

**CrossWalk Community Church  
Consolidated Financial Statements  
Year Ended December 31, 2025**



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**Brigham, Calhoun, Whitson & Associates, PC**

161 B John Jefferson Road, Williamsburg, VA 23185 • 757-259-0432 • FAX 757-259-0750 • [www.brighamcalhoun.com](http://www.brighamcalhoun.com)  
[contactus@brighamcalhoun.com](mailto:contactus@brighamcalhoun.com)

**CROSSWALK COMMUNITY CHURCH**  
**DECEMBER 31, 2025**

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**Brigham, Calhoun, Whitson & Associates, PC**

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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, 2025, 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

March 28, 2026

STATEMENT OF FINANCIAL POSITION  
December 31, 2025

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 384,975
Accounts Receivable	<u>56,300</u>
Total Current Assets	<u>441,275</u>
PROPERTY AND EQUIPMENT	
Church Building	4,208,351
Building Improvements	501,606
Furnishings and Equipment	639,758
Vehicles	44,290
Less: Accumulated Depreciation	<u>(2,063,322)</u>
Net Depreciable Property and Equipment	3,330,683
Land	<u>1,038,866</u>
Total Property and Equipment	<u>4,369,549</u>
OTHER ASSETS	
Amortized Loan Origination Costs	56,413
Computer Finance Lease	19,155
Less: Accumulated Amortization	<u>(48,361)</u>
Total Other Assets	<u>27,207</u>
TOTAL ASSETS	<u><u>\$ 4,838,031</u></u>

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

STATEMENT OF FINANCIAL POSITION  
December 31, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 5,216
Current Portion, Long-term Debt	<u>128,555</u>

Total Current Liabilities 133,771

LONG-TERM LIABILITIES

Church Building Loan, Net of Current Portion	<u>2,832,316</u>
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Total Long-Term Liabilities 2,832,316

Total Liabilities 2,966,087

NET ASSETS

Net Assets Without Donor Restrictions	<u>1,871,944</u>
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Total Net Assets 1,871,944

TOTAL LIABILITIES AND NET ASSETS \$ 4,838,031

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

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2025

	Net Assets Without Restrictions
<b>REVENUES, GAINS AND OTHER SUPPORT</b>	
Contributions	\$ 2,542,047
Revenue	257,863
Investment Income	5,829
Gifts-In-Kind, Contributed Nonfinancial Assets (Net)	993,785
Total revenues, gains and other support	3,799,524
 <b>EXPENSES AND LOSSES</b>	
Program Services	2,290,572
General and Administration	355,742
<b>TOTAL EXPENSES AND LOSSES</b>	<b>2,646,314</b>
 Change in Net Assets	 1,153,210
Net Assets at Beginning of Year	718,734
 <b>NET ASSETS AT END OF YEAR</b>	 <b>\$ 1,871,944</b>

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

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2025

Description	Program Services	General and Administration	Total
Activities	\$ 536,301	\$ -	\$ 536,301
Advertising & Promotion	35,583	-	35,583
Amortization	-	2,612	2,612
Bank Charges and Fees	-	27,472	27,472
Depreciation	171,011	-	171,011
Donations & Gifts	12,656	-	12,656
Dues and Subscriptions	-	53,920	53,920
Insurance	97,020	30,341	127,361
Interest Expense	-	121,181	121,181
Maintenance & Utilities	129,448	-	129,448
Office and General Supplies	-	90,991	90,991
Payroll Taxes	20,248	-	20,248
Professional Fees	-	29,225	29,225
Rent and Occupancy	142,120	-	142,120
Salaries and Housing Allowances	1,146,185	-	1,146,185
<b>Total Expenses</b>	<b>\$ 2,290,572</b>	<b>\$ 355,742</b>	<b>\$ 2,646,314</b>

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

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,153,210
Adjustments to reconcile change in Net Assets to net Cash provided by Operating Activities:	
Depreciation Expense	171,011
Amortization Expense	2,612
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(47,465)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	796
Total Adjustments	<u>126,954</u>
Net Cash Provided By (Used In) Operating Activities	<u>1,280,164</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property & Equipment (Net of Dispositions)	<u>(1,008,187)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(1,008,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Notes Payable Repayments	<u>(124,730)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(124,730)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	147,247
BEGINNING CASH AND CASH EQUIVALENTS	<u>237,728</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 384,975</u></u>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	<u><u>\$ 121,181</u></u>

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

CROSSWALK COMMUNITY CHURCH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

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, 2025

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, 2025

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*.

Gifts-In-Kind, Contributed Nonfinancial Assets

In April 2025, the Church was approached by Elko Union Church. The pastor did not want to dissolve Elko Union Church and gifted their real estate and related assets to the Church. The gift included a building with land and two vacant lots. The vacant lots were sold and recognized at fair market value net selling costs and lien payoff. The building with land was recognized at fair market value net closing costs.

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, 2025, was \$171,011 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.

CROSSWALK COMMUNITY CHURCH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

Advertising

The costs of advertising, promotion, and marketing programs are charged in the fiscal year incurred. Advertising costs were \$35,583 for the year ending December 31, 2025.

2. PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2025 consists of the following:

Church Building	\$4,208,351
Land	1,038,866
Improvements	501,606
Furniture and Equipment	639,758
Vehicles	44,290
	6,432,871
Less: Accumulated Depreciation	(2,063,322)
	\$4,369,549

3. 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.	\$2,615,804
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.	345,067
	\$2,960,871
Less: Current Portion	(128,555)
Total Long-term Debt	\$2,832,316

See independent accountant's review report.

CROSSWALK COMMUNITY CHURCH  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2025

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

2027	\$133,808
2028	139,277
2029	144,969
2030	150,893
Thereafter	<u>2,263,369</u>
	<u>\$2,832,316</u>

Mortgage interest expense for the year ending December 31, 2025 was \$121,181.

4. 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 \$59,881 for the year ending December 31, 2025. 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, 2025. The Church is the beneficiary of this policy.

5. LIQUIDITY AND AVAILABILITY MANAGEMENT

The Church has approximately \$384,975 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.

6. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 28, 2026, 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.