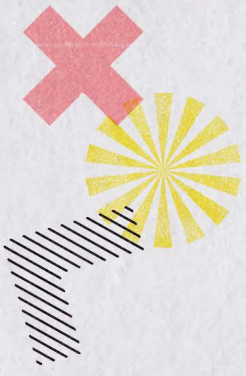


BRAZOS FELLOWSHIP

2023 WRAPPED



MAKING FAITH
AND LIFE WORK
TOGETHER



SUNDAY MORNINGS

TOTAL AVERAGE ATTENDANCE

1,583 [^]18% over 2022

SALVATIONS

448

BAPTISMS

102

(46 adults, 27 youth and 29 children)

TOP WORSHIP SONGS

Gratitude

I Speak Jesus

COFFEE SERVED

385 lbs

HALF & HALF CONSUMED

19,840 oz

86

New Volunteers

9,176

Hours Served

MOST WATCHED SERIES

Think Like Jesus



AT THE MOVIES

1,914

average attendance

POPCORN SERVED

1,010 gal

SODAS SERVED

5,658

CHRISTMAS COOKIES

1,400

Hosted our first ever

CHRISTMAS AT THE MOVIES



OUTREACH

LOCAL

\$15,500
Benevolence &
Counseling
Assistance

\$7,894
BCS Together

\$800
APO Mama Club
Angel Tree

\$1,000
Unbound

GLOBAL

\$12,000
Healing Faith

\$6,600
Cross Community Church
Yokohama, Japan

\$2,060
Arise Africa

GROUPS

42
SMALL
GROUPS

345
PEOPLE
ATTENDING
A GROUP

MINISTRIES

Kids Area
^ 10% from 2022

Middle School
^ 13% from 2022

High School
^ 32% from 2022

College
^ 14% from 2022

THE BIG GIVE

raised
\$70,623

Partner Organizations:

**BCS Together, SOS Ministries, Eastside
Community Church, and the Community
Enhancement Unit - CSPD**

**THANK
YOU**

for being a part of what God is doing
through Brazos Fellowship. We continue to
be in awe of how Jesus is changing peoples'
lives and are thankful for the role you play.



BRAZOS FELLOWSHIP CHURCH

Financial Statements
With Independent Accountants' Compilation
Report on 2023 and With Independent
Auditors' Report on 2022

December 31, 2023 and 2022

BRAZOS FELLOWSHIP CHURCH

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**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT ON 2023 FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT ON 2022 FINANCIAL STATEMENTS**

Ministry Leadership Team
Brazos Fellowship Church
College Station, Texas

Management is responsible for the accompanying financial statements of Brazos Fellowship Church (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Prior Period Financial Statements

The December 31, 2022, financial statements were audited by us, and our report thereon, dated September 7, 2023, stated an unmodified opinion in that the financial position and the changes in its net assets and its cash flows for the year then ended were material in all respects in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Capin Crouse LLP". The signature is written in a cursive, flowing style.

Irving, Texas
December 4, 2024

BRAZOS FELLOWSHIP CHURCH

Statements of Financial Position

	December 31,	
	2023	2022
	(Compiled)	(Audited)
ASSETS:		
Cash and cash equivalents	\$ 1,271,929	\$ 1,467,260
Financing right-of-use asset	29,670	-
Property and equipment—net	7,927,515	8,189,531
Total Assets	<u>\$ 9,229,114</u>	<u>\$ 9,656,791</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 38,136	\$ 22,738
Financing lease liability	29,909	-
Debt-net of unamortized debt issuance costs	4,592,445	4,891,778
Total liabilities	<u>4,660,490</u>	<u>4,914,516</u>
Net assets:		
Without donor restrictions	4,566,137	4,742,275
With donor restrictions	2,487	-
Total net assets	<u>4,568,624</u>	<u>4,742,275</u>
Total Liabilities and Net Assets	<u>\$ 9,229,114</u>	<u>\$ 9,656,791</u>

See independent accountants' compilation report and notes to financial statements

BRAZOS FELLOWSHIP CHURCH

Statements of Activities

	Year Ended December 31,					
	2023 (Compiled)			2022 (Audited)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	\$ 2,731,893	\$ 87,539	\$ 2,819,432	\$ 3,384,868	\$ 148,127	\$ 3,532,995
Other income (loss)	5,534	-	5,534	(9,362)	-	(9,362)
Net assets released from restrictions	85,052	(85,052)	-	149,577	(149,577)	-
Total Support and Revenue	2,822,479	2,487	2,824,966	3,525,083	(1,450)	3,523,633
EXPENSES:						
Program services	2,559,611	-	2,559,611	2,770,431	-	2,770,431
Supporting activities:						
Management and general	439,006	-	439,006	483,445	-	483,445
Fund-raising	-	-	-	-	-	-
	439,006	-	439,006	483,445	-	483,445
Total Expenses	2,998,617	-	2,998,617	3,253,876	-	3,253,876
Change in Net Assets	(176,138)	2,487	(173,651)	271,207	(1,450)	269,757
Net Assets, Beginning of Year	4,742,275	-	4,742,275	4,471,068	1,450	4,472,518
Net Assets, End of Year	\$ 4,566,137	\$ 2,487	\$ 4,568,624	\$ 4,742,275	\$ -	\$ 4,742,275

See independent accountants' compilation report and notes to financial statements

