

# **Tomball Emergency Assistance Ministries, Inc.**

Financial Statements and Independent Auditors' Report  
for the Year Ended September 30, 2025  
*(with comparative totals for 2024)*



**Tipton & Company**

**CERTIFIED PUBLIC ACCOUNTANTS**

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## INDEPENDENT AUDITORS' REPORT

To Those Charged with Governance  
And Management  
Tomball Emergency Assistance Ministries, Inc.  
Tomball, Texas

### Opinion

We have audited the accompanying financial statements of Tomball Emergency Assistance Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tomball Emergency Assistance Ministries, Inc. as of September 30, 2025, and the changes in net assets and its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tomball Emergency Assistance Ministries, Inc. 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 these 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 Tomball Emergency Assistance Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' 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 auditors' 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, including omissions, 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 Tomball Emergency Assistance Ministries, Inc.'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 Tomball Emergency Assistance Ministries, Inc.'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.

#### **Report on Summarized Comparative Information**

We have previously audited Tomball Emergency Assistance Ministries, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 11, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Tipton & Company LLC*

Tipton & Company  
Certified Public Accountants  
Houston, Texas

February 10, 2026

# Tomball Emergency Assistance Ministries, Inc.

## Statement of Financial Position

<i>As of September 30, (with comparative totals for 2024)</i>	2025	2024
<b>Assets</b>		
Cash and cash equivalents	\$ 702,954	\$ 646,638
Certificates of deposit	223,538	214,974
Pledges and grants receivable, net	41,762	41,623
Prepaid expenses	35,576	31,814
Inventory	299,037	282,287
Property and equipment, net	657,355	673,984
<b>Total Assets</b>	<b>\$ 1,960,222</b>	<b>\$ 1,891,320</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 8,401	\$ 7,803
Accrued expenses	6,373	7,911
Total Liabilities	14,774	15,714
Net Assets		
Without donor restrictions	1,862,878	1,798,252
With donor restrictions	82,570	77,354
Total Net Assets	1,945,448	1,875,606
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,960,222</b>	<b>\$ 1,891,320</b>

The accompanying notes are an integral part of these financial statements.

# Tomball Emergency Assistance Ministries, Inc.

## Statement of Activities

<i>Year ended September 30, (with comparative totals for 2024)</i>	Without Donor Restrictions	With Donor Restrictions	<b>2025 Total</b>	2024 Total
<b>Revenue and Support</b>				
Contributions and grants	\$ 339,505	\$ 63,238	\$ <b>402,743</b>	\$ 399,433
Contributed nonfinancial assets	378,908	-	<b>378,908</b>	389,109
Client copay	4,763	-	<b>4,763</b>	10,735
Thrift shop sales	494,227	-	<b>494,227</b>	505,841
Cost of donated goods sold	(365,384)	-	<b>(365,384)</b>	(392,616)
Special events revenue	288,895	-	<b>288,895</b>	234,439
Direct benefit to donor	(20,007)	-	<b>(20,007)</b>	(16,847)
Other revenue	17,687	-	<b>17,687</b>	30,106
Net assets released from restrictions	58,022	(58,022)	-	-
<b>Total Revenue and Support</b>	<b>1,196,616</b>	<b>5,216</b>	<b>1,201,832</b>	<b>1,160,200</b>
<b>Expenses</b>				
<b>Program Services</b>				
Client Assistance	578,863	-	<b>578,863</b>	550,315
Resale Shop	286,875	-	<b>286,875</b>	236,387
Other programs	85,900	-	<b>85,900</b>	137,251
<b>Total Program Services</b>	<b>951,638</b>	<b>-</b>	<b>951,638</b>	<b>923,953</b>
<b>Supporting Services</b>				
Management and general	143,248	-	<b>143,248</b>	127,141
Fundraising	37,104	-	<b>37,104</b>	14,026
<b>Total Supporting Services</b>	<b>180,352</b>	<b>-</b>	<b>180,352</b>	<b>141,167</b>
<b>Total Expenses</b>	<b>1,131,990</b>	<b>-</b>	<b>1,131,990</b>	<b>1,065,120</b>
<b>Change in Net Assets</b>	<b>64,626</b>	<b>5,216</b>	<b>69,842</b>	<b>95,080</b>
Net Assets, Beginning of Year	1,798,252	77,354	<b>1,875,606</b>	1,780,526
<b>Net Assets, End of Year</b>	<b>\$ 1,862,878</b>	<b>\$ 82,570</b>	<b>\$ 1,945,448</b>	<b>\$ 1,875,606</b>

