



City of Tomball Application for Use of Hotel Occupancy Tax

Application Date: 6/21/2024
Name of Organization/Business: Greater Tomball Area Chamber of Commerce
Street Address: 29201 Quinn Road, Suite B
City: Tomball State: TX Zip Code: 77375
Contact Name: Brandy Beyer
Phone Number: 281.351.7222 Email: bbeyer@tomballchamber.org

Type of Organization/Business: Private/For-Profit Non-Profit
Purpose of organization/business: The Greater Tomball Area Chamber of Commerce provides resources and fosters relationships that empower businesses to prosper in Tomball and its surrounding communities.

Does your event/expenditure pass Part One of the statutory Hotel Occupancy Tax test listed below?

Defined specifically as directly enhancing and promoting tourism in Tomball and directly promoting the overnight accommodation industry in Tomball by increasing overnight stays.

Yes No

Does your event/expenditure pass Part Two of the statutory Hotel Occupancy Tax test, defined specifically as limiting the use of Hotel Occupancy Tax funds to one of more of the following categories?

Select all categories that apply.

- Establishment, improvement or maintenance of a convention or visitor center
- Administrative cost for facilitating convention registration
- Advertising, solicitations, and promotions that attracts tourists and delegates
- Encouragement, promotion, improvement, and application of the arts
- Historical restoration or preservation programs
- Signage directing tourists to attractions visited by hotel guests
- None of the above

Is this a new event/expenditure? Yes No

Name of the event/expenditure: Tomball Night

Website address of event/expenditure: www.tomballchamber.org

Date(s) of event/expenditure: August 1, 2025

Location of event/expenditure: Main Street and Market Street

Description of event/expenditure: community festival with over 90 vendors downtown, Parade of Lights and fireworks

Estimated local attendees: 7,000 Estimated out of town attendees: 3,000

If approved, how will the grant funds be used? advertising, portapotties, equipment rentals, and fireworks

How will you measure the impact of your event on local overnight accommodations? Many vendors/entries

for Tomball Night and Parade of Lights come from out of town and will choose to stay in Tomball following the long evening event, and for the weekend to enjoy their visit to Tomball.

Attendees choose to make a long weekend that starts with Tomball Night, as a getaway prior to the start of the school year.

Amount of funding requested: \$ 15,000

Current operating budget for the event/expenditure: \$ 43,950

Total funding dedicated to advertising/promotion of event/expenditure: \$ 5,000

Organization's direct contribution to the operating and advertising budget: \$ 43,950

Please indicate all promotion efforts your organization will utilize to alert visitors of the event/expenditure:

- | | | | |
|--|---|--|---|
| <input checked="" type="checkbox"/> Paid Advertising | <input checked="" type="checkbox"/> Radio | <input type="checkbox"/> Television | <input checked="" type="checkbox"/> Brochures |
| <input checked="" type="checkbox"/> Social Media | <input checked="" type="checkbox"/> Newspaper | <input checked="" type="checkbox"/> Online/Digital | <input checked="" type="checkbox"/> Press Release |

How do you intend to advertise or promote your event to gain overnight stays in Tomball? _____

This event draws crowds from all around - as part of our larger mission, we always encourage participants and attendees to stay in the area and discover Tomball. We request that local business owners promote the evening and themselves as to keep

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: Brandy Beyer

Digitally signed by Brandy Beyer
Date: 2024.07.01 11:23:27 -05'00'

Applicant Name: Brandy Beyer

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

2025 Tomball Night Budget

| | |
|--------------------|-----------|
| Port-o-Pottie | 2,000.00 |
| Fireworks | 5,500.00 |
| Shopper CASH | 1,000.00 |
| Advertising | 5,000.00 |
| Supplies | 700.00 |
| Debriefing Meeting | 250.00 |
| Rentals | 2,500.00 |
| Personnel | 30,000.00 |

Total Expenses: 46,950.00

Grant Request: 15,000.00

Greater Tomball Area Chamber of Commerce
2024 Budget Overview
 January through December 2024

