Greater Tomball Area Chamber of Commerce

Independent Accountants' Review Report and Financial Statements
for the Year Ended December 31, 2025 (Reviewed)
(with comparative totals for 2024 - Audited)

Tipton & Company
CERTIFIED PUBLIC ACCOUNTANTS

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Tipton & Company
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Greater Tomball Area Chamber of Commerce
Tomball, Texas

We have reviewed the accompanying financial statements of Greater Tomball Area Chamber of Commerce (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025, 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.

We are required to be independent of Greater Tomball Area Chamber of Commerce 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 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Greater Tomball Area Chamber of Commerce's 2024 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated March 12, 2025. The summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Tipton & Company LLC

Tipton & Company LLC
Certified Public Accountants
Houston, Texas

March 10, 2026

Greater Tomball Area Chamber of Commerce

Statement of Financial Position

As of December 31, *(with comparative totals for 2024)*		**Reviewed 2025**		Audited 2024
Assets				
Cash and cash equivalents	**$**	**120,813**	$	132,986
Certificate of deposit		**332,310**		320,289
Accounts receivable, net		**63,750**		64,847
Prepaid expenses		**11,271**		10,677
Property and equipment, net		**801,090**		796,220
Total Assets	**$**	**1,329,234**	$	1,325,019
Liabilities and Net Assets				
Liabilities				
Accrued expenses	**$**	**38,961**	$	30,248
Deferred revenues		**209,844**		192,315
Note payable		**193,191**		240,362
Deposits		**4,150**		4,150
Total Liabilities		**446,146**		467,075
Net Assets				
Without donor restrictions		**883,088**		857,944
Total Net Assets		**883,088**		857,944
Total Liabilities and Net Assets	**$**	**1,329,234**	$	1,325,019

Greater Tomball Area Chamber of Commerce
Statement of Activities

Year ended December 31, (with comparative totals for 2024)	**Reviewed 2025**	Audited 2024
Without Donor Restrictions		
Revenue and Support		
Membership dues	**$ 530,670**	$ 513,014
Special events revenue	**201,614**	208,974
Direct benefit to donor	**(24,396)**	(26,578)
Capital improvement campaign	**36,000**	30,000
First Friday luncheon	**37,471**	33,225
Networking Breakfast	**5,135**	5,245
Women's Committee	**16,034**	15,712
City of Tomball hotel tax revenue	**45,000**	45,000
Rental income	**73,242**	66,285
Tenant reimbursements	**20,596**	15,086
Ads and ad commission	**27,584**	18,334
Contributed nonfinancial assets	**9,120**	9,470
Interest and investment income	**13,496**	12,494
Other income	**44,331**	49,187
Total Revenue and Support	**1,035,897**	995,448
Expenses		
Program Services		
Business resources	**364,091**	339,930
Advocacy	**364,189**	335,393
Total Program Services	**728,280**	675,323
Supporting Services		
General and administrative	**139,744**	123,028
Fundraising	**142,729**	139,814
Total Supporting Services	**282,473**	262,842
Total Expenses	**1,010,753**	938,165
Change in Net Assets	**25,144**	57,283
Net Assets, Beginning of Year	**857,944**	800,661
Net Assets, End of Year	**$ 883,088**	$ 857,944

