

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.

Audited Financial Statements

December 31, 2024



ADKF
CERTIFIED PUBLIC ACCOUNTANTS

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors
Greater New Braunfels Economic Development Foundation, Inc.
New Braunfels, Texas

Opinion

We have audited the accompanying financial statements of Greater New Braunfels Economic Development Foundation, Inc. (the Foundation) which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater New Braunfels Economic Development Foundation, Inc. as of December 31, 2024, and the results of its activities, functional expenses and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Foundation 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 financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 financial statements 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 Foundation'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 Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

ADKF, PC
ADKF, P.C.
San Antonio, Texas
December 3, 2025

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Statement of Financial Position
December 31, 2024

ASSETS

Current Assets:

Cash and cash equivalents	\$ 223,125
Accounts receivable, net	7,308
Total current assets	<u>230,433</u>
 Total Assets	 <u>\$ 230,433</u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Unearned membership dues	\$ 30,000
Total current liabilities	<u>30,000</u>

Net Assets:

Without donor restrictions	<u>200,433</u>
 Total Liabilities and Net Assets	 <u>\$ 230,433</u>

See notes to audited financial statements.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Statement of Activities
Year Ended December 31, 2024

Revenues:

Investor dues	\$ 516,747
Designated events	12,304
Corporate Golf Challenge, net of expenses	4,357
Interest and other income	<u>20,210</u>
Total revenues	553,618

Expenses:

Program	528,000
General and administrative	<u>48,187</u>
Total expenses	576,187

Change in Net Assets (22,569)

Net assets at beginning of year 223,002

Net Assets at End of Year \$ 200,433

See notes to audited financial statements.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Statement of Functional Expenses
Year Ended December 31, 2024

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Economic development, Chamber contract	\$ 528,000	\$ -	\$ -	\$ 528,000
Annual audit	-	6,000	-	6,000
Bank fees	-	137	-	137
Provision for credit losses	-	<u>42,050</u>	-	<u>42,050</u>
 Total expenses	<u>\$ 528,000</u>	<u>\$ 48,187</u>	<u>\$ -</u>	<u>\$ 576,187</u>
 Special event costs, not included above:			<u>\$ 22,597</u>	

See notes to audited financial statements.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Statement of Cash Flows
Year Ended December 31, 2024

Operating Activities

Change in net assets	\$ (22,569)
Change in operating assets and liabilities:	
Accounts receivable	57,899
Unearned membership dues	<u>(51,500)</u>
Net cash (used) by operating activities	<u>(16,170)</u>
Net change in cash	(16,170)
Cash at beginning of year	<u>239,295</u>
Cash at End of Year	<u>\$ 223,125</u>

Supplemental Disclosures

Interest paid in cash	\$ -
Income taxes paid in cash	-

See notes to audited financial statements.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Audited Financial Statements
December 31, 2024

NOTE A – NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities: Greater New Braunfels Economic Development Foundation (the Foundation) is a Texas non-profit corporation incorporated under the laws of the State of Texas in 2004. The Foundation encourages, stimulates, and promotes economic development, expansion and diversification within the City of New Braunfels and Comal County, Texas.

Basis of Presentation: The accompanying financial statements have been prepared on the accrual basis of accounting, a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Revenue is recognized when received rather than when earned and expenditures are generally recognized when paid rather than when the obligation is incurred. 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: Membership dues (investor dues) are recognized as collected since the Foundation does not attempt, beyond the usual best efforts, to collect unpaid dues. Investor dues include the following annual costs per tier: Platinum \$20,000; Gold \$10,000; Silver \$5,000, Bronze \$1,500 and General \$600.

Other revenues are primarily from special events, and are recognized when the event occurs, net of the related direct expenses.

Unearned Membership Dues: Unearned membership dues represent dues collected in the current year applicable to the next year. Unearned membership dues totaled \$81,500 at January 1, 2024, the beginning of the earliest year presented.

Functional Allocation of Expenses: The costs of providing the services and other activities are summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are primarily allocated on a basis of time and effort.

Advertising: Advertising and marketing costs are expensed as incurred.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash on hand, demand deposits held by financial institutions, and any equivalent securities with an original maturity of three months or less.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.