| | <u>Jan 24</u> | <u>Feb 24</u> | <u>Mar 24</u> | <u>Apr 24</u> | <u>May 24</u> | <u>Jun 24</u> | <u>Jul 24</u> | <u>Aug 24</u> | <u>Sep 24</u> | <u>Oct 24</u> | <u>Nov 24</u> | <u>Dec 24</u> | <u>TOTAL</u> <u>Jan - Dec 24</u> |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------------------|
| Ordinary Income/Expense | | | | | | | | | | | | | |
| Income | | | | | | | | | | | | | |
| Rent Income | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 5,385.00 | 64,620.00 |
| Capital Campaign | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | 36,000.00 |
| Health & Wellness | 1,500.00 | | 500.00 | 1,000.00 | 1,000.00 | 4,000.00 | 1,000.00 | 1,000.00 | 2,000.00 | 3,000.00 | | | 15,000.00 |
| Hotel/Motel Tax | | | | | | | | | 45,000.00 | | | | 45,000.00 |
| First Friday | 3,500.00 | 3,500.00 | 3,500.00 | 3,000.00 | 3,000.00 | 3,000.00 | 2,000.00 | 3,000.00 | 3,500.00 | 3,000.00 | 3,000.00 | 3,000.00 | 37,000.00 |
| Networking Breakfast | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 400.00 | 500.00 | 500.00 | 5,000.00 |
| Women's Committee | 900.00 | 900.00 | 0.00 | 900.00 | 400.00 | 900.00 | 0.00 | 400.00 | 23,000.00 | 900.00 | 900.00 | 800.00 | 30,000.00 |
| Tomball Leadership Day | | | | | 5,000.00 | | | | | | | | 5,000.00 |
| Interest Income | 3,600.00 | 250.00 | 250.00 | 3,700.00 | 250.00 | 250.00 | 3,700.00 | 250.00 | 250.00 | 3,800.00 | 250.00 | 250.00 | 16,800.00 |
| Membership Dues | | | | | | | | | | | | | |
| New | 10,000.00 | 10,000.00 | 5,000.00 | 4,000.00 | 4,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 8,000.00 | 7,000.00 | 7,000.00 | 5,000.00 | 75,000.00 |
| Allowance Non-Renewal | -5,979.50 | -6,958.50 | -4,178.50 | -3,566.00 | -2,317.75 | -3,248.00 | -2,415.25 | -3,769.00 | -4,525.75 | -4,742.25 | -3,187.75 | -2,369.50 | -47,257.75 |
| Renewal | 59,795.00 | 69,585.00 | 41,785.00 | 35,660.00 | 23,177.50 | 32,480.00 | 24,152.50 | 37,690.00 | 45,257.50 | 47,422.50 | 31,877.50 | 23,695.00 | 472,577.50 |
| Total Membership Dues | 63,815.50 | 72,626.50 | 42,606.50 | 36,094.00 | 24,859.75 | 34,232.00 | 26,737.25 | 38,921.00 | 48,731.75 | 49,680.25 | 35,689.75 | 26,325.50 | 500,319.75 |
| Miscellaneous Income | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 220.00 | 2,640.00 |
| Publications/Products | | | | | | | | | | | | | |
| Magazine/Map/Website | 250.00 | | | 2,000.00 | 12,250.00 | | 250.00 | | | 250.00 | | | 15,000.00 |
| Total Publications | 250.00 | 0.00 | 0.00 | 2,000.00 | 12,250.00 | 0.00 | 250.00 | 0.00 | 0.00 | 250.00 | 0.00 | 0.00 | 15,000.00 |
| Special Events | | | | | | | | | | | | | |
| Banquet | 10,000.00 | 25,000.00 | | | | | | | | | | | 35,000.00 |
| Golf Classic | | 10,000.00 | 12,000.00 | 15,000.00 | | | | | | | | | 37,000.00 |
| Tomball Night | | | | | | 10,000.00 | 20,000.00 | 5,000.00 | | | | | 35,000.00 |
| Holiday Parade | | | | | | 15,000.00 | | | 3,000.00 | 15,000.00 | 12,000.00 | | 45,000.00 |
| Miss Tomball Pageant | | | | | | | | | 4,000.00 | 18,000.00 | 13,000.00 | | 35,000.00 |
| Total Special Events | 10,000.00 | 35,000.00 | 12,000.00 | 15,000.00 | 0.00 | 25,000.00 | 20,000.00 | 5,000.00 | 7,000.00 | 33,000.00 | 25,000.00 | 0.00 | 187,000.00 |
| Total Income | 92,570.50 | 121,281.50 | 67,861.50 | 70,699.00 | 55,764.75 | 76,387.00 | 62,692.25 | 57,576.00 | 138,486.75 | ##### | 73,944.75 | 39,480.50 | 959,379.75 |
| Total Income | 92,570.50 | 121,281.50 | 67,861.50 | 70,699.00 | 55,764.75 | 76,387.00 | 62,692.25 | 57,576.00 | 138,486.75 | ##### | 73,944.75 | 39,480.50 | 959,379.75 |
| Gross Profit | 92,570.50 | 121,281.50 | 67,861.50 | 70,699.00 | 55,764.75 | 76,387.00 | 62,692.25 | 57,576.00 | 138,486.75 | ##### | 73,944.75 | 39,480.50 | 959,379.75 |
| Expense | | | | | | | | | | | | | |
| Building Expense | | | | | | | | | | | | | |
| Alarm | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 300.00 |
| Cleaning | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 740.00 | 8,880.00 |
| Electricity | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 1,050.00 | 12,600.00 |
| Building Interest | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 2,200.00 | 26,400.00 |
| Reimbursed by tenants | -2,000.00 | -720.00 | -720.00 | -1,300.00 | -720.00 | -720.00 | -1,300.00 | -720.00 | -720.00 | -1,400.00 | -720.00 | -720.00 | -11,760.00 |
| Repairs/Maintenance | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 12,000.00 |

