Appl	City of ication for Use o	f Tomball of Hotel Occu	ipancy Tax
Application Date: 7/10/202	3		
Name of Organization/Business:	OMBALL SI	STER CITY	r org.
Street Address: PO BOX 1	131		
City: TOMBALL	State: T>	<	Zip Code: 77377
Contact Name: CRAIG BC	OGNER		
Phone Number: 832-715-6	5291 _{Er}	mail: CRAIG@TOM	BALLGERMANFEST.ORG
Type of Organization/Business:	□ Private/For-Pro	fit 📕 No	on-Profit
Purpose of organization/business:	TO KEEP THE GERMAN (CULTURE AND HERI	TAGE OF TOMBALL PAST.
SUPPORT EXCHANGE STUD	ENTS FROM TELGT	E GERMANY TO	MBALLS SISTER CITY.
HOLD A HERITAGE DINNER	EVERY YEAR FOR T	THE GERMAN FA	MILIES OF TOMBALL.
Does your event/expenditure pass l	Part One of the statutory	Hotel Occupancy T	ax test listed below?
Defined specifically as dire promoting the overnight ac		e	•
	Yes 🗆	No	
Does your event/expenditure pass I specifically as limiting the use of H	•	· ·	
Select all categories that apply.			
Establishment, improvement or	maintenance of a conven	ntion or visitor cente	r
□ Administrative cost for facilitati	ng convention registratic	on	

Advertising, solicitations, and promotions that attracts tourists and delegates

 \Box Encouragement, promotion, improvement, and application of the arts

□ Historical restoration or preservation programs

 \Box Signage directing tourists to attractions visited by hotel guests

 \Box None of the above

Is this a new event/expenditure?	🗆 Yes 📕 No	
Name of the event/expenditure: TON	MBALL GERMAN	HERITAGE
Website address of event/expenditure:	FOMBALLGERM	ANFEST.ORG
Date(s) of event/expenditure: mAR	CH 22,23,24	
Location of event/expenditure: 100,2	00,300,400 BLOCKS	OF MARKET STREET
Description of event/expenditure: ^{3 DAY}	GERMAN FESTIVAL. 4 MUSIC STAGES,	CARNIVAL, KIDS AREA & 150 VENDORS.
Estimated local attendees: 40K	Estimated out of town	attendees: 20K
If approved, how will the grant funds be	e used?	AIRS GENERATORS & LIGHT TOWERS.
How will you measure the impact of yo	e e	
ALL HOTELS FILL UP DURING FESTIV	AL ACCORDING TO THE HOTEL	AT THE CITY HOTEL MEETING,
Amount of funding requested: §80K/	Inkind See attached	
Amount of funding requested: §		
Current operating budget for the event/e	expenditure: $\frac{220,000}{2}$	20.000
Total funding dedicated to advertising/p	romotion of event/expenditure: S	
Organization's direct contribution to the	e operating and advertising budge	et: §166,000
Please indicate all promotion efforts you event/expenditure:		
Paid Advertising Radio	Television	Brochures
Social Media Newspaper	Online/Digital	Press Release
How do you intend to advertise or prom During Application process a l		
Website has Tomball		-

- 1. I have read the entire information in this application packet and understand and will comply with all provisions therein; and that I intend to use the grant for the event/expenditure to directly enhance and promote the tourism and hotel industry by attracting visitors from outside of Tomball to stay overnight in one of Tomball's lodging facilities.
- 2. I will abide by all relevant local, state, and federal laws/regulations regarding the use of Hotel Occupancy Tax.
- 3. I understand that all grant funds are provided on a reimbursement basis and only proven eligible expenses will be reimbursed.
- 4. Applicant acknowledges that if grant funds are awarded, the event organizers agree to allow the financials of this event to be viewed at any time by the City of Tomball prior to receiving reimbursement for the event.

Applicant Signature:	
Applicant Name: Craig Bogner	•

Required Documents:

- Itemized budget of expenditures for grant funds
- Organization's most recent annual budget
- Organization's most recent financial statements must be audited for grants exceeding \$100,000
- List of Board of Directors/Event Committee with contact information
- IRS Form W-9 required if not currently on file with the City of Tomball
- Any other information that supports the request for funding

Please submit applications by email to finance@tomballtx.gov or mail/deliver to:

