808,755</u></u>
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See accompanying notes to consolidated financial statements and independent accountant's review report.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2024

	Net Assets Without Restrictions
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REVENUES, GAINS AND OTHER SUPPORT	
Contributions	\$ 2,360,442
Revenue	237,355
Investment Income	7,762
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Total revenues, gains and other support	2,605,559
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EXPENSES AND LOSSES	
Program Services	2,400,698
General and Administration	275,754
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TOTAL EXPENSES AND LOSSES	2,676,452
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Change in Net Assets	(70,893)
Net Assets at Beginning of Year	789,627
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NET ASSETS AT END OF YEAR	\$ 718,734
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See accompanying notes to consolidated financial statements and independent accountant's review report.

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2024

Description	Program Services	General and Administration	Total
Activities	\$ 590,960	\$ -	\$ 590,960
Advertising & Promotion	22,193	-	22,193
Amortization	-	2,612	2,612
Bank Charges and Fees	-	24,114	24,114
Depreciation	164,915	-	164,915
Donations & Gifts	23,141	-	23,141
Dues and Subscriptions	-	29,197	29,197
Insurance	83,315	34,124	117,439
Interest Expense	-	125,266	125,266
Maintenance & Utilities	220,931	-	220,931
Office and General Supplies	-	54,717	54,717
Payroll Taxes	33,680	-	33,680
Postage	-	213	213
Professional Fees	-	5,511	5,511
Rent and Occupancy	171,777	-	171,777
Salaries and Housing Allowances	1,089,786	-	1,089,786
Total Expenses	\$ 2,400,698	\$ 275,754	\$ 2,676,452

See accompanying notes to consolidated financial statements and independent accountant's review report.

STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets		\$ (70,893)
Adjustments to reconcile change in Net Assets to net Cash provided by Operating Activities:		
Depreciation Expense	164,915	
Amortization Expense	2,612	
(Increase) Decrease in Operating Assets:		
Accounts Receivable	26,465	
Prepaid Deposits/Expenses	7,966	
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(3,645)	
Credit Cards Payable	(1,219)	
Total Adjustments		<u>197,094</u>
Net Cash Provided By (Used In) Operating Activities		<u>126,201</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property & Equipment (Net of Dispositions)	<u>(12,340)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(12,340)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Notes Payable Repayments	<u>(119,830)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(119,830)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (5,969)

BEGINNING CASH AND CASH EQUIVALENTS 243,697

ENDING CASH AND CASH EQUIVALENTS \$ 237,728

SUPPLEMENTAL DISCLOSURES

Interest Paid \$ 125,266

See accompanying notes to consolidated financial statements and independent accountant's review report.

CROSSWALK COMMUNITY CHURCH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

CrossWalk Community Church (the Church) was organized on October 7, 2001, as a nondenominational church in affiliation with the Assemblies of God. The Church is a non-profit organization and is dedicated to spreading the gospel through establishing, developing, and promoting all aspects of church ministry within Williamsburg, Virginia, and the surrounding communities. The Church is supported primarily through contributions from the attendees.

In April 2015, the Church transferred all buildings and land to Crosswalk Church Holdings, LLC, a Virginia limited liability company, which is wholly owned by Crosswalk Community Church. In July 2018, the Church acquired a non-profit organization, Real World Ministries, Inc.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Crosswalk Community Church, its wholly owned subsidiary Crosswalk Church Holdings, LLC, and Real World Ministries, Inc. All material intra-entity transactions have been eliminated.

Basis of Accounting

The consolidated financial statements of the Church have been prepared using the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Church reports information regarding its consolidated financial position and activities according to two classes of net assets: assets with donor restrictions and assets without donor restrictions. The Church does not have assets with donor restrictions.

CROSSWALK COMMUNITY CHURCH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Church considers cash investments with an original maturity of three months or less to be cash equivalents.

Inventory

The Church does not keep inventory for the Café. The items are purchased and utilized immediately. The few items kept on hand are considered to be immaterial and inconsequential to the consolidated financial statements.