Greater Tomball Area Chamber of Commerce
2024 Budget Overview
 January through December 2024

| | <u>Jan 24</u> | <u>Feb 24</u> | <u>Mar 24</u> | <u>Apr 24</u> | <u>May 24</u> | <u>Jun 24</u> | <u>Jul 24</u> | <u>Aug 24</u> | <u>Sep 24</u> | <u>Oct 24</u> | <u>Nov 24</u> | <u>Dec 24</u> | <u>TOTAL</u> <u>Jan - Dec 24</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------------------------|
| Total Building Expense | 3,015.00 | 4,295.00 | 4,295.00 | 3,715.00 | 4,295.00 | 4,295.00 | 3,715.00 | 4,295.00 | 4,295.00 | 3,615.00 | 4,295.00 | 4,295.00 | 48,420.00 |
| Accounting Expense | 4,100.00 | 1,000.00 | | | | | | | | | 2,500.00 | | 7,600.00 |
| Advertising | | | | | | | 2,000.00 | 2,000.00 | | 1,000.00 | 3,000.00 | | 8,000.00 |
| Bad Debt Expense | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 10,000.00 | 4,000.00 | 20,000.00 | 70,000.00 |
| Health & Wellness | | 1,000.00 | | | 1,000.00 | | | 1,000.00 | 4,000.00 | 4,000.00 | | | 11,000.00 |
| First Friday | 3,000.00 | 3,500.00 | 3,000.00 | 3,000.00 | 2,500.00 | 2,500.00 | 2,500.00 | 3,000.00 | 3,000.00 | 3,000.00 | 2,500.00 | 2,500.00 | 34,000.00 |
| Networking Breakfast | 150.00 | 150.00 | 150.00 | 100.00 | 150.00 | 150.00 | 100.00 | 100.00 | 150.00 | 150.00 | 150.00 | 200.00 | 1,700.00 |
| Women's Committee | 900.00 | 900.00 | 0.00 | 900.00 | 900.00 | 900.00 | 0.00 | 900.00 | 2,000.00 | 900.00 | 900.00 | 10,800.00 | 20,000.00 |
| Tomball Leadership Day | | | | | 5,000.00 | | | | | | | | 5,000.00 |
| Young Professionals | 100.00 | | | 100.00 | | | 100.00 | | | 100.00 | | | 400.00 |
| Bank Fees | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 1,200.00 | 14,400.00 |
| Board of Directors | | 500.00 | | | | | | | 3,000.00 | 3,700.00 | 300.00 | | 7,500.00 |
| Dues and Subscriptions | 1,130.00 | | | | 500.00 | | | 750.00 | | | 50.00 | 1,112.00 | 3,542.00 |
| Employee Expense | | | | | | | | | | | | | |
| SUTA | 1,200.00 | 500.00 | 200.00 | 100.00 | | | | | | | | | 2,000.00 |
| Development | 1,500.00 | 1,550.00 | | | 2,000.00 | 2,000.00 | 5,000.00 | 1,150.00 | 300.00 | 1,500.00 | | | 15,000.00 |
| FUTA | 100.00 | 40.00 | 30.00 | 5.00 | | | | | | | | | 175.00 |
| Group Insurance | 3,017.00 | 3,017.00 | 3,017.00 | 3,017.00 | 3,017.00 | 3,017.00 | 3,017.00 | 3,017.00 | 4,000.00 | 4,000.00 | 4,000.00 | 4,000.00 | 40,136.00 |
| Cell Phone Allowance | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 280.00 | 3,360.00 |
| Payroll Services | 480.00 | 600.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 480.00 | 5,880.00 |
| Payroll Taxes | 2,050.00 | 2,100.00 | 2,050.00 | 2,100.00 | 2,050.00 | 2,050.00 | 2,050.00 | 2,100.00 | 2,050.00 | 2,050.00 | 2,150.00 | 3,020.00 | 25,820.00 |
| Salaries | | | | | | | | | | | | | |
| TACC | 32,450.00 | 34,000.00 | 32,450.00 | 34,000.00 | 32,450.00 | 32,450.00 | 32,450.00 | 34,000.00 | 32,450.00 | 32,450.00 | 35,000.00 | 32,450.00 | 396,600.00 |
| Bonus | | | | | | | | | | | | 17,300.00 | 17,300.00 |
| Contract Labor | | 100.00 | 100.00 | | | 100.00 | | 100.00 | | 100.00 | 100.00 | | 600.00 |
| Total Salaries | <u>32,450.00</u> | <u>34,100.00</u> | <u>32,550.00</u> | <u>34,000.00</u> | <u>32,450.00</u> | <u>32,550.00</u> | <u>32,450.00</u> | <u>34,100.00</u> | <u>32,450.00</u> | <u>32,550.00</u> | <u>35,100.00</u> | <u>49,750.00</u> | <u>414,500.00</u> |
| Total Employee Expense | 41,077.00 | 42,187.00 | 38,607.00 | 39,982.00 | 40,277.00 | 40,377.00 | 43,277.00 | 41,127.00 | 39,560.00 | 40,860.00 | 42,010.00 | 57,530.00 | 506,871.00 |
| Insurance | | | | | | | | | | | | | |
| Worker's Compensation | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 40.33 | 483.96 |
| Officer & Director Liability | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 146.83 | 1,761.96 |
| General Liab. | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>687.75</u> | <u>8,253.00</u> |
| Total Insurance | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 874.91 | 10,498.92 |
| Membership/Misc. Expense | 2,000.00 | 2,500.00 | 800.00 | 800.00 | 2,000.00 | 600.00 | 1,000.00 | 1,800.00 | 500.00 | 1,000.00 | 1,000.00 | 2,500.00 | 16,500.00 |
| Office Equipment Expense | | | | | | | | | | | | | |
| Database | 6,250.00 | | | | | | | | | | | | 6,250.00 |
| Computer Maintenance | 300.00 | 300.00 | 2,000.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 300.00 | 800.00 | 300.00 | 300.00 | 5,800.00 |
| Copier Lease | 500.00 | 900.00 | 800.00 | 500.00 | 700.00 | 700.00 | 900.00 | 1,000.00 | 500.00 | 600.00 | 400.00 | 500.00 | 8,000.00 |
| Pitney Bowes | | | 600.00 | | | 600.00 | | | 600.00 | | | 600.00 | 2,400.00 |
| Total Office Equip Expense | <u>7,050.00</u> | <u>1,200.00</u> | <u>3,400.00</u> | <u>800.00</u> | <u>1,000.00</u> | <u>1,600.00</u> | <u>1,200.00</u> | <u>1,300.00</u> | <u>1,400.00</u> | <u>1,400.00</u> | <u>700.00</u> | <u>1,400.00</u> | <u>22,450.00</u> |
| Office Supplies | 750.00 | 300.00 | 500.00 | 800.00 | 1,000.00 | 100.00 | 500.00 | 300.00 | 300.00 | 300.00 | 750.00 | 2,400.00 | 8,000.00 |

