

# 2022

at Brazos Fellowship

Wow!

2022 was a year of life change. Thank you for being a part of what God is doing through Brazos Fellowship. Check out some of these highlights from last year of how we helped people make their faith and life work together.

I continue to be in awe of how Jesus is changing peoples' lives and so thankful for the role you play. Can't wait to see what God has in store for each of us in 2023!

*-Pastor Will Lewis*

# 270

people gave their life to Jesus

# 68

individuals went public with their faith through baptism

32 adults    18 youth    18 children

## Local & Global **OUTREACH**

### The Big Give



### \$120,000

raised for Aggieland Pregnancy Outreach, Unbound BCS, and Hope Gathering

### Healing Faith



### \$13,000

donated to pay for 2,600 nets to protect against malaria

### Individual Assistance



### \$18,000

given to support those in need in our local community

#### Additional giving:

BCS Together and CarePortal: \$7,300 | Support for Missionaries in Japan: \$6,600  
Additional Local Organizations: \$4,000

# 1,349

total average attendance

## 1,146

average  
in-person

## 216

average  
online

Other Sunday morning environments:

Kids Areas: ^15% | Middle School: ^6% | High School: ^4%

41 Small Groups

63 Small Group Leaders

393 People attending Small Groups

85 College Large Group average

52 College Small Group average

# 10,450

hours served on Sunday mornings

With only 20 staff members, our services and ministries rely heavily on volunteers. This is more hours than there are in a year! And these hours weren't served to check a box, these are hours spent being the church.



"I have felt more connected at **Brazos Fellowship** than anywhere I have been in a long time."

Most watched series:  
**3 ENEMIES OF YOUR SOUL**

## At The Movies

1,616 average attendance

4,668 sodas served

1,160 gallons of popcorn served





BRAZOS FELLOWSHIP CHURCH

Financial Statements  
With Independent Auditors' Report on 2022  
and With Independent Accountants' Review  
Report on 2021

December 31, 2022 and 2021

# BRAZOS FELLOWSHIP CHURCH

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**INDEPENDENT AUDITOR'S REPORT ON 2022 FINANCIAL STATEMENTS  
INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON 2021 FINANCIAL STATEMENTS**

Ministry Leadership Team  
Brazos Fellowship Church  
College Station, Texas

***Opinion***

We have audited the accompanying financial statements of Brazos Fellowship Church (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brazos Fellowship Church as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brazos Fellowship Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brazos Fellowship Church's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Ministry Leadership Team  
Brazos Fellowship Church  
College Station, Texas

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Brazos Fellowship Church's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brazos Fellowship Church's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Prior Period Financial Statements***

The December 31, 2021, financial statements were reviewed by us, and our report thereon, dated January 19, 2023, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

The signature is written in a cursive, handwritten style. It reads "Capin Crouse LLP". The letters are dark and fluidly connected.

Irving, Texas  
September 7, 2023

# BRAZOS FELLOWSHIP CHURCH

## Statements of Financial Position

	December 31,	
	2022 (Audited)	2021 (Reviewed)
ASSETS:		
Cash and cash equivalents	\$ 1,467,260	\$ 1,247,580
Property and equipment–net	8,189,531	8,431,777
Total Assets	<u>\$ 9,656,791</u>	<u>\$ 9,679,357</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 22,738	\$ 14,815
Debt-net of unamortized debt issuance costs	4,891,778	5,192,024
Total liabilities	<u>4,914,516</u>	<u>5,206,839</u>
Net assets:		
Without donor restrictions	4,742,275	4,471,068
With donor restrictions	-	1,450
Total net assets	<u>4,742,275</u>	<u>4,472,518</u>
Total Liabilities and Net Assets	<u>\$ 9,656,791</u>	<u>\$ 9,679,357</u>

See notes to financial statements

# BRAZOS FELLOWSHIP CHURCH

## Statements of Activities

	Year Ended December 31,					
	2022 (Audited)			2021 (Reviewed)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 3,384,868	\$ 148,127	\$ 3,532,995	\$ 3,094,590	\$ 91,115	\$ 3,185,705
Other income (loss)	(9,362)	-	(9,362)	776	-	776
Net assets released from restrictions	149,577	(149,577)	-	98,185	(98,185)	-
<b>Total Support and Revenue</b>	<b>3,525,083</b>	<b>(1,450)</b>	<b>3,523,633</b>	<b>3,193,551</b>	<b>(7,070)</b>	<b>3,186,481</b>
EXPENSES:						
Program services	2,770,431	-	2,770,431	2,709,779	-	2,709,779
Supporting activities:						
Management and general	483,445	-	483,445	510,131	-	510,131
Fund-raising	-	-	-	-	-	-
	483,445	-	483,445	510,131	-	510,131
<b>Total Expenses</b>	<b>3,253,876</b>	<b>-</b>	<b>3,253,876</b>	<b>3,219,910</b>	<b>-</b>	<b>3,219,910</b>
Change in Net Assets	271,207	(1,450)	269,757	(26,359)	(7,070)	(33,429)
Net Assets, Beginning of Year	4,471,068	1,450	4,472,518	4,497,427	8,520	4,505,947
Net Assets, End of Year	<b>\$ 4,742,275</b>	<b>\$ -</b>	<b>\$ 4,742,275</b>	<b>\$ 4,471,068</b>	<b>\$ 1,450</b>	<b>\$ 4,472,518</b>

