WEST HOUSTON CHRISTIAN CHURCH

Financial Statements
With Independent Auditor’s Report

December 31, 2025 and 2024

WEST HOUSTON CHRISTIAN CHURCH

Table of Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6

CAPINCROUSE
A DIVISION OF Carr, Riggs & Ingram

INDEPENDENT AUDITOR'S REPORT

Church Council
West Houston Christian Church
Houston, Texas

Opinion

We have audited the accompanying financial statements of West Houston Christian Church, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities and cash flows for the years 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 West Houston Christian Church as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended 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 West Houston Christian Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 West Houston Christian Church's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

5605 N. MacArthur Boulevard, Suite 210
Irving, TX 75038
505.50.CAPIN
capincrouse.com

Church Council
West Houston Christian Church
Houston, Texas

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 West Houston Christian Church'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 West Houston Christian Church'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.

Capin Crouse LLC

Irving, Texas
April 30, 2026

WEST HOUSTON CHRISTIAN CHURCH

Statements of Financial Position

	December 31, 2025	December 31, 2024
ASSETS:		
Cash and cash equivalents	$ 984,865	$ 1,079,073
Investments	522,701	603,977
Investments held for Church Council-designated reserves	1,122,018	922,018
Prepaid expenses and other assets	54,909	36,298
Finance lease right-of-use asset	27,922	46,536
Property, plant, and equipment–net	2,238,585	2,428,394
Total Assets	$ 4,951,000	$ 5,116,296
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and other liabilities	$ 165,125	$ 120,042
Finance lease liability	29,268	48,167
Total liabilities	194,393	168,209
Net assets:		
Net assets without donor restrictions	4,392,795	4,566,750
Net assets with donor restrictions	363,812	381,337
Total net assets	4,756,607	4,948,087
Total Liabilities and Net Assets	$ 4,951,000	$ 5,116,296

See notes to financial statements

WEST HOUSTON CHRISTIAN CHURCH

Statements of Activities

	Year Ended December 31,					
	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND RECLASSIFICATIONS:						
Contributions	$ 2,692,108	$ 154,626	$ 2,846,734	$ 2,645,165	$ 514,144	$ 3,159,309
Program revenue	216,670	-	216,670	139,504	-	139,504
Investment income–net	92,644	-	92,644	105,983	-	105,983
Other income (loss)	21,723	-	21,723	(18,838)	-	(18,838)
Net assets released from restrictions	172,151	(172,151)	-	163,235	(163,235)	-
Total Support, Revenue, and Reclassifications	3,195,296	(17,525)	3,177,771	3,035,049	350,909	3,385,958
EXPENSES:						
Program services	2,880,576	-	2,880,576	2,566,975	-	2,566,975
Supporting activities:						
General and administrative	488,675	-	488,675	515,590	-	515,590
Total Expenses	3,369,251	-	3,369,251	3,082,565	-	3,082,565
Change in Net Assets	(173,955)	(17,525)	(191,480)	(47,516)	350,909	303,393
Net Assets, Beginning of Year	4,566,750	381,337	4,948,087	4,614,266	30,428	4,644,694
Net Assets, End of Year	$ 4,392,795	$ 363,812	$ 4,756,607	$ 4,566,750	$ 381,337	$ 4,948,087

See notes to financial statements

WEST HOUSTON CHRISTIAN CHURCH

Statements of Cash Flows

	Year Ended December 31, 2025	Year Ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (191,480)	$ 303,393
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	318,588	304,089
Unrealized gain on investments	(14,486)	(12,072)
Loss on sale of property, plant, and equipment	-	24,574
Amortization of finance lease right-of-use asset	18,615	13,365
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(18,611)	(16,635)
Accounts payable and other liabilities	45,083	11,802
Net Cash Provided by Operating Activities	157,709	628,516
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(128,779)	(277,983)
Purchases of investments	(1,927,261)	(1,490,744)
Proceeds from sale and redemptions of investments	1,823,023	1,067,811
Net Cash Used by Investing Activities	(233,017)	(700,916)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal paid on finance lease	(18,900)	(13,174)
Net Cash Used by Financing Activities	(18,900)	(13,174)
Change in Cash and Cash Equivalents	(94,208)	(85,574)
Cash and Cash Equivalents, Beginning of Year	1,079,073	1,164,647
Cash and Cash Equivalents, End of Year	$ 984,865	$ 1,079,073
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$ 1,008	$ 1,757