Greater Tomball Area Chamber of Commerce
2024 Budget Overview
 January through December 2024

| | <u>Jan 24</u> | <u>Feb 24</u> | <u>Mar 24</u> | <u>Apr 24</u> | <u>May 24</u> | <u>Jun 24</u> | <u>Jul 24</u> | <u>Aug 24</u> | <u>Sep 24</u> | <u>Oct 24</u> | <u>Nov 24</u> | <u>Dec 24</u> | <u>TOTAL</u> <u>Jan - Dec 24</u> |
|-----------------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|-------------------|-------------------------------------|
| Postage & Delivery | 0.00 | 500.00 | 500.00 | 500.00 | 0.00 | 500.00 | 0.00 | 0.00 | 0.00 | 500.00 | 0.00 | 100.00 | 2,600.00 |
| Property Tax Expense | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 1,371.31 | 16,455.72 |
| Income Tax Expense | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 633.42 | 7,601.04 |
| Rent | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 132.00 | 1,584.00 |
| Special Events | | | | | | | | | | | | | |
| Banquet | | 12,000.00 | 1,000.00 | | | | | | | | | | 13,000.00 |
| Golf Classic | | | | 1,000.00 | 15,000.00 | | | | | | | | 16,000.00 |
| Tomball Night | | | | | | | 1,000.00 | 11,000.00 | | | | | 12,000.00 |
| Holiday Parade | | | | | | | | | 1,000.00 | 1,000.00 | 21,000.00 | 1,000.00 | 24,000.00 |
| Miss Tomball Pageant | | | | | | | | | | | | | |
| Scholarship Expense | | | | | | | | | | | 10,000.00 | | 10,000.00 |
| Pageant - Other | | | | | | | | | | 500.00 | 5,000.00 | 7,500.00 | 13,000.00 |
| Total Miss Tomball | | | | | | | | | | 500.00 | 15,000.00 | 7,500.00 | 23,000.00 |
| Total Special Events | 0.00 | 12,000.00 | 1,000.00 | 1,000.00 | 15,000.00 | 0.00 | 1,000.00 | 11,000.00 | 1,000.00 | 1,500.00 | 36,000.00 | 8,500.00 | 88,000.00 |
| Telephone Expenses | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 585.00 | 7,020.00 |
| Travel & Entertainment | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 80.00 | 960.00 |
| Total Expense | 72,148.64 | 78,908.64 | 61,128.64 | 60,573.64 | 82,498.64 | 59,898.64 | 64,268.64 | 76,448.64 | 68,081.64 | 76,901.64 | 103,031.64 | 116,213.64 | 920,102.68 |
| Net Ordinary Income | 20,421.86 | 42,372.86 | 6,732.86 | 10,125.36 | -26,733.89 | 16,488.36 | -1,576.39 | -18,872.64 | 70,405.11 | 25,733.61 | -29,086.89 | -76,733.14 | 39,277.07 |
| Principal Building Payment | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 3,150.00 | 37,800.00 |
| xDepreciation Expense | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 1,705.00 | 20,460.00 |
| Net Income | 15,566.86 | 37,517.86 | 1,877.86 | 5,270.36 | -31,588.89 | 11,633.36 | -6,431.39 | -23,727.64 | 65,550.11 | 20,878.61 | -33,941.89 | -81,588.14 | -18,982.93 |