Year ended December 31, (with comparative totals for 2024)	Program Services: Business Resources	Program Services: Advocacy	Program Services: Total Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total Supporting Services	**Reviewed 2025 Total**	Audited 2024 Total
Payroll and related expenses								
Salaries	$ 149,203	$ 149,203	$ 298,406	$ 37,301	$ 37,301	$ 74,602	**$ 373,008**	$ 347,078
Payroll taxes	12,717	12,717	25,434	3,179	3,179	6,358	**31,792**	28,682
Employee benefits	16,331	16,331	32,662	4,083	4,083	8,166	**40,828**	42,436
Total payroll and related expenses	178,251	178,251	356,502	44,563	44,563	89,126	**445,628**	418,196
Other expenses								
Advertising	1,276	1,276	2,552	1,276	8,929	10,205	**12,757**	11,937
Bad debt	19,880	19,880	39,760	19,880	19,880	39,760	**79,520**	76,171
Bank fees	1,750	1,750	3,500	7,000	7,000	14,000	**17,500**	14,572
Board expenses	-	-	-	10,481	-	10,481	**10,481**	8,824
Computer maintenance	3,230	3,230	6,460	807	807	1,614	**8,074**	6,594
Contract labor	30,340	30,340	60,680	7,585	7,585	15,170	**75,850**	56,490
Depreciation	12,582	12,582	25,164	3,146	3,146	6,292	**31,456**	28,785
Dues and subscriptions	1,724	1,724	3,448	430	430	860	**4,308**	3,636
Employee development	2,927	2,927	5,854	732	732	1,464	**7,318**	16,514
Equipment lease	4,021	4,021	8,042	1,005	1,005	2,010	**10,052**	11,200
First Friday	38,919	-	38,919	-	-	-	**38,919**	33,831
Health committee	11,865	-	11,865	-	-	-	**11,865**	13,281
Insurance	4,210	4,210	8,420	1,052	1,052	2,104	**10,524**	10,500
Interest	6,206	6,206	12,412	1,552	1,552	3,104	**15,516**	21,339
Miscellaneous	6,402	7,869	14,271	5,902	-	5,902	**20,173**	19,376
Networking breakfast	2,123	-	2,123	-	-	-	**2,123**	2,580
Office supplies	3,056	3,056	6,112	764	764	1,528	**7,640**	5,556
Payroll service	2,865	2,865	5,730	716	716	1,432	**7,162**	6,452
Postage and delivery	1,063	532	1,595	532	1,418	1,950	**3,545**	1,907
Professional fees	-	-	-	16,111	-	16,111	**16,111**	10,100
Rent	732	732	1,464	183	183	366	**1,830**	1,662
Repairs and maintenance	11,873	11,873	23,746	2,968	2,968	5,936	**29,682**	17,978
Software	2,498	2,498	4,996	624	624	1,248	**6,244**	5,726
Special events	-	41,613	41,613	-	59,697	59,697	**101,310**	106,760
Taxes - income	-	-	-	7,601	-	7,601	**7,601**	6,613
Taxes - property	7,888	7,888	15,776	1,972	1,972	3,944	**19,720**	17,469
Telephone	2,933	2,933	5,866	733	733	1,466	**7,332**	6,968
Travel and entertainment	-	-	-	760	-	760	**760**	760
Utilities	5,477	5,477	10,954	1,369	1,369	2,738	**13,692**	12,776
Womens Committee	-	10,456	10,456	-	-	-	**10,456**	10,190
Total other expenses	185,840	185,938	371,778	95,181	122,562	217,743	**589,521**	546,547
Subtotal	364,091	364,189	728,280	139,744	167,125	306,869	**1,035,149**	964,743
Less: Direct benefit to donor	-	-	-	-	(24,396)	(24,396)	**(24,396)**	(26,578)
Total Expenses	$ 364,091	$ 364,189	$ 728,280	$ 139,744	$ 142,729	$ 282,473	**$ 1,010,753**	$ 938,165

Greater Tomball Area Chamber of Commerce

Statement of Cash Flows

Year Ended December 31, (with comparative totals for 2024)		**Reviewed 2025**		Audited 2024
Cash Flows From Operating Activities				
Change in net assets	**$**	**25,144**	$	57,283
Adjustments to reconcile change in net assets to net change in operating activities:				
Depreciation		**31,456**		28,785
Bad debt expense		**79,520**		76,171
Changes in assets and liabilities:				
Accounts receivable		**(78,423)**		(96,111)
Prepaid expenses		**(594)**		(386)
Accrued expenses		**8,713**		(783)
Deferred revenues		**17,529**		-
Other liabilities		**-**		(4,150)
Total Adjustments		**58,201**		3,526
Net Change in Operating Activities		**83,345**		60,809
Cash Flows From Investing Activities				
Additions of property and equipment		**(36,326)**		-
Interest retained in certificates of deposit		**(12,021)**		(10,468)
Net Change in Investing Activities		**(48,347)**		(10,468)
Cash Flows From Financing Activities				
Payments on note payable		**(47,171)**		(141,345)
Net Change in Financing Activities		**(47,171)**		(141,345)
Net Change in Cash and Cash Equivalents		**(12,173)**		(91,004)
Cash and Cash Equivalents, beginning of year		**132,986**		223,989
Cash and Cash Equivalents, end of year	**$**	**120,813**	$	132,986
Supplemental Disclosures:				
Interest paid	**$**	**15,516**	$	21,339
Federal income taxes paid	**$**	**7,601**	$	6,613

NOTE 1 – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Greater Tomball Area Chamber of Commerce (the "Chamber") is a not-for-profit organization of citizens who are investing their time and money in a community development program working together to improve the economic, civic, and cultural fortitude of the region, community, or area. The Chamber's mission is to provide resources and foster relationships that empower businesses to prosper in Tomball and its surrounding communities.