The accompanying notes are an integral part of these financial statements.

**Tomball Emergency Assistance Ministries, Inc.**  
Statement of Functional Expenses

<i>Year ended September 30, (with comparative totals for 2024)</i>	Program Services				Supporting Services			<b>2025 Total</b>	2024 Total
	Client Assistance	Resale Shop	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services		
<b>Salaries and Related Expenses</b>									
Salaries and wages	\$ 31,791	\$ 184,274	\$ 46,820	\$ 262,885	\$ 37,090	\$ 25,625	\$ 62,715	\$ 325,600	\$ 315,853
Payroll taxes	2,457	14,008	3,619	20,084	2,867	1,981	4,848	24,932	24,291
<b>Total Salaries and Related Expenses</b>	<b>34,248</b>	<b>198,282</b>	<b>50,439</b>	<b>282,969</b>	<b>39,957</b>	<b>27,606</b>	<b>67,563</b>	<b>350,532</b>	<b>340,144</b>
<b>Other Expenses</b>									
Advertising	-	1,579	-	1,579	11,832	-	11,832	13,411	12,971
Bad debt expense	-	-	-	-	716	-	716	716	848
Bank and credit card charges	-	16,128	-	16,128	594	1,385	1,979	18,107	20,041
Client expenses	535,950	-	-	535,950	-	-	-	535,950	512,042
Contract labor	-	14,750	-	14,750	-	-	-	14,750	6,250
Depreciation	-	-	35,461	35,461	-	-	-	35,461	33,598
In-kind food	-	-	-	-	-	-	-	-	1,000
Insurance	-	-	-	-	28,088	-	28,088	28,088	29,244
Legal and professional	-	-	-	-	44,226	-	44,226	44,226	39,639
Meals and entertainment	-	-	-	-	746	-	746	746	884
Office expenses	592	377	-	969	7,673	-	7,673	8,642	28,851
Repairs and maintenance	8,073	38,272	-	46,345	-	-	-	46,345	9,576
Special event expenses	-	-	-	-	-	28,120	28,120	28,120	21,719
Utilities	-	17,487	-	17,487	9,416	-	9,416	26,903	25,160
<b>Total Other Expenses</b>	<b>544,615</b>	<b>88,593</b>	<b>35,461</b>	<b>668,669</b>	<b>103,291</b>	<b>29,505</b>	<b>132,796</b>	<b>801,465</b>	<b>741,823</b>
Less: Direct benefit to donor	-	-	-	-	-	(20,007)	(20,007)	(20,007)	(16,847)
<b>Total Expenses</b>	<b>\$ 578,863</b>	<b>\$ 286,875</b>	<b>\$ 85,900</b>	<b>\$ 951,638</b>	<b>\$ 143,248</b>	<b>\$ 37,104</b>	<b>\$ 180,352</b>	<b>\$ 1,131,990</b>	<b>\$ 1,065,120</b>

The accompanying notes are an integral part of these financial statements.