See notes to financial statements



# BRAZOS FELLOWSHIP CHURCH

## Statements of Cash Flows

	Year Ended December 31,	
	2022 (Audited)	2021 (Reviewed)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 269,757	\$ (33,429)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	352,806	428,176
Loss on disposal of assets	10,981	896
Contributions restricted for property and equipment	(24,451)	(50,698)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	7,923	(40,003)
Net Cash Provided by Operating Activities	617,016	304,942
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(117,706)	(63,507)
Proceeds from the sale of fixed assets	850	-
Net Cash Used by Investing Activities	(116,856)	(63,507)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Contributions restricted for property and equipment	24,451	50,698
Principal payments on debt	(304,931)	(296,257)
Net Cash Used by Financing Activities	(280,480)	(245,559)
Net Change in Cash and Cash Equivalents	219,680	(4,124)
Cash and Cash Equivalents, Beginning of Year	1,247,580	1,251,704
Cash and Cash Equivalents, End of Year	\$ 1,467,260	\$ 1,247,580
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Cash paid for interest	\$ 195,210	\$ 211,856

See notes to financial statements

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

### 1. NATURE OF ORGANIZATION:

Brazos Fellowship Church (Church) is an incorporated church of approximately 1,600 attendees in College Station, Texas. The Church was founded in 2004 by Pastor Will and Leslie Lewis with a mission to reach the seeker and challenge the believer to become fully-devoted followers of Jesus Christ. The Church exists to guide people into a growing relationship with Jesus Christ through Worship (To Reach Up), Evangelism (To Reach Out), and Discipleship (To Reach In). Since its incorporation, the Church has been reaching people through creative worship and preaching as well as other ministry outreaches. A significant amount of the Church's programs and activities occur through Church volunteers, which do not qualify as contributed services for the Church, but are a vital part of the Church's operations.

The Church operates as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is not a private foundation under Section 509(a) of the Code.

### 2. SUMMARY OF ACCOUNTING POLICIES:

#### BASIS OF ACCOUNTING

The financial statements are prepared on the accrual basis of accounting. The preparation of the financial statements in conformity 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 those estimates. The significant accounting policies followed are described below.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking and saving accounts. These accounts, at times, may exceed federally insured limits. At December 31, 2022 and 2021, the Church's cash balances exceeded federally insured limits by approximately \$1,165,000 and \$998,000, respectively.

#### PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are capitalized at cost, or if donated, at the estimated fair market value at the date of gift. Depreciation expense is recorded using the straight-line method over estimated useful lives ranging from three to forty years. Items with a cost or fair value exceeding \$1,000 and a useful life greater than one year are capitalized.

#### DEBT ISSUANCE COSTS

ASU 2015-03 requires debt issuance costs to be reported as a direct deduction of the carrying amount of the debt (i.e., a contra liability). See Note 5 for the unamortized discount of debt issuance costs. The original capitalized debt issuance costs of \$93,707 are being amortized on a straight-line basis over the life of each of the loans. Amortization expense was \$4,685 and \$4,845 for the years ended December 31, 2022 and 2021, respectively.

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### NET ASSETS

The financial statements report amounts separately by class of net assets.

*Net assets without donor restrictions* are currently available at the discretion of the board for use in operations. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor or subject to other legal restrictions.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes or programs, with time restrictions, for the acquisition of property and equipment, or not currently available for use until commitments regarding their use have been fulfilled. See Note 6.

#### SUPPORT, REVENUE, AND RECLASSIFICATIONS

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Church.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications.

#### CONCENTRATION OF SUPPORT RISK

Support for the Church comes primarily from contributions, concentrated in the College Station, Texas, geographical area. Further, the top ten funding sources provided approximately 41% and 42% of total contributions for the years ended December 31, 2022 and 2021, respectively.

#### EXPENSES

Expenses are reported when incurred. The Church advertises for its programs in various media. All advertising is expensed as incurred. The Church's advertising expenses were approximately \$2,500 for the years ended December 31, 2022 and 2021. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Church. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include depreciation, facilities operations, and other expenses. Depreciation is allocated based on square footage and the programmatic purpose of the asset being depreciated. Costs of other categories were allocated based on programmatic purpose of the employees directly affected by the expense. See Note 7. The Church incurred no joint costs for the years ended December 31, 2022 and 2021.