City of Tomball Attn: Finance Dept. 501 James Street Tomball, Texas 77375

Budget Overview: Budget_FY23_P&L_(1) - FY23 P&L

October 2022 - September 2023

Income	ΤΟΤΑΙ
Total Income	
GROSS PROFIT	\$0.00
Expenses	••••
Payroll	52,000.00
TGCM Expenses	2,500.00
Advertising	10,000.00
Buttonstar	700.00
Champions	5,200.00
Community Impace	8,000.00
Das Fenster	0.00
Horsebay	0.00
Houston Chronicle	10,000.00
Kulp Radio	0.00
Kwik Kopy	2,000.00
Neighborhood Publishing	500.00
Photography	1,500.00
Polka	0.00
Star Montrose	0.00
The Rural Connection	400.00
Tomball Chamber	0.00
Townsquare Publications	0.00
Total Advertising	38,300.00
Distributors	
Buses	5,000.00
Porta Potties	5,000.00
Total Distributors	10,000.00
Security	3,200.00
Total TGCM Expenses	54,000.00
TGHF Expenses	
Advertising	3,500.00
American Classifieds	0.00
Button Star	200.00
Community Impact	7,000.00
Das Fenster	400.00
Hello Woodlands	0.00
Horshoebay	0.00
Houston Chronicle	8,000.00
Houston Livestock Show & Rodeo	0.00
KStar	0.00
Kulp Radio	600.00
Kwik Kopy	1,800.00

	TOTAL
Photography	3,300.00
Polka	0.00
Printing Materials	0.00
ButtonStar	0.00
FastSigns	0.00
Total Printing Materials	0.00
SP Merchandise	0.00
Star Montrose	1,000.00
Team	0.00
Tomball Chamber	0.00
Townsquare Publications	0.00
Zoogee World	0.00
Total Advertising	26,200.00
Distributors	18,000.00
Buses	5,000.00
Porta Potties	4,800.00
Total Distributors	27,800.00
Total TGHF Expenses	54,000.00
otal Expenses	\$160,000.00
IET OPERATING INCOME	\$ -160,000.00
IET INCOME	\$ -160,000.00

Budget Overview: Budget_FY23_P&L - FY23 P&L

October 2022 - September 2023

	TOTAL
Income	
TGCM Income	80,000.00
Festival	60,000.00
Sponsors	20,000.00
Vendors	100,000.00
Total TGCM Income	260,000.00
TGHF Income	80,000.00
Festival	60,000.00
Sponsors	20,000.00
Vendors	100,000.00
Total TGHF Income	260,000.00
Total Income	\$520,000.00
GROSS PROFIT	\$520,000.00
Expenses	
Payroll	
Payroll Service Fee	2,000.00
Payroll Tax Expenses	4,000.00
Salary and Wages	49,000.00
Workers Compensation	237.00
Total Payroll	55,237.00
TGCM Expenses	2,500.00
Advertising	30,000.00
Distributors	80,000.00
Buses	5,000.00
Porta Potties	4,800.00
Total Distributors	89,800.00
Entertainment	
Entertainers	50,000.00
Hotels	6,000.00
Total Entertainment	56,000.00
Security	2,500.00
Total TGCM Expenses	180,800.00
TGHF Expenses	
Advertising	30,000.00
Distributors	80,000.00
Buses	55,000.00
Porta Potties	5,000.00
Total Distributors	140,000.00
Entertainment	4,500.00
Entertainers	42,000.00
Hotels	6,300.00
Total Entertainment	52,800.00

	TOTAL
Equipment Rental	15,000.00
Hospitality	1,700.00
Insurance	1,300.00
Security	2,200.00
Volunteers	500.00
Total TGHF Expenses	243,500.00
Total Expenses	\$479,537.00
NET OPERATING INCOME	\$40,463.00
NET INCOME	\$40,463.00

Independent Accountants' Review Report and Financial Statements for the Year Ended September 30, 2022



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Independent Accountants' Review Report

To the Board of Directors of The Tomball Sister City Organization Houston, Texas

We have reviewed the accompanying financial statements of The Tomball Sister City Organization (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and 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 entity 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 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 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.

Accountant's Conclusion

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

Jipton : Company

Tipton & Company Certified Public Accountants Houston, Texas

November 29, 2022

Statement of Financial Position

As of September 30, 2022	
Assets	
Cash and cash equivalents	\$ 255,692
Property and equipment, net	 4,849
Total Assets	\$ 260,541
Liabilities and Net Assets	
Liabilities	
Deferred revenue	48,252
Accrued expenses	16,097
Total Liabilities	64,349
Net Assets	
Without donor restriction	196,192
Total Net Assets	196,192
Total Liabilities and Net Assets	\$ 260,541

Statement of Activities

	Witł	hout Donor	With Do	onor	
Year ended September 30, 2022		estrictions	Restrict	Total	
Public Support and Revenues					
Public Support					
Tomball German Heritage Festival grant	\$	80,000	\$	- \$	80,000
Tomball German Christmas Market grant		80,000		-	80,000
Revenue					
Tomball German Heritage Festival sponsorship and fees		173,510		-	173,510
Tomball German Christmas Market sponsorship and fees		137,555		-	137,555
Other income		190		-	190
Total Public Support and Revenues		471,255		-	471,255
Evenence					
Expenses Program Activities					
Tomball German Christmas Market		188,635		-	188,635
Tomball German Heritage Festival		190,584		-	190,584
Total Program Activities		379,219		-	379,219
Supporting Activities					
Management and general		52,087		-	52,087
Fundraising		37,990		-	37,990
Total Supporting Activities		90,077		-	90,077
Total Expenses		469,296		-	469,296
		•			
Change in Net Assets		1,959		-	1,959
Net Assets, Beginning of Year		194,233		-	194,233
Net Assets, End of Year	\$	196,192	\$	- \$	196,192