# Tomball Emergency Assistance Ministries, Inc.

## Statement of Cash Flows

<i>Year Ended September 30, (with comparative totals for 2024)</i>	<b>2025</b>	<b>2024</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 69,842	\$ 95,080
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Bad debt expense	716	848
Depreciation	35,461	33,598
Changes in assets and liabilities:		
Pledges and grants receivable	(855)	(11,301)
Prepaid expenses	(3,762)	(2,040)
Inventory	(16,750)	18,190
Accounts payable	598	(3,746)
Accrued expenses	(1,538)	2,439
Total Adjustments	13,870	37,988
Net Change in Operating Activities	83,712	133,068
<b>Cash Flows From Investing Activities</b>		
Interest retained in certificates of deposit	(8,564)	(14,974)
Purchases of fixed assets	(26,206)	(20,805)
Net Change in Investing Activities	(34,770)	(35,779)
<b>Net Change in Cash and Cash Equivalents</b>	<b>48,942</b>	<b>97,289</b>
Cash and Cash Equivalents, beginning of year	646,638	549,349
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 695,580</b>	<b>\$ 646,638</b>

# Tomball Emergency Assistance Ministries, Inc.

## Notes to Financial Statements

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### NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

Tomball Emergency Assistance Ministries, Inc. (the Organization) is a coalition of various congregations and affiliate groups incorporated as a non-profit organization under the laws of the State of Texas. The Organization has been serving people of Tomball since 1985. The Organization provides direct assistance to individuals for food, housing, clothing, utilities, medical and transportation needs. The Organization is supported by funds received through donations from corporate and individual donors, member churches, grants from private foundations, and sales revenue from the Organization's resale shop.

The Organization conducts the following programs:

- Client Assistance – eligible clients receive the following direct assistance as needed:
  - *Budget counseling*
  - *Job search assistance*
  - *Medical, dental, and vision assistance*
  - *Food and toiletries from the food pantry*
  - *Clothing vouchers to the resale shop*
  - *Rent, utilities, and transportation assistance*
  - *Special assistance programs* – food for students, summer food assistance for kids, back to school jacket giveaway, Thanksgiving holiday baskets, Christmas meal & gift program.
- Resale Shop – The Organization operates a thrift shop store, the Organization's Resale Shop, which sells used clothing and household goods donated by the general public. The store is regularly staffed by volunteers from the member church congregations and the community. Funds generated from the store operations and other public support have made the welfare services provided by the Organization possible.
- Other Programs
  - *Community Relations* – The Organization has developed and maintains a network of resources and services throughout the Greater Tomball area and connects residents in need with these resources and services.

#### Basis of Accounting

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

#### Basis of Presentation

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

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

# Tomball Emergency Assistance Ministries, Inc.

## Notes to Financial Statements

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stipulates those 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

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

### Pledges and Grants Receivable

Pledges and grants receivable that are due within one year are reported at net realizable value. Grants and pledges receivable that are expected to be collected in future years are reported at the present value of the expected future cash flows. The Organization provides an allowance for pledges and grants receivable when it believes balances may not be collected in full. When management determines the receivable will not be collected, the receivables are written off.

### Inventory

Inventory is comprised of donated merchandise held by the Organization's Resale Shop and donated food maintained at the Organization's food pantry. The merchandise inventory is valued at the expected Resale Shop sales price. The food inventory is valued on a rate per pound as estimated by the Houston Food Bank.

### Property and Equipment

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

Buildings	39 years
Building improvements	39 years
Furniture, fixtures, and equipment	3 - 15 years

Additions and betterments of \$2,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

### Contributions and Grants

Contributions and grants are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are reported as increases in net assets with donor restrictions. Conditional contributions are subject to one or more barriers that must be overcome before the Organization is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been substantially met. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

### Donated Goods and Services

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. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition.

### Income Taxes

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the

# Tomball Emergency Assistance Ministries, Inc.

## Notes to Financial Statements

current fiscal year. Therefore, The Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 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. ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

### Sales Tax

The State of Texas and municipalities within the State impose a sales tax on certain sales. The Organization collects the sales tax from their Resale Shop and remits the entire amount to the State. The Organization's accounting policy is to exclude the tax collected and remitted from revenue.

### Advertising

The Organization uses advertising to promote its Resale Shop and programs among the general public. Advertising costs are expensed as incurred. Advertising expense for the years ended September 30, 2025 and 2024 was \$13,411 and \$12,971, respectively.

### Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

### Functional Allocation of Expense

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

## **NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of September 30, 2025 are comprised of the following:

<u>Financial assets:</u>	
Cash and cash equivalents	\$ 702,954
Certificates of deposit	223,538
Pledges and grants receivable, net	41,762
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Total financial assets	968,254
Less: board designated fund	(100,000)
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Financial assets available to meet cash needs for general expenditures within one year	\$ 868,254

The Organization's financial assets have been reduced by amounts not available for general use due to donor-imposed restrictions within one year of the statement of financial position date. The Organization sets a goal of

# Tomball Emergency Assistance Ministries, Inc.

## Notes to Financial Statements

having financial assets on hand to meet 60 days of normal operating expenses, which are, on average, around \$146,000. As part of its liquidity management, the Organization 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

All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. The Organization maintains cash balances at a financial institution located in Texas. At September 30, 2025 and 2024, the Organization had approximately \$200,000 and \$400,000, respectively, of cash balances that were not covered by FDIC insurance.

### NOTE 4 – PLEDGES AND GRANTS RECEIVABLE

The Organization receives pledges of future contributions from foundations and corporations. In accordance with authoritative accounting guidance, these pledges to give were recognized as revenue in the period when the pledge is made, rather than as the payments are received.

Pledges and grants receivable at September 30, 2025 and 2024 consisted of the following:

	2025	2024
Due in one year	\$ 45,604	\$ 45,597
Less: allowance for uncollectible pledges	(3,842)	(3,974)
Pledges and grants receivable, net	\$ 41,762	\$ 41,623

At September 30, 2024 and 2023, receivables from one funding source represented seventy percent (70%) and fifty-one percent (51%), respectively, of total pledges and grants receivable. The Organization receives most of its support and revenues from individuals, member churches and other organizations in the Tomball area. Consequently, the Organization is dependent on these parties. Additionally, the Organization provides most of its support to families living in the Tomball zip codes.

### NOTE 5 – INVENTORY

The inventory balances as of September 30, 2025 and 2024 are as follows:

	2025	2024
Resale Shop	\$ 276,615	\$ 263,090
Food pantry inventory	22,422	19,197
Total inventory	\$ 299,037	\$ 282,287

# Tomball Emergency Assistance Ministries, Inc.

## Notes to Financial Statements

### NOTE 6 – PROPERTY AND EQUIPMENT

As of September 30, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Land	\$ 469,950	\$ 469,950
Buildings	628,280	628,280
Capital improvements	171,994	153,162
Other long-term assets	94,500	94,500
Subtotal property and equipment	1,364,724	1,345,892
Less: accumulated depreciation	(707,369)	(671,908)
Total property and equipment, net	\$ 657,355	\$ 673,984

Depreciation expense for the year ended September 30, 2025 and 2024 was \$35,461 and \$33,598, respectively.

### NOTE 7 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at September 30, 2025 and 2024 are comprised of the following:

	2025	2024
Undesignated	\$ 1,762,878	\$ 1,698,252
Board designated fund	100,000	100,000
Total net assets without donor restrictions	\$ 1,862,878	\$ 1,798,252

### NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2025 and 2024 are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purpose:		
Food Pantry	\$ 37,570	\$ 55,888
Basic Needs	45,000	21,466
Total net assets with donor restrictions	\$ 82,570	\$ 77,354

### NOTE 9 – CONTRIBUTED NONFINANCIAL ASSETS

The majority of items sold in the Organization's Resale Shop are contributed by the general public. The fair value of contributed nonfinancial assets is based on estimated selling prices using recent sales of similar items. The Resale Shop contributed nonfinancial assets are reported as inventory upon receipt and cost of donated goods sold when sold. During the years ended September 30, 2025 and 2024, the Organization recognized contributed nonfinancial assets related to resale shop inventory of \$378,906 and \$389,109, respectively. These contributions were not subject to donor restrictions and were used exclusively in the Organization's programs.

### NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 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.