The Chamber is supported through membership dues, contributions, rental income and other miscellaneous revenue. The Chamber conducts the following programs:

- *Business resources* – The Business Resources Division is dedicated to providing and promoting value added, quality networking events to the Chamber's diverse membership, by ensuring inclusion through new member mentorship programs and by presenting opportunities for personal and business growth. This division invites members to become involved in the Chamber's programs that will allow relationships to be formed and sustained through a variety of networking events.

- *Advocacy* – The Advocacy Division is committed to being a strong voice for the Chamber's members and the greater Tomball area community. This will be accomplished by addressing public policy issues with participation from the public, members and elected officials, and holding open discussions about issues that affect the business community including: economic development, education, workforce development, energy and healthcare.

Basis of Accounting

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

Basis of Presentation

The Chamber 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 Chamber, 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 Chamber 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.

Certificates of Deposit

Certificates of deposit are valued at face value plus accrued interest.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2025 and 2024, the allowance for bad debts was $7,021 in both years.

Property and Equipment

The Chamber capitalizes all expenditures for property, plant and equipment in excess of $500. Maintenance and repairs are charged to operations when incurred. Major improvements and renewals that extend the life of the asset are capitalized. Purchased property, plant and equipment are carried at cost and are depreciated using the straight-line method based on their estimated useful lives as follows:

Buildings and improvements	39 years
Computers and software	3-5 years
Office equipment	5-7 years
Furniture and fixtures	5-7 years

Contributed Nonfinancial Assets

Donated goods are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or sold. All donated goods were utilized by the Organization’s programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialize skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Deferred Revenue

Income from membership dues and subscription fees received in advance is deferred and recognized over the periods to which the dues and fees relate.

Use of 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.

Membership Dues

Membership dues are recognized as revenue ratably over the term of the membership period. Any unearned amounts are included in deferred revenue at the end of each accounting period.

Functional Allocation of Expenses

Expenses are categorized in the Statement of Activities as program services, management and general and fundraising. The Chamber's expenses are allocated on a functional basis among these benefited categories:

- Program service expenses: include direct and indirect (allocated) expenses for the various programs offered by the Chamber to fulfill member investment expectations. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated to program services based on time and effort.
- Management and general expenses: include those expenses, ranging from office management to financial services, that are not directly identifiable with any other specific function but provide for the overall support and direction of the Chamber. Those expenses include the basic necessities to be an accredited, well rounded, and effective organization.
- Fundraising expenses: represent costs incurred in connection with fundraising efforts to continue the Chamber's mission. The membership dues alone are not adequate enough to accomplish the Chamber's goals; therefore, fundraising events are held to fill the gap between membership dues and total expenses.

Income Taxes

The Chamber is operating as a not-for-profit corporation, under Section 501(c)(6) of the Internal Revenue Code, and is not subject to income taxes with the exception of unrelated business income. The Chamber conducted unrelated business activities during the current year. Therefore, the Chamber paid $7,601 and $6,613 for federal income taxes in the years ended December 31, 2025 and 2024, respectively.

The Chamber applies the provisions of FASB ASC Topic 740, 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. As of December 31, 2025 and 2024, no uncertain tax positions were identified.

Leases

The Chamber accounts for leases in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 842, *Leases*. Leases are evaluated using the criteria in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. The Chamber determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Chamber determines if an arrangement conveys the right to use an identified asset and whether the Chamber obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Chamber recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. The Chamber has elected to not recognize ROU assets and lease liabilities for short-term leases that have an initial lease term of 12 months.

Lease liabilities - Lease liabilities are measured based on the present value of future lease payments using the risk-free rate.

Right of use (ROU) assets - ROU assets are recognized at the present value of the lease payments at inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Lease expense is recognized on a straight-line basis as rent expense in the statement of functional expenses.

Advertising Cost

Advertising costs are expensed when incurred. Advertising costs for the years ended December 31, 2025 and 2024 amounted to $12,757 and $11,937, respectively.