Greater Tomball Area Chamber of Commerce

Financial Statements and Independent Accountants' Review Report
for the Year Ended December 31, 2023
(with comparative totals for 2022)



Tipton & Company
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Review Report1
Statement of Financial Position2
Statement of Activities3
Statement of Functional Expenses.....4
Statement of Cash Flows5
Notes to Financial Statements..... 6 - 12



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, 2023, 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 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 21, 2023. The summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 12, 2024

Greater Tomball Area Chamber of Commerce

Statement of Financial Position

| <i>As of December 31, (with comparative totals for 2022)</i> | Reviewed 2023 | Audited 2022 |
|--|--------------------------|-------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 223,989 | \$ 588,088 |
| Certificate of deposit | 309,821 | - |
| Accounts receivable, net | 44,907 | 35,249 |
| Prepaid expenses | 10,291 | 10,098 |
| Property and equipment, net | 825,005 | 855,120 |
| Total Assets | \$ 1,414,013 | \$ 1,488,555 |
| Liabilities and Net Assets | | |
| Liabilities | | |
| Accrued expenses | \$ 31,031 | \$ 28,729 |
| Deferred revenues | 192,315 | 175,798 |
| Note payable | 381,706 | 527,582 |
| Deposits | 8,300 | 8,300 |
| Total Liabilities | 613,352 | 740,409 |
| Net Assets | | |
| Without donor restrictions | 800,661 | 748,146 |
| Total Net Assets | 800,661 | 748,146 |
| Total Liabilities and Net Assets | \$ 1,414,013 | \$ 1,488,555 |

Greater Tomball Area Chamber of Commerce

Statement of Activities

| Year ended December 31, (with comparative totals for 2022) | Reviewed 2023 | Audited 2022 |
|---|--------------------------|-------------------------|
| Without Donor Restrictions | | |
| Revenue and Support | | |
| Membership dues | \$ 483,928 | \$ 431,425 |
| Special events revenue | 204,015 | 176,519 |
| Direct benefits to donors | (22,952) | (19,129) |
| Capital improvement campaign | 36,000 | 33,000 |
| First Friday luncheon | 42,420 | 29,402 |
| Networking Breakfast | 5,375 | 4,980 |
| Women's Committee | 26,350 | 37,823 |
| City of Tomball hotel tax revenue | 35,000 | 35,000 |
| Rental income | 64,624 | 64,624 |
| Tenant reimbursements | 12,386 | 11,182 |
| Ads and ad commission | 25,400 | 17,665 |
| Contributed nonfinancial assets | 29,008 | 40,943 |
| Interest and investment income | 12,619 | 1,424 |
| Other income | 16,733 | 14,099 |
| Total Revenue and Support | 970,906 | 878,957 |
| Expenses | | |
| Program Services | | |
| Business resources | 325,812 | 270,070 |
| Advocacy | 328,349 | 289,561 |
| Total Program Services | 654,161 | 559,631 |
| Supporting Services | | |
| General and administrative | 127,020 | 100,685 |
| Fundraising | 137,210 | 117,102 |
| Total Supporting Services | 264,230 | 217,787 |
| Total Expenses | 918,391 | 777,418 |
| Change in Net Assets | 52,515 | 101,539 |
| Net Assets, Beginning of Year | 748,146 | 646,607 |
| Net Assets, End of Year | \$ 800,661 | \$ 748,146 |

See accompanying notes and independent accountants' review report.