BRAZOS FELLOWSHIP CHURCH

Statements of Cash Flows

	Year Ended December 31,	
	2023 (Compiled)	2022 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (173,651)	\$ 269,757
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	336,300	352,806
Loss on disposal of assets	-	10,981
Contributions restricted for property and equipment	(11,428)	(24,451)
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	15,398	7,923
Net Cash Provided by Operating Activities	166,619	617,016
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(66,621)	(117,706)
Proceeds from the sale of fixed assets	-	850
Net Cash Used by Investing Activities	(66,621)	(116,856)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for property and equipment	11,428	24,451
Principal payments on finance lease agreement	(2,739)	-
Principal payments on debt	(304,018)	(304,931)
Net Cash Used by Financing Activities	(295,329)	(280,480)
Net Change in Cash and Cash Equivalents	(195,331)	219,680
Cash and Cash Equivalents, Beginning of Year	1,467,260	1,247,580
Cash and Cash Equivalents, End of Year	\$ 1,271,929	\$ 1,467,260
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	\$ 184,294	\$ 195,210
Equipment acquired through finance lease agreement	\$ 32,648	\$ -

See independent accountants' compilation report and notes to financial statements

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

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, 2023 and 2022, the Church's cash balances exceeded federally insured limits by approximately \$925,000 and \$1,165,000, 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 6 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 \$4,685 for the years ended December 31, 2023 and 2022, respectively.

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

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 7.

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 donors provided approximately 33% and 41% of total contributions for the years ended December 31, 2023 and 2022, 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 \$4,900 and \$2,500 for the years ended December 31, 2023 and 2022, respectively. 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 8. The Church incurred no joint costs for the years ended December 31, 2023 and 2022.

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

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 \$2,487 and -\$0- in net assets with donor restrictions for ministry which are anticipated to be expended in the upcoming year while meeting their donor-stipulated purposes.

	December 31,	
	2023	2022
	(Compiled)	(Audited)
Financial assets, at year end and available to meet cash needs for general expenditures within one year:		
Cash and cash equivalents	\$ 1,271,929	\$ 1,467,260

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net, consists of:

	December 31,	
	2023	2022
	(Compiled)	(Audited)
Land	\$ 1,052,258	\$ 1,052,258
Building and improvements	10,191,933	10,167,146
Furniture, fixtures, and equipment	559,072	556,473
Computers and software	315,976	282,081
	12,119,239	12,057,958
Less accumulated depreciation	(4,191,724)	(3,868,427)
	\$ 7,927,515	\$ 8,189,531

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

5. FINANCE RIGHT-OF-USE ASSET AND LEASE LIABILITY:

The Church leases equipment under two noncancelable finance leases expiring at various dates through 2028. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The two leases require monthly payments totaling \$599 and discount rates on these leases range from 3.70%-4.14%.

	December 31,	
	2023 (Compiled)	2022 (Audited)
Finance right-of-use assets	\$ 29,670	\$ -
Finance lease liabilities	\$ 29,909	\$ -
Finance lease costs:		
Amortization of right-of-use assets	\$ 2,978	\$ -
Interest on lease liabilities	530	-
	\$ 3,508	\$ -
Weighted-average discount rate on finance leases	3.82%	0.00%
Weighted-average remaining lease term on finance leases (years)	4.55	-

Future minimum lease payments required under operating and finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 7,182
2025	7,182
2026	7,182
2027	7,182
2028	3,913
	32,641
Less: imputed interest	(2,732)
	\$ 29,909

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

6. DEBT:

Debt consists of:

	December 31,	
	2023	2022
	(Compiled)	(Audited)
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.	\$ 2,495,809	\$ 2,689,144
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.	2,154,972	2,265,655
	<u>4,650,781</u>	<u>4,954,799</u>
Less unamortized debt issuance costs	<u>(58,336)</u>	<u>(63,021)</u>
Debt net of unamortized debt issuance costs	<u>\$ 4,592,445</u>	<u>\$ 4,891,778</u>

As of December 31, 2023, the Church was not in compliance with all debt covenants. As a result, the notes are considered due upon demand if requested by the lender.

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

7. 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, 2023 and 2022:

	December 31, 2022 (Audited)	Contributions	Net Assets Released and Transfers	December 31, 2023 (Compiled)
Imagine More campaign	\$ -	\$ 11,428	\$ (11,428)	\$ -
Two42	-	5,438	(5,438)	-
Be Rich	-	70,673	(68,186)	2,487
	\$ -	\$ 87,539	\$ (85,052)	\$ 2,487
	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)	\$ -

BRAZOS FELLOWSHIP CHURCH

Notes to Financial Statements

December 31, 2023 and 2022

8. EXPENSES BY BOTH NATURE AND FUNCTION:

Functional expenses by natural classification consists of:

	Year Ended December 31, 2023 (Compiled)		
	Program Services	Management and General	Total Expense
Salaries and benefits	\$ 1,531,866	\$ 228,899	\$ 1,760,765
Depreciation and amortization	269,040	67,260	336,300
Direct missions support	238,321	79,440	317,761
Occupancy and maintenance	206,885	15,572	222,457
Interest expense	168,455	12,679	181,134
Professional services and fees	118,831	8,944	127,775
Office and other expenses	26,213	26,212	52,425
	<u>\$ 2,559,611</u>	<u>\$ 439,006</u>	<u>\$ 2,998,617</u>

	Year Ended December 31, 2022 (Audited)		
	Program Services	Management and General	Total Expense
Salaries and benefits	\$ 1,579,101	\$ 235,958	\$ 1,815,059
Direct missions support	336,842	112,280	449,122
Depreciation and amortization	283,182	69,624	352,806
Occupancy and maintenance	241,352	18,519	259,870
Interest expense	178,607	13,444	192,050
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>

9. 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 \$18,500 and \$23,500 for the years ended December 31, 2023 and 2022, respectively.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 4, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.