Statement of Functional Expenses

			Program	n Activities			S	uppor	ting Activitie	es		
Year ended September 30, 2022	Tomball German Heritage Festival		Tomball German Christmas Market		Total Program Activities	Management & General		Fundraising		Total Supporting Activities		Total
Salaries and related expenses												
Salaries and wages	\$	12,325	\$	12,325 \$	24,650	\$	14,790	\$	9,860	\$ 24,	650	\$ 49,30
Payroll taxes		943		943	1,886		1,131		754		385	3,77
Employee benefits		59		59	118		71		48		119	23
Total salaries and related expenses		13,327		13,327	26,654		15,992		10,662	26,		53,30
Other Expenses												
Advertising		13,668		12,875	26,543		-		26,543	26,	543	53,08
Auto		-		-	-		2,253		-	2,	253	2,25
Depreciation		-		-	-		1,126		-		126	1,12
Distributors		84,589		94,973	179,562		-		-		-	179,56
Donations		-		-	-		1,000		-	1,	000	1,00
Dues		-		-	-		5,104		-		104	5,10
Equipment rental		13,720		-	13,720		-		-		-	13,72
Exchange students		4,184		4,184	8,368		-		-		-	8,36
Hospitality		1,604		3,308	4,912		-		-		-	4,91
Insurance		1,260		-	1,260		6,828		-	6,	328	8,08
Maintenance		-		-	-		750		-		750	75
Miscellaneous		1,441		2,579	4,020		2,932		-	2,	932	6,95
Postage		-		-	-		256		-		256	25
Security		1,070		2,360	3,430		-		-		-	3,43
Service fees		465		465	930		752		372	1,	124	2,05
Storage		-		-	-		2,036		-	2,	036	2,03
Taxes		516		516	1,032		619		413	1,	032	2,06
Travel and entertainment		54,240		54,048	108,288		3,350		-	3,	350	111,63
Utilities		-		-	-		5,619		-	5,	519	5,61
Volunteers		500		-	500		-		-		-	50
Website		-		-	-		3,470		-	3,	470	3,47
Total Other Expenses		177,257		175,308	352,565		36,095		27,328	63,	123	415,98
Total Expenses	\$	190,584	\$	188,635 \$	379,219	\$	52,087	\$	37,990	\$ 90.	077	\$ 469,29

Statement of Cash Flows

Year ended September 30, 2022	
Cash Flows from Operating Activities	
Change in Net Assets	\$ 1,959
Adjustments to reconcile change in net assets to	
net cash from operating activities:	
Depreciation expense	1,126
Change in operating assets and liabilities:	
Deferred revenue	14,336
Accrued expenses	2,041
Total Adjustments	17,503
Net Change from Operating Activities	19,462
Cash and Cash Equivalents, beginning of year	236,230
Cash and Cash Equivalents, end of year	\$ 255,692

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations – The Tomball Sister City Organization, (the Organization), is a nonprofit corporation founded in 2003 under the laws of the State of Texas for the purpose of the establishment, sponsorship, promotion and support of cultural, business, educational, diplomatic and other exchanges with Tomball's sister city – Telgte, Germany.

To this end the corporation endeavors to promote and heighten public interest in and appreciation of the culture, business, education, products, people or language of sister cities of the City of Tomball, Texas, and to develop programs and provide activities that highlight such culture, business, education, products, people or language, and to assist its members in the development of such programs and the provisions of such activities.

The following programs and services are supported by The Tomball Sister City Organization:

- Tomball German Christmas Market traditionally holds in Tomball on the second weekend in December and includes live music and an open-air market. During this event, street vendors line Market and S. Walnut Streets, selling German Christmas items, arts and crafts, and much more. The event is sponsored by the City of Tomball, Tomball Sister City Organization, and German Heritage Festival.
- Tomball German Heritage Festival traditionally holds in Tomball during the last weekend in March. It is
 a Music/Street festival celebrating German and ethnic heritage with four stages of live music
 entertainment, ethnic and festival food, beer, wine, street vendors, all kinds of German souvenirs and
 clothing, arts crafts, antiques, Heritage Center, German church service, fireworks, carnival, pony ride,
 petting zoo, strolling music makers, street performers, and much more.