Greater Tomball Area Chamber of Commerce
Statement of Functional Expenses

| Year ended December 31, (with comparative totals for 2022) | Program Services | | | Supporting Services | | | Reviewed 2023 Total | Audited 2022 Total |
|---|-----------------------|-------------------|---------------------------|-------------------------------|-------------------|------------------------------|---------------------------|--------------------------|
| | Business Resources | Advocacy | Total Program Services | General and Administrative | Fundraising | Total Supporting Services | | |
| Payroll and related expenses | | | | | | | | |
| Salaries | \$ 124,819 | \$ 124,819 | \$ 249,638 | \$ 31,205 | \$ 31,205 | \$ 62,410 | \$ 312,048 | \$ 237,932 |
| Payroll taxes | 10,418 | 10,418 | 20,836 | 2,604 | 2,604 | 5,208 | 26,044 | 19,106 |
| Employee benefits | 14,911 | 14,911 | 29,822 | 3,728 | 3,728 | 7,456 | 37,278 | 32,936 |
| Total payroll and related expenses | 150,148 | 150,148 | 300,296 | 37,537 | 37,537 | 75,074 | 375,370 | 289,974 |
| Other expenses | | | | | | | | |
| Advertising | 2,692 | 2,692 | 5,384 | 2,692 | 18,846 | 21,538 | 26,922 | 24,550 |
| Bad debt | 17,368 | 17,368 | 34,736 | 17,368 | 17,367 | 34,735 | 69,471 | 77,320 |
| Bank fees | 1,352 | 1,352 | 2,704 | 5,414 | 5,414 | 10,828 | 13,532 | 11,188 |
| Board expenses | - | - | - | 6,305 | - | 6,305 | 6,305 | 8,809 |
| Computer maintenance | 1,857 | 1,857 | 3,714 | 464 | 464 | 928 | 4,642 | 4,340 |
| Contract labor | 26,579 | 26,579 | 53,158 | 6,645 | 6,645 | 13,290 | 66,448 | 67,306 |
| Depreciation | 12,046 | 12,046 | 24,092 | 3,011 | 3,012 | 6,023 | 30,115 | 30,104 |
| Dues and subscriptions | 1,948 | 1,948 | 3,896 | 487 | 487 | 974 | 4,870 | 3,971 |
| Employee development | 4,906 | 4,906 | 9,812 | 1,226 | 1,226 | 2,452 | 12,264 | 6,800 |
| Equipment lease | 4,885 | 4,885 | 9,770 | 1,221 | 1,221 | 2,442 | 12,212 | 10,098 |
| First Friday | 37,020 | - | 37,020 | - | - | - | 37,020 | 31,047 |
| Health committee | 11,046 | - | 11,046 | - | - | - | 11,046 | 6,918 |
| Insurance | 4,122 | 4,122 | 8,244 | 1,031 | 1,031 | 2,062 | 10,306 | 10,042 |
| Interest | 6,776 | 6,776 | 13,552 | 1,694 | 1,694 | 3,388 | 16,940 | 21,408 |
| Miscellaneous | 6,410 | 8,373 | 14,783 | 6,276 | 3 | 6,279 | 21,062 | 13,569 |
| Networking breakfast | 1,617 | - | 1,617 | - | - | - | 1,617 | 159 |
| Office supplies | 2,277 | 2,277 | 4,554 | 569 | 569 | 1,138 | 5,692 | 6,396 |
| Payroll service | 2,352 | 2,352 | 4,704 | 588 | 588 | 1,176 | 5,880 | 5,898 |
| Postage and delivery | 866 | 433 | 1,299 | 433 | 1,156 | 1,589 | 2,888 | 3,052 |
| Professional fees | - | - | - | 16,005 | - | 16,005 | 16,005 | 7,505 |
| Rent | 593 | 593 | 1,186 | 148 | 148 | 296 | 1,482 | 1,360 |
| Repairs and maintenance | 10,078 | 10,078 | 20,156 | 2,519 | 2,519 | 5,038 | 25,194 | 18,036 |
| Software | 2,394 | 2,394 | 4,788 | 599 | 599 | 1,198 | 5,986 | 5,614 |
| Special events | 2,375 | 37,317 | 39,692 | - | 56,110 | 56,110 | 95,802 | 70,586 |
| Taxes - income | - | - | - | 10,542 | - | 10,542 | 10,542 | 2,160 |
| Taxes - property | 6,318 | 6,318 | 12,636 | 1,580 | 1,580 | 3,160 | 15,796 | 13,920 |
| Telephone | 2,806 | 2,806 | 5,612 | 701 | 701 | 1,402 | 7,014 | 6,687 |
| Travel and entertainment | - | - | - | 720 | - | 720 | 720 | 760 |
| Utilities | 4,981 | 4,981 | 9,962 | 1,245 | 1,245 | 2,490 | 12,452 | 11,006 |
| Womens Committee | - | 15,748 | 15,748 | - | - | - | 15,748 | 25,964 |
| Total other expenses | 175,664 | 178,201 | 353,865 | 89,483 | 122,625 | 212,108 | 565,973 | 506,573 |
| Subtotal | 325,812 | 328,349 | 654,161 | 127,020 | 160,162 | 287,182 | 941,343 | 796,547 |
| Less: Direct benefit to donor | - | - | - | - | (22,952) | (22,952) | (22,952) | (19,129) |
| Total Expenses | \$ 325,812 | \$ 328,349 | \$ 654,161 | \$ 127,020 | \$ 137,210 | \$ 264,230 | \$ 918,391 | \$ 777,418 |

See accompanying notes and independent accountants' review report.