Notes to Audited Financial Statements

December 31, 2024

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

Accounts Receivable: Accounts receivable primarily related to membership dues and are reported at the outstanding balance, net of an allowance for credit losses, if considered necessary. Interest is generally not charged on past due accounts. Accounts receivable totaled \$80,808 at January 1, 2024, the beginning of the earliest year presented.

Allowance for Expected Credit Losses: The Foundation estimates expected credit losses on accounts receivable based on historical credit loss experience, receivables aging, current conditions, and collections received after the balance sheet date but before the financial statements are available for issuance. Collectability is assessed by pooling receivables that share similar characteristics and evaluating individually those that differ and are considered at risk. In 2025, the Foundation applied the practical expedient and assumed current conditions would remain unchanged over the life of the receivables. This evaluation included collections received through the date of the independent auditor's report. Based on this assessment, no allowance for credit losses was recorded as of December 31, 2024, since all accounts were considered fully collectible.

Federal Income Taxes: The Foundation is a not-for-profit organization exempt from federal income taxation under Section 501(c)(3) 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. Its federal tax returns for the last four years remain subject to examination. The Foundation is not subject to the Texas margin tax.

Concentrations of Credit Risk: Concentrations of credit risk primarily arises from cash, from time to time, may exceed the Federal Deposit Insurance Corporation's (FDIC) federally insured limits of \$250,000.

Subsequent Events: Subsequent events have been evaluated by management through the date of the independent auditor's report. 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ.

Recently Adopted Accounting Pronouncement: On July 30, 2025, the FASB issued ASU 2025-05, *Financial Instruments – Credit Losses (Topic 326)*, providing a practical expedient and an accounting policy election for non-public entities to measure expected credit losses on accounts receivable and contract assets from revenue transactions. These options allow entities to (a) assume current conditions at the balance sheet date will remain unchanged over the remaining life of the assets, and (b) consider amounts collected after the balance sheet date but before the financial statements are available for issuance when estimating expected credit losses. The Foundation early adopted this ASU prospectively for the year ended December 31, 2024 and the adoption did not have a material impact on the financial statements.

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Notes to Audited Financial Statements
December 31, 2024

NOTE B – RELATED PARTY

The Foundation has contracted with The Greater New Braunfels Chamber of Commerce, Inc. (the Chamber) for professional services, along with the use of the Chamber's facilities on an as needed basis. The Foundation paid the Chamber \$528,000 in 2024 under this professional services agreement. Under the terms of the January 1, 2024 agreement with the Chamber, the joint mission for the Foundation and the Chamber includes:

- Work together to implement Confluence, a five-year economic development strategy originally developed in 2022.
- The Confluence project is being implemented in partnership with other members in Comal county's area of economic influence, and the Chamber is the manager.
- The Chamber will ensure adequate staffing, and the Chamber's President/CEO will serve as President of the Foundation for the duration of the 5 year agreement.
- The Chamber pays the Foundation \$47,900 per month for services it provides. The Chamber also agrees to pursue and manage public sector contracts to supplement these monthly payments.
- The Chamber will provide routine reporting to the Foundation, including quarterly advisory and financial reports.

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

Accounting Standards require management to discuss its financial resources that are available as of year-end and which may be utilized for operations over the next 12-month period. The Foundation has financial assets of approximately \$230,000 and budgeted annual revenues of approximately \$585,000 to conduct its mission during the next fiscal year.

**GREATER NEW BRAUNFELS
ECONOMIC DEVELOPMENT FOUNDATION, INC.**

Supplemental Information

December 31, 2024

GREATER NEW BRAUNFELS ECONOMIC DEVELOPMENT FOUNDATION, INC.
Schedule - Actual to Budget Comparision
Year Ended December 31, 2024

	<u>Actual</u>	<u>Budget</u>
Revenues:		
Investor dues	\$ 516,747	\$ 580,000
Designated Events	12,304	9,000
Corporate Golf Challenge, net of expenses	4,357	-
Interest & other income	<u>20,210</u>	<u>6,000</u>
Total revenues	<u>553,618</u>	<u>595,000</u>
Expenses:		
Economic development, Chamber contract	528,000	576,000
Annual audit	6,000	5,500
Bank fees	137	-
Provision for credit losses	<u>42,050</u>	-
Total expenses	<u>576,187</u>	<u>581,500</u>
Change in Net Assets	<u><u>\$ (22,569)</u></u>	<u><u>\$ 13,500</u></u>