Basis of Accounting – The financial statements of The Tomball Sister City Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted endowment earnings are released when those earnings are appropriated with spending policies and are used for the specified purpose.

Cash and Cash Equivalents – The Organization considers all monies in banks and highly liquid investments with maturities of three months or less from the date of purchase to be cash and cash equivalents. The carrying values

of any cash and cash equivalents are deemed to approximate their fair values because of the short maturities of those financial instruments.

Property and Equipment – Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Computers	2 years
Trailers	5 - 15 years

Additions and betterments of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Grants – Grants are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the condition.

Donated Assets – Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Donated Services – The Organization recognizes contributed services at their fair value if the services provide value to the Organization and require specialized skills, are provided by individuals possessing those skills, and would have been purchased if not provided by contributors, as established by FASB ASC 958-605-25-26.

Deferred Revenue – fees charged to vendors participating in the Christmas Market which are received prior to a fiscal year-end but which relate to the following fiscal year are deferred and recognized as revenue in that following fiscal year, once Christmas Market is held.

Revenue Recognition – Revenue is recognized when earned. Heritage Festival and Christmas Market sponsorship and fees revenue are deferred to the applicable period in which the related event is held.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The significant estimates included in the financial statements are the estimates of useful lives used for depreciating property and equipment items.

Notes to Financial Statements

Functional Allocation of Expense – The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Organization allocates these expenses based on time and effort. Expenses that can be identified with a specific program or supporting service are allocated directly according to their natural expenditure classification.

Income Taxes – The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 7JJ40, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Advertising – Advertising costs are expensed as incurred. Advertising expense for the year ended September 30, 2022 was \$53,086.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2022, comprise the following:

Financial assets available to meet cash needs for	
general expenditures within one year:	
Cash	\$247,440

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

The Organization is primarily funded by grants and festival. The Organization has a goal to maintain financial assets on hand to meet two festivals' operating expenses, which are, on average, approximately \$100,000. The majority of the funds needed to meet the festival operating expenses is maintained in a savings account with Amegy Bank.

NOTE 3 – CONCENTRATIONS

The Organization maintains cash balances at one financial institution located in Texas. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2022, the Organization had no uninsured balances.

The Organization had one grantor that accounted for thirty-four percent (34%) of total public support and revenue for the year ended September 30, 2022.

The Organization also conducts its operations solely in the Tomball area, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in grants.

NOTE 4 – PROPERTY AND EQUIPMENT

As of September 30, 2022, property and equipment consist of the following:

Computer	\$3,357
Trailer	8,248
Subtotal property and equipment	11,605
Less: accumulated depreciation	(6,756)
Total property and equipment, net	\$4,849

Depreciation expense for the year ended September 30, 2022 was \$1,126.

NOTE 5 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 29, 2022, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require an adjustment to the financial statements or disclosures as required by GAAP.

Tomball Sister City Organization, Inc. P. O. Box 1131, Tomball, TX 77377

AS OF 10/3/2022

Officers and Board of Directors

NAME & ADDRESS	PHONE	EMAIL	TERM EXPIRES
Grady Martin, Chair 8118 Spring Stuebner Road Spring, Texas 77379	713-829-7116	gradsand@yahoo.com	2024
Kit Pfeiffer, Vice Chair 31214 Helen Lane Tomball, Texas 77375	281-460-7630	kitpfeiffer@yahoo.com	2024
Sandra Martin 8118 Spring Stuebner Road Spring, Texas 77379	713-829-0313	<u>gradsand@γahoo.com</u>	2024
Craig Bogner Treasurer, General Manager 31226 Antionia Lane Tomball, Texas 77375	832-715-6291	<u>craigbogner@gmail.com</u> <u>craig@tomballgermanfest.org</u>	2023
Amy Mason 26003 Di-jon Tomball, Texas 77377	713-412-1882	amyamason@yahoo.com	2025
Elizabeth Barnett, Secretary 2 Blue Bungalow Drive Spring, Texas 77389	281-900-8663	<u>ebarnett@houstonmethodist.org</u>	2025
Sonja Love 11907 Julia Lane Magnolia, Texas 77354	832-236-5412	larry.sonja@sbcglobal.net	2024
Wesley Burke 11918 Painted Canyon Dr. Tomball, Texas 77377	832-347-0699	wesleyjburke.com	2023
Nora Stovall 307 Florence Street Tomball, Texas 77375	281-541-1449	norastovall@sbcglobal.net	2023
Shawn Mason 26003 Di-jon Tomball, Texas 77377	281-799-9292	<u>shama_go14@yahoo.com</u>	2024
Mark Barnett 2 Blue Bungalow Drive Spring, Texas 77389	832-326-8141	mjbarnett76@yahoo.com	2025
Klaus Rotermund 18915 Ayston Drive Tomball, Texas 77375	832-594-6258	klaro10@att.net	2025