Greater Tomball Area Chamber of Commerce

Statement of Cash Flows

| Year Ended December 31, (with comparative totals for 2022) | Reviewed 2023 | Audited 2022 |
|--|--------------------------|-------------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 52,515 | \$ 101,539 |
| Adjustments to reconcile change in net assets to net change in operating activities: | | |
| Unrealized (gain)/loss on certificate of deposit | (9,821) | - |
| Depreciation | 30,115 | 30,104 |
| Bad debt expense | 69,471 | 77,320 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (79,129) | (71,721) |
| Prepaid expenses | (193) | (263) |
| Accrued expenses | 2,302 | 12,198 |
| Deferred revenues | 16,517 | 25,913 |
| Total Adjustments | 29,262 | 73,551 |
| Net Change in Operating Activities | 81,777 | 175,090 |
| Cash Flows From Investing Activities | | |
| Purchases of certificate of deposit | (300,000) | - |
| Purchases of property and equipment | - | (1,219) |
| Net Change in Investing Activities | (300,000) | (1,219) |
| Cash Flows From Financing Activities | | |
| Payments on note payable | (145,876) | (45,733) |
| Net Change in Financing Activities | (145,876) | (45,733) |
| Net Change in Cash and Cash Equivalents | (364,099) | 128,138 |
| Cash and Cash Equivalents, beginning of year | 588,088 | 459,950 |
| Cash and Cash Equivalents, end of year | \$ 223,989 | \$ 588,088 |
| Supplemental Disclosures: | | |
| Interest paid | \$ 16,940 | \$ 21,408 |
| Federal income taxes paid | \$ 10,542 | \$ 2,160 |

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

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.

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

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

The Chamber has a certificate of deposit totaling \$309,821 bearing interest at 4.33% and maturing January 2024, with an early withdrawal penalty of 360 days of 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, 2023 and 2022, the allowance for bad debts was \$7,021 and \$7,021, respectively.

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 specialized 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.

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

Membership Dues

Membership dues are recognized in the applicable 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 \$10,542 and \$2,160 for federal income taxes in the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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 or less and for leases that management deems immaterial.

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

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

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, 2023 and 2022 amounted to \$26,922 and \$24,550, respectively.

Newly Adopted Accounting Pronouncements

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash or other financial assets. It also requires a not-for-profit organization to disclose contributed nonfinancial assets recognized within the statement of activities and changes in net assets disaggregated by category that depicts the type of contributed nonfinancial assets and includes additional disclosure requirements for each category of contributed nonfinancial assets recognized. The Organization adopted the new guidance effective July 1, 2022. There was no significant impact as a result of the implementation.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The ASU requires most leases to be recognized on the statement of financial position as lease assets and lease liabilities and requires both quantitative and qualitative disclosures regarding key information about leasing arrangements. The Organization adopted the new guidance effective July 1, 2022 using the modified retrospective method. Comparative information for fiscal year 2022 has not been restated and continues to be reported under Accounting Standards Codification (ASC) 840. There was no cumulative effect on beginning net assets for the year ended June 30, 2023.

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, 2023, comprise the following:

| | |
|---|-----------|
| <u>Financial assets:</u> | |
| Cash and cash equivalents | \$223,989 |
| Certificate of deposit | 309,821 |
| Accounts receivable, net | 44,907 |
| Financial assets available to meet cash needs for general expenditures within one year | \$578,717 |

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 \$68,000. 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.

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

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, 2023 and 2022, the Chamber had approximately \$284,000 and \$338,000, respectively, of cash 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, 2023 and 2022, property, plant and equipment consisted of the following:

| | Reviewed 2023 | Audited 2022 |
|--|------------------|------------------|
| Building and improvements | \$1,112,383 | \$1,112,383 |
| Computers and software | 17,517 | 17,517 |
| Office equipment | 14,321 | 14,321 |
| Furniture and fixtures | 17,990 | 17,990 |
| Land | 145,000 | 145,000 |
| Total property and equipment, gross | 1,307,211 | 1,307,211 |
| Less: Accumulated depreciation | (482,206) | (452,091) |
| Total property and equipment, net | \$825,005 | \$855,120 |

Depreciation expense charged to operations for the years ended December 31, 2023 and 2022 was \$30,115 and \$30,104, respectively.

NOTE 5 – RENTAL INCOME

The Chamber generates rental income from leasing its office space to lessees. As the lessor, the Chamber is required to first determine whether the lease is an operating lease or a finance lease. A finance lease is one in which the risks and rewards inherent in the asset are transferred to the lessee. An operating lease is one in which the risks and rewards inherent in the asset are not transferred to the lessee. Only finance leases are required to be capitalized on the statement of financial position.