See notes to financial statements

Notes to Financial Statements

December 31, 2025 and 2024

1. NATURE OF ORGANIZATION:

West Houston Christian Church (the Church) is a church that exists to glorify God and make disciples by welcoming sojourners home to the joy of following Jesus together.

West Houston Christian Church is the assumed name for West Houston Chinese Church. The Church is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and is also exempt from state income taxes. Contributions by the public are deductible for income tax purposes. The Church has been classified as a publicly support organization, which is not a private foundation under Section 509(a) of the Code. The Church's primary source of support is contributions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Church maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in banks and money market accounts. As of December 31, 2025 and 2024, the cash accounts maintained exceeded federally insured limits by approximately $350,000 and $336,000, respectively.

INVESTMENTS AND INVESTMENTS HELD FOR CHURCH COUNCIL-DESIGNATED RESERVES

The Church's investment portfolio consists of mutual funds and treasury bills which are carried at fair value, and certificates of deposit which are carried at cost plus accrued interest. Gains and losses on investments are recorded in the statements of activities as increases in net assets without donor restrictions, unless their use is restricted by donor stipulation. Donated investments are recorded at fair value at the date of donation.

Investments held by the Church that have been designated by the Church Council for operating reserves have been segregated from investments and shown in a separate category on the statements of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

RIGHT-OF-USE ASSETS AND LIABILITIES–FINANCING LEASE

Right-of-use assets represent the Church's right to use the underlying asset for the lease term. Right-of-use assets and related liabilities are recognized at commencement dated based on the net present value of lease payments over the lease term discounted using a risk-free rate. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise the option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Short-term leases with a term of 12 or fewer months are not reflected on the statements of financial position, and costs are expensed as incurred. The additional lease disclosures can be found in Note 6.

PROPERTY, PLANT, AND EQUIPMENT–NET

Property and equipment are recorded at cost, or if donated, at estimated fair market value on the date of the gift. Expenditures for property and equipment greater than $500 are capitalized at cost. Donated items are recorded at fair market value on the date of the gift. Costs of maintenance and repairs are charged to expense as incurred. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in other income for the period. No assets were considered to be impaired as of December 31, 2025 and 2024.

Depreciation is computed on the straight line method over the estimated useful lives. A summary of depreciable lives follows:

Buildings and building improvements	10-30 years
Furniture and fixtures	7 years
Equipment	3-5 years
Vehicle	5 years

CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets:

Net assets without donor restrictions are those currently available for use in ministries under the direction of the Church Council and those resources invested in property, plant and equipment.

Net assets with donor restrictions are those stipulated by donors for specific purposes or those not currently available for use until commitments regarding their use have been fulfilled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE
Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Conditional contributions with a donor-imposed condition are not recognized as revenue until the conditions on which they depend are substantially met. Amounts received prior to the satisfaction of donor-imposed conditions are reported as a liability until such conditions are met. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for general use unless specifically restricted by the donor. Noncash contributions are recorded at the estimated fair value on the date of donation.

Program revenue consists primarily of event registration and facility rental fee revenue for the Church. Program revenue is recognized in the reporting period as performance obligations are met, which is at the point of time the event or use of the facility occurs. Payments for these revenues are due before the point in time the event or use of the facility occurs, which are deferred as liabilities on the statement of financial position. As of December 31, 2025 and 2024, there were no outstanding contract assets or contract liabilities.