NOTE 2 – LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2025, comprise the following:

Financial assets:	
Cash and cash equivalents	$120,813
Certificate of deposit	332,310
Accounts receivable, net	63,750
Financial assets available to meet cash needs for general expenditures within one year	$516,873

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Chamber 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. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Chamber sets a goal of having financial assets on hand to meet a minimum of 90 days of normal operating expenses, which are, on average, around $70,000. As part of its liquidity management, the Chamber has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

NOTE 3 – CONCENTRATION OF CREDIT RISKS

The Chamber maintains its cash and certificate of deposit balances in a local bank. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Management periodically assesses the financial condition of the financial institutions and believes that any possible credit risk is minimal. As of December 31, 2025 and 2024, the Chamber had approximately $203,000 of cash and certificate of deposit balances that were not insured by the FDIC. The Chamber has not experienced any losses in such accounts and believes the risk of future loss is mitigated by monitoring the balances and the financial institutions where the cash is deposited.

NOTE 4 – PROPERTY AND EQUIPMENT

As of December 31, 2025 and 2024, property, plant and equipment consisted of the following:

	Reviewed 2025	Audited 2024
Building and improvements	$1,135,520	$1,112,383
Computers and software	24,956	17,517
Office equipment	14,321	14,321
Furniture and fixtures	23,740	17,990
Land	145,000	145,000
Total property and equipment, gross	1,343,537	1,307,211
Less: accumulated depreciation	(542,447)	(510,991)
Total property and equipment, net	$801,090	$796,220

Depreciation expense for the years ended December 31, 2025 and 2024 was $ 31,456 and $28,785, respectively.

NOTE 5 – RENTAL INCOME

The Chamber leases portions of its office space to three organizations under operating lease agreements. Rental income is recognized on a straight-line basis over the lease term in accordance with the respective agreements.

For the years ended December 31, 2025 and 2024, rental income was $73,242 and $66,285, respectively.

Future minimum lease payments to be received under noncancelable operating leases as of December 31, 2025 are as follows:

For the years ending December 31,	
2026	$ 54,720
2027	54,720
2028	54,720
2029	45,600
Thereafter	-
Total	$209,760

NOTE 6 – OPERATING LEASES

The Chamber has entered into non-cancelable operating leases that expire in 2024 and 2026. For the years ended December 31, 2025 and 2024, the total rental expense under these leases was $11,882 and $12,862, respectively. Future minimum lease payments are as follows:

For the years ending December 31,	
2026	$ 7,334
2027	7,334
2028	3,509
2029	2,234
2030	2,234
Thereafter	-
Total	$ 22,645

NOTE 7 – NOTE PAYABLE

The Chamber has a note payable to a financial institution related to the Quinn Road office building, secured by the property. In December 2023, the loan was modified to bear interest at 7% and to be payable on demand. If demand is not earlier made, the note requires monthly payments of principal and interest of $5,224 beginning January 10, 2024 through December 10, 2026, at which time the remaining unpaid balance will be due.

As of December 31, 2025 and 2024, the balance was $193,191 and $240,362, respectively. Future scheduled maturities of the note payable are as follows:

For the years ending December 31,	
2026	$193,191
Thereafter	-
Total	$193,191

NOTE 8 – CONCENTRATIONS

For the years ended December 31, 2025 and 2024, approximately 50% of the Chamber's total revenue and support came from membership dues.

The Chamber conducts its operations solely in the greater 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 membership dues and revenue.

NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, the Chamber's contributed non-financial assets consist of the following:

Nonfinancial Asset Received	Activity	Reviewed 2025	Audited 2024
Advertising	*Administrative*	$ 2,520	$ 2,520
Repairs and maintenance	*Administrative*	6,600	6,600
Supplies	*Fundraising*	6,960	4,500
Venues	*Program/Fundraising*	7,600	6,300
Miscellaneous	*All activities*	2,238	3,160
Total contributed nonfinancial assets		$ 25,918	$ 23,080

All contributed nonfinancial assets are valued at fair market value at the date of donation. Certain contributed nonfinancial assets are included within special events and program revenues on the statement of activities as they relate to those respective activities; therefore, the total presented in the table above does not equal the contributed nonfinancial assets line item.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 10, 2026, the date the financial statements were available to be issued. No events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.