The Chamber leases office space to three other organizations as follows and as the risks and reward inherent in the asset are not transferred to the lessee, it has been determined that these leases are operating leases, so these leases have not been capitalized on the statement of financial position:

| | Current monthly rent | Lease initiation | Lease expiration | Lease renewal | Renewal expiration |
|-----------|----------------------|------------------|------------------|-------------------------------------|---------------------------------|
| TEDC | \$1,506 | 9/1/2008 | 10/31/2013 | 11/1/2013 11/1/2018 11/1/2023 | 10/31/2018 10/31/2023 N/A |
| TRHF | \$3,869 | 11/1/2017 | 10/31/2022 | 11/1/2022 | 10/31/2024 |
| Envirocon | \$150 | 4/1/2016 | 3/31/2020 | 4/1/2020 | 3/31/2024 |

For the years ended December 31, 2023 and 2022, rental income was \$64,624 in both years.

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

Future minimum rentals expected to be collected are as follows:

| For the years ending December 31, | |
|-----------------------------------|-----------|
| 2024 | \$ 39,140 |
| Thereafter | - |
| Total | \$ 39,140 |

NOTE 6 – LEASE AGREEMENTS

The Chamber has entered into noncancelable operating leases that expire in 2024 and 2026. For the years ended December 31, 2023 and 2022, the total rental expense under these leases was \$13,694 and \$11,458, respectively. The Chamber's lease arrangements are not recognized in the statement of financial position as they are immaterial. Future minimum lease payments are as follows:

| For the years ending December 31, | |
|-----------------------------------|---------|
| 2024 | \$2,749 |
| 2025 | 1,969 |
| 2026 | 492 |
| Thereafter | - |
| Total | \$5,210 |

NOTE 7 – NOTE PAYABLE

The Chamber had a note payable due in monthly installments to a financial institution for an office building in the amount of \$6,729 for 83 months beginning January 10, 2010 through November 10, 2016. This note was secured by the Quinn Road office building, with interest at 5% through October 9, 2021. On December 10, 2016, a balloon payment of any unpaid principal and interest became due and payable, at which time the loan was modified to require monthly installments of \$5,595 at the same interest rate and terms and to become due and payable on December 10, 2023. Effective October 10, 2021, the interest rate was modified to 4%, requiring the same monthly installments and due date. In December 2023, the interest rate was modified to 7% and the note is due and payable on demand. If demand is not earlier made, the note shall be due and payable in monthly payments of principal and interest of \$5,224, commencing on January 10, 2024 through December 10, 2026, when the entire amount remaining unpaid shall be due and payable.

As of December 31, 2023 and 2022, the balance was \$381,706 and \$527,582, respectively. Future scheduled maturities of the note payable are as follows:

| For the years ending December 31, | |
|-----------------------------------|-----------|
| 2024 | \$381,706 |
| Thereafter | - |
| Total | \$381,706 |

Greater Tomball Area Chamber of Commerce

Notes to Financial Statements

NOTE 8 – CONCENTRATIONS

For the years ended December 31, 2023 and 2022, respectively, approximately fifty percent (50%) and forty-nine percent (49%) 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, 2023 and 2022, the Chamber's contributed nonfinancial assets consist of the following:

| | 2023 | 2022 |
|---------------------------------------|----------|----------|
| Advertising | \$22,720 | \$22,720 |
| Repairs and maintenance | 6,600 | 6,600 |
| Supplies | 4,500 | 3,500 |
| Venues | 6,300 | 5,300 |
| Miscellaneous | 3,348 | 2,823 |
| Total contributed nonfinancial assets | \$43,468 | \$40,943 |

Contributed advertising and repairs and maintenance are used in the Chamber's administrative activities. Contributed supplies are used in the Chamber's fundraising activities. Contributed venue costs are used in the Chamber's program activities and fundraising activities. Other miscellaneous donated assets are used across all Chamber activities. All contributed nonfinancial assets are valued at fair market value at the date of donation.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 12, 2024, 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.

**GREATER TOMBALL AREA CHAMBER OF COMMERCE
2024 BOARD OF DIRECTORS**

CHAIR OF THE BOARD

Raymond Francois*

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Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

| | | | |
|--|----|--|--|
| Print or type. See Specific Instructions on page 3. | 1 | Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) Greater Tomball Area Chamber of Commerce | |
| | 2 | Business name/disregarded entity name, if different from above. | |
| | 3a | Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____ | 4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ |
| | 3b | If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See Instructions <input type="checkbox"/> | (Applies to accounts maintained outside the United States.) |
| | 5 | Address (number, street, and apt. or suite no.). See instructions. PO Box 516 | Requester's name and address (optional) |
| | 6 | City, state, and ZIP code Tomball, TX 77377-0516 | |
| | 7 | List account number(s) here (optional) | |

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

| | | | | | | | | | |
|--------------------------------|---|---|---|---|---|---|---|---|---|
| Social security number | | | | | | | | | |
| | | | - | | | | - | | |
| or | | | | | | | | | |
| Employer identification number | | | | | | | | | |
| 7 | 4 | - | 1 | 4 | 9 | 5 | 1 | 2 | 5 |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

| | | |
|------------------|---|-----------------------|
| Sign Here | Signature of U.S. person  | Date 4/1/24 |
|------------------|---|-----------------------|

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they