Property and Equipment

Acquisitions of property and equipment in excess of \$2,500 are capitalized unless the item is clearly an expense. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of acquisition.

Post-Employment Benefits

The Church has not accrued post-employment benefits (such as salary continuation, supplemental unemployment benefits, severance benefits, disability-related benefits, job training and counseling, and continuation of health and insurance coverage) solely because the amount cannot be reasonably estimated.

Revenue Recognition

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or the nature of any donor imposed restrictions.

Revenue is recognized for support received in exchange for a service, such as admissions charges for special programs open to the public.

CROSSWALK COMMUNITY CHURCH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Church received a substantial amount of services donated by its members in carrying out its ministry. Many of these amounts have not been reflected in the consolidated financial statements for those services since they do not meet the criteria for recognition under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

Depreciation and Amortization

Depreciation and amortization are computed for financial reporting purposes by use of the straight-line method based on useful lives of 40 years for buildings and building improvements and 3, 5, 7, or 10 years for all furniture, equipment, and software. Loan origination fees are amortized over 25 years (the life of the loan) and are expected to be \$2,612 each year for the succeeding fourteen years. Depreciation and amortization expense for the period ended December 31, 2024, was \$164,915 and \$2,612, respectively.

Income Taxes

The Church and its subsidiary are exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and Virginia Code Section 58.1-3606. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the consolidated financial statements.

Advertising

The costs of advertising, promotion, and marketing programs are charged in the fiscal year incurred. Advertising costs were \$22,193 for the year ending December 31, 2024.

CROSSWALK COMMUNITY CHURCH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

1. PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2024 consists of the following:

Church Building	\$3,438,951
Land	944,566
Improvements	386,316
Furniture and Equipment	610,561
Vehicles	44,290
	<hr/> 5,424,684
Less: Accumulated Depreciation	(1,892,311)
	<hr/> <u>\$3,532,373</u>

2. LONG-TERM DEBT

Long-term debt consists of the following:

3.95% per annum note payable to Thrivent Financial for Lutherans in monthly installments of \$17,853. Final payment due February 15, 2042 with interest rate adjustments possible on February 15, 2027 and February 15, 2037. The note is secured by a mortgage on the property.	\$2,725,577
4.00% per annum note payable to Thrivent Financial for Lutherans in monthly installments of \$2,571. Final payment due July 15, 2041 with interest rate adjustments possible on July 31, 2031. The note is secured by a mortgage on the property.	360,024
	<hr/> \$3,085,601
Less: Current Portion	(123,509)
Total Long-term Debt	<hr/> <u>\$2,962,092</u>

See independent accountant's review report.

CROSSWALK COMMUNITY CHURCH
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024

Long-term debt matures during the years ending December 31:

2026	\$128,555
2027	133,808
2028	139,277
2029	144,969
Thereafter	<u>2,415,483</u>
	<u>\$2,962,092</u>

Mortgage interest expense for the year ending December 31, 2024 was \$125,266.

3. EMPLOYEE BENEFIT PLAN

The Church offers a variety of program benefits that includes life, health, dental and disability insurance for full-time employees. The Church offers the pastors a pension plan and a tax deferred 403(b) plan. The contributions to the pension plan are established each year by the Church and were \$51,656 for the year ending December 31, 2024. The Church began a key man insurance policy on November 10, 2009 with an annual premium for an initial death benefit of \$2,500,000 and term coverage expiring November 9, 2057; the expense premium for this policy is \$2,562 for the year ending December 31, 2024. The Church is the beneficiary of this policy.

4. LIQUIDITY AND AVAILABILITY MANAGEMENT

The Church has approximately \$237,728 of financial assets available to meet its cash needs for general expenditures within one year of the statement of financial position date. None of financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Church has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

5. SUBSEQUENT EVENTS

Subsequent events were evaluated through August 27, 2025, which is the date the consolidated financial statements were available to be issued. There were no additional subsequent events that would require adjustments or disclosures in these consolidated financial statements.