

THE CONVENTION
AND TOURIST FUND
OF THE GREATER
NEW BRAUNFELS
CHAMBER OF
COMMERCE, INC.

Audited Statement of Activities

Year Ended September 30, 2025



ADKF

CERTIFIED PUBLIC ACCOUNTANTS

**THE CONVENTION AND TOURIST FUND OF
THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE, INC.
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Years Ended September 30, 2025 and 2024**

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors
The Greater New Braunfels Chamber of Commerce, Inc.
New Braunfels, Texas

Opinion

We have audited the accompanying statements of activities of the Convention and Tourist Fund (the Fund) of The Greater New Braunfels Chamber of Commerce, Inc. (the Chamber) for the years ended September 30, 2025 and 2024, and the related notes to the statement of activities.

In our opinion, the financial statement referred to above present fairly, in all material respects, the statements of activities of the Convention and Tourist Fund for the years ended September 30, 2025 and 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and the Chamber and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the statements of activities in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the statement of activities that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

ADKF, PC
ADKF, P.C.
San Antonio, Texas
February 16, 2026

**THE CONVENTION AND TOURIST FUND OF
THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE, INC.**
Statements of Activities
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Revenue:		
Hotel occupancy tax, passed from City of New Braunfels	\$ 3,123,701	\$ 2,596,665
Sponsorships	3,360	-
Total revenues	<u>3,127,061</u>	<u>2,596,665</u>
Expenses:		
Administration	751,904	642,266
Operations	157,473	167,626
Convention services	29,554	14,108
Contract labor	500	-
Sports services	6,214	6,804
Advertising program	1,315,865	1,354,864
Travel trade	14,770	41,343
Building maintenance	1,708	-
Technology and emerging opportunities	28,416	40,225
Professional development	23,572	35,950
Utilities	1,671	-
Bank fees	-	5,550
Total expenses	<u>2,331,647</u>	<u>2,308,736</u>
Change in Net Assets	795,414	287,929
Net assets at beginning of year	<u>1,198,844</u>	<u>910,915</u>
Net Assets at End of Year	<u><u>\$ 1,994,258</u></u>	<u><u>\$ 1,198,844</u></u>

See notes to audited statements of activities.

**THE CONVENTION AND TOURISM FUND OF
THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE, INC.
Notes to Audited Statements of Activities
Year Ended September 30, 2025 and 2024**

NOTE A – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities: The Convention and Tourist Fund (the Fund) is a separate fund within The Greater New Braunfels Chamber of Commerce, Inc. (the Chamber). This audited Statement of Activities is required by the agreement between the Chamber and the City of New Braunfels (the City) concerning the use of funds passed from the City's hotel occupancy tax (see next paragraph below) to the Chamber and the Fund.

Hotel Occupancy Tax: The City and Chamber renewed their agreement concerning the use of the City hotel occupancy tax on December 11, 2019 and again on May 28, 2024. The City passes the collected tax to the Fund maintained by the Chamber. The current agreement runs through September 30, 2029. Under the agreement, the City remits quarterly to the Fund, an amount not to exceed 50% of the hotel occupancy tax receipts collected by the City. Administration and operation fees are also paid by the City on a monthly basis following presentation of a detailed report provided by the Fund.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The net assets and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets without donor restrictions are available for use in the general operations are not subject to donor restrictions. Contributions gifted for recurring programs are generally not considered "restricted", though for internal reporting management tracks such contributions to verify the disbursement matches the intent. Net assets restricted solely through the actions of the Board are reported as net assets without donor restrictions, board designated.

With Donor Restrictions - Net assets with donor restrictions are subject to donor-imposed restrictions that are more restrictive than the organization's mission and purpose. Some donor imposed restrictions are temporary in nature, such as pledges that will be met by the passage of time or other events 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. The Organization does not have net assets with donor restrictions.

Revenue Recognition: Revenue from hotel occupancy funds passed by the City to the Fund is recognized when notification from the City is received of the amount remitted or intended to be remitted.

Functional Allocation of Expenses: This financial statement presentation includes only a Statement of Activities; accordingly, an allocation of expenses on a functional basis is not separately presented.

Advertising: Advertising and marketing costs, including brochures, graphics, print and other media advertising, are expensed as incurred.

Federal Income Taxes: The Fund is not a tax paying entity as it is a part of the Chamber. The Chamber is a not-for-profit organization exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code and has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. Management is not aware of any tax positions that would have a significant impact on its financial position. The Chamber's federal tax returns for the last four years remain subject to examination. The Chamber is not subject to the Texas margin tax.

**THE CONVENTION AND TOURISM FUND OF
THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE, INC.
Notes to Audited Statements of Activities
Year Ended September 30, 2025 and 2024**

NOTE A – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - continued

Concentrations of Risk: The overwhelming majority of revenues of the Fund come from the hotel occupancy tax collected by the City of New Braunfels.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report, the date the financial statement is available to be issued. Material subsequent events, if any, are disclosed in a separate footnote.

Use of Estimates: The preparation of financial statements in conformity with U. S. generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ.

Reclassifications: Certain amounts for prior year are reclassified for comparative purposes to the current year, there are no changes in the previously reported change in net assets.

NOTE B – LIQUIDITY AND AVAILABILITY

On September 30, 2025, the Fund has net assets of approximately \$1,199,000. The Fund's primary source of funding is from the City's hotel occupancy tax. The current agreement with the City runs through September 30, 2029.