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Church's financial assets reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position. The Church considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission and vision as well as the conduct of services undertaken to support those activities to be general expenditures. The Church has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Church had -\$0- and \$1,450 in net assets with donor restrictions for ministry which are anticipated to be expended in the upcoming year while meeting the their donor-stipulated purposes.

	December 31,	
	2022	2021
	(Audited)	(Reviewed)
Financial assets, at year end and available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 1,467,260	\$ 1,247,580

4. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consists of:

	December 31,	
	2022	2021
	(Audited)	(Reviewed)
Land	\$ 1,052,258	\$ 1,052,258
Building and improvements	10,167,146	10,143,462
Furniture, fixtures, and equipment	556,473	536,410
Computers and software	282,081	239,789
	<u>12,057,958</u>	<u>11,971,919</u>
Less accumulated depreciation	<u>(3,868,427)</u>	<u>(3,540,142)</u>
	<u>\$ 8,189,531</u>	<u>\$ 8,431,777</u>

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

5. DEBT:

Debt consists of:

	December 31,	
	2022	2021
	(Audited)	(Reviewed)
A financial institution note secured by Church real estate. During 2020, the note was modified for interest rate terms and a new monthly principal plus interest payments, which is now \$24,240. The note matures June 3, 2034, and now has a fixed interest rate of 3.75% until November 3, 2025. The interest rate is then repriced annually based on the U.S. prime rate plus 50 basis points.	\$ 2,689,144	\$ 2,888,891
A financial institution note secured by Church real estate. During 2020, the note was modified for interest rate terms and new monthly principal and interest payments, which is now \$16,146. The note matures November 16, 2038, and now has a fixed interest rate of 3.75% until October 16, 2025. The interest rate is then repriced annually based on the U.S. prime rate plus 50 basis points.	2,265,655	2,370,839
	4,954,799	5,259,730
Less unamortized debt issuance costs	(63,021)	(67,706)
Debt net of unamortized debt issuance costs	\$ 4,891,778	\$ 5,192,024

Debt is estimated to mature as follows:

Year Ending December 31,	
2023	\$ 304,018
2024	315,617
2025	327,658
2026	340,158
2027	353,136
Thereafter	3,314,212
	\$ 4,954,799

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

6. NET ASSETS WITH DONOR RESTRICTIONS:

The following is a summary of the activity for net assets with donor restrictions for the years ended December 31, 2022 and 2021:

	December 31, 2021 (Reviewed)	Contributions	Net Assets Released and Transfers	December 31, 2022 (Audited)
Imagine More campaign	\$ -	\$ 24,451	\$ (24,451)	\$ -
Two42	-	2,990	(2,990)	-
Be Rich	1,450	120,686	(122,136)	-
	\$ 1,450	\$ 148,127	\$ (149,577)	\$ -
	December 31, 2020 (Compiled)	Contributions	Net Assets Released and Transfers	December 31, 2021 (Reviewed)
Imagine More campaign	\$ -	\$ 50,698	\$ (50,698)	\$ -
Blessings in Bags	-	2,000	(2,000)	-
Be Rich	8,520	38,417	(45,487)	1,450
	\$ 8,520	\$ 91,115	\$ (98,185)	\$ 1,450

# BRAZOS FELLOWSHIP CHURCH

## Notes to Financial Statements

December 31, 2022 and 2021

7. EXPENSES BY BOTH NATURE AND FUNCTION:

Functional expenses by natural classification consists of:

	Year Ended December 31, 2022 (Audited)		
	Program Services	Management and General	Total Expense
Salaries and benefits	\$ 1,579,101	\$ 235,958	\$ 1,815,059
Occupancy and maintenance	424,643	31,962	456,605
Direct missions support	336,842	112,280	449,122
Depreciation and amortization	278,497	69,624	348,121
Professional services and fees	127,310	9,583	136,893
Office and other expenses	24,038	24,038	48,076
	<u>\$ 2,770,431</u>	<u>\$ 483,445</u>	<u>\$ 3,253,876</u>

	Year Ended December 31, 2021 (Reviewed)		
	Program Services	Management and General	Total Expense
Salaries and benefits	\$ 1,566,428	\$ 281,992	\$ 1,848,420
Professional services and fees	127,483	9,122	136,605
Direct missions support	260,781	81,643	342,424
Occupancy and maintenance	389,492	27,712	417,204
Depreciation and amortization	338,665	84,666	423,331
Office and other expenses	26,930	24,996	51,926
	<u>\$ 2,709,779</u>	<u>\$ 510,131</u>	<u>\$ 3,219,910</u>

8. EMPLOYEE BENEFIT PLANS:

The Church offers a 403(b) or IRA retirement plan (the “Plans”) option to all employees. Participants in the Plans vest immediately upon initial contribution. The Church matches up to 3%. Employer contributions to the Plans totaled \$23,500 and \$22,100 for the years ended December 31, 2022 and 2021, respectively.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 7, 2023, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.