FUNCTIONAL ALLOCATION OF EXPENSES
Expenses are recorded when incurred in accordance with the accrual method of accounting. The costs of providing the various program services and supporting activities have been summarized in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting activities. These expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses include salaries and benefits, depreciation and other occupancy-related expenses. Salaries and benefits are allocated based on average estimates of time and effort by employees. Depreciation and other expenses are allocated based on estimates of usage of space.

RECLASSIFICATION
Certain prior year balances have been reclassified to conform with the current year presentation. These reclassifications had no effect on total assets, liabilities, net assets, change in net assets, or total revenue and expenses for the year ended December 31, 2024.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Church's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	December 31, 2025	December 31, 2024
Financial assets:		
Cash and cash equivalents	$ 984,865	$ 1,079,073
Investments	522,701	603,977
Investments held for Church Council-designated reserves	1,122,018	922,018
	2,629,584	2,605,068
Less those not available for general expenditures within one year:		
Net assets restricted for time or purpose	(363,812)	(381,337)
Church council-designated reserves	(1,122,018)	(922,018)
	(1,485,830)	(1,303,355)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,143,754	$ 1,301,713

As part of the Church's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As of December 31, 2025 and 2024, the Church has $1,122,018 and $992,018, respectively, designated by the Church Council for reserves. These board designations could be released by the Church Council if considered necessary.

4. INVESTMENTS:

Investments consist of the following:

	December 31, 2025	December 31, 2024
At fair value:		
Mutual funds	$ 268,771	$ 87,378
U.S. Treasury bills	351,593	-
	620,364	87,378
At cost plus accrued interest:		
Certificate of deposit	1,024,355	1,438,617
	$ 1,644,719	$ 1,525,995

Investments are reported on the statements of financial position as follows:

	December 31, 2025	December 31, 2024
Investments	$ 522,701	$ 603,977
Investments held for Church Council-designated reserves	1,122,018	922,018
	$ 1,644,719	$ 1,525,995

5. PROPERTY, PLANT, AND EQUIPMENT–NET:

Property, plant, and equipment–net consists of the following:

	December 31, 2025	December 31, 2024
Land	$ 281,568	$ 281,568
Buildings and building improvements	6,484,209	6,484,211
Furniture and fixtures	210,757	209,689
Equipment	1,063,028	939,448
Vehicle	153,958	153,958
	8,193,520	8,068,874
Less accumulated depreciation	(5,954,935)	(5,640,480)
	$ 2,238,585	$ 2,428,394

6. FINANCING LEASE RIGHT OF USE ASSETS AND LIABILITIES:
The Church leases multiple copiers under a noncancelable lease agreement expiring in 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term. The lease requires monthly payments totaling $1,659 per month.

	December 31, 2025	December 31, 2024
Assets:		
Financing lease right-of-use asset	$ 27,922	$ 46,536
Liabilities:		
Financing lease liability	$ 29,268	$ 48,167
Lease costs:		
Financing lease costs:		
Amortization of ROU assets	$ 18,615	$ 13,365
Interest on lease liability	1,008	1,757
	$ 19,623	$ 15,122
Cash paid for amounts included in the measurement of lease liabilities	$ 19,908	$ 19,908
Weighted average discount rate	2.55%	2.55%
Weighted average remaining lease term (years)	1.34	2.34

Future minimum lease payments required under finance leases that have an initial or remaining non-cancelable lease term in excess of on year are as follows:

Years Ending December 31,	
2026	$ 19,908
2027	9,954
	29,862
Imputed interest	(594)
	$ 29,268

7. FUNCTIONAL ALLOCATION OF EXPENSES:
The natural classification of expenses is recorded as follows as of the year ended December 31, 2025:

	Program Services	Supporting Activities General and Administrative	Total
Salaries and benefits	$ 1,569,209	$ 186,381	$ 1,755,590
Missions grants	340,048	-	340,048
Depreciation	254,870	63,718	318,588
Ministry supplies	239,664	-	239,664
Printing, posting, and office supplies	131,650	57,113	188,763
Utilities	71,759	6,313	78,072
Insurance	5,474	70,873	76,347
Professional fees	5,977	61,866	67,843
Benevolence	61,427	-	61,427
Travel	57,907	-	57,907
Repairs and maintenance	45,682	4,145	49,827
Contract labor	39,184	3,635	42,819
Other	-	34,631	34,631
Rent	32,776	-	32,776
Equipment	24,949	-	24,949
	$ 2,880,576	$ 488,675	$ 3,369,251

7. FUNCTIONAL ALLOCATION OF EXPENSES, continued:
The natural classification of expenses is recorded as follows as of the year ended December 31, 2024:

	Program Services	Supporting Activities General and Administrative	Total
Salaries and benefits	$ 1,325,408	$ 159,126	$ 1,484,534
Missions grants	335,501	-	335,501
Depreciation	243,271	60,818	304,089
Ministry supplies	214,963	-	214,963
Printing, posting, and office supplies	119,337	64,739	184,076
Insurance	2,137	159,424	161,561
Professional fees	7,006	57,242	64,248
Utilities	68,730	6,276	75,006
Contract labor	53,593	5,077	58,670
Repairs and maintenance	35,266	2,262	37,528
Travel	80,394	-	80,394
Benevolence	48,659	-	48,659
Equipment	30,720	-	30,720
Rent	1,990	-	1,990
Other	-	626	626
	$ 2,566,975	$ 515,590	$ 3,082,565

8. RETIREMENT PLAN:
The Church has a defined contribution retirement plan that qualifies under Internal Revenue Code Section 403(b). All employees may participate through voluntary salary reductions. The Church makes an annual contribution of 5% of annual salary with a minimum of $2,000 per person per year for each full-time staff member. Employer contributions for the years ended December 31, 2025 and 2024, were $51,233 and $49,261, respectively.

9. NET ASSETS:
Net assets consist of the following:

	December 31, 2025	December 31, 2024
Net assets without donor restrictions:		
Undesignated	$ 3,270,777	$ 3,644,732
Board-designated:		
Church planting reserves	754,953	754,953
Capital improvement reserves	367,065	167,065
	1,122,018	922,018
Total net assets without donor restrictions	4,392,795	4,566,750
Net assets with donor restrictions:		
Purpose:		
Benevolence	-	10,114
Other	17,072	19,983
	17,072	30,097
Time and purpose:		
Shirley Lu mission fund	346,740	351,240
Total net assets with donor restrictions	363,812	381,337
Total net assets	$ 4,756,607	$ 4,948,087

10. FAIR VALUE MEASUREMENTS:

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

10. FAIR VALUE MEASUREMENTS, continued:

Fair values of assets measured on a recurring basis at December 31, 2025, are as follows:

	Total	Level 1	Level 2	Level 3
Investments:				
Mutual funds	$ 268,771	$ 268,771	$ -	$ -
U.S. Treasury bills	351,593	-	351,593	-
	620,364	$ 268,771	$ 351,593	$ -
Reconciling items at cost plus accrued interest:				
Certificate of deposit	1,024,355			
Total	$ 1,644,719			

Fair values of assets measured on a recurring basis at December 31, 2024, are as follows:

	Total	Level 1	Level 2	Level 3
Investments:				
Mutual funds	$ 87,378	$ 87,378	$ -	$ -
Reconciling items at cost plus accrued interest:				
Certificate of deposit	1,438,617			
Total	$ 1,525,995			

10. FAIR VALUE MEASUREMENTS, continued:

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Level 1 Fair Value Measurements

Fair value for mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

Level 2 Fair Value Measurements

The fair value of U.S. Treasury bills are based on yields currently available on comparable securities with similar credit ratings.

Changes in valuation techniques: None.

11. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2025 and 2024, contributions by Church Council members totaled approximately $230,000 and $188,000, respectively.

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 30, 2026, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.