ODESSA (ECTOR) PARKS FOUNDATION, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2020 AND 2019

RON KIRBY
CERTIFIED PUBLIC ACCOUNTANT

2626 JBS PARKWAY, STE B-200
ODESSA, TEXAS 79761-1958
432-550-2708
FAX 432-552-0032
MEMBER OF

AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
DIVISION OF CPA FIRMS
PRIVATE COMPANIES PRACTICE SECTION
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Odessa (Ector) Parks Foundation, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of Odessa (Ector) Parks Foundation, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2020 and the related statements of activities, cash flows, and functional expense for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited the Organizations, financial statements and our report dated February 3, 2020 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United State of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended September 30, 2020, from which the summarized information was derived.

Odessa, Texas
March 8, 2021

CPA

ODESSA (ECTOR) PARKS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	$ 1,931,500	$ 1,954,549
Accounts Receivable-Due from City	-	-
TOTAL CURRENT ASSETS	1,931,500	1,954,549
TOTAL ASSETS	$ 1,931,500	$ 1,954,549
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable – Other	$ -	$ 62,000
TOTAL CURRENT LIABILITIES	-	62,000
NET ASSETS		
Without Donor Restrictions	$ 467,321	$ 422,978
With Donor Restrictions	1,464,179	1,469,571
TOTAL NET ASSETS	1,931,500	1,892,549
TOTAL LIABILITIES AND NET ASSETS	$ 1,931,500	$ 1,954,549

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

ODESSA (ECTOR) PARKS FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	Without Donor Restrictions	With Donor Restrictions	Total All Classes 2020	Total All Classes 2019
REVENUE				
Investment Income	$ 16,306	$ -	$ 16,306	$ 39,428
City of Odessa	-	186,476	186,476	142,744
Donations	-	148,952	148,952	179,067
Net Assets Released from restrictions	340,820	(340,820)	-	-
TOTAL REVENUE AND OTHER SUPPORT	357,126	(5,392)	351,734	361,239
EXPENSES				
Programs	312,783	-	312,783	402,864
Management & General	-	-	-	-
Fundraising	-	-	-	-
TOTAL EXPENSES	312,783	-	312,783	402,864
CHANGES IN NET ASSETS	44,343	(5,392)	38,951	(41,625)
BEGINNING NET ASSETS	422,978	1,469,571	1,892,549	1,934,174
ENDING YEAR NET ASSETS	$ 467,321	$ 1,464,179	$ 1,931,500	$ 1,892,549

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

ODESSA (ECTOR) PARKS FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	Programs	Management and General	Fundraising	Total 2020	Total 2019
Accounting Fees	$ 1,750	$ -	$ -	$ 1,750	$ 1,525
Office Expense	701	-	-	701	37,530
Projects	138,651	-	-	138,651	79,953
Construction	171,681	-	-	171,681	283,856
Expenses Before Depreciation	312,783	-	-	312,783	402,864
Depreciation Expense	-	-	-	-	-
Total Functional Expenses	$ 312,783	$ -	$ -	$ 312,783	$ 402,864

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

ODESSA (ECTOR) PARKS FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from:		
Investment Income	$ 16,306	$ 39,428
Grants and Donations	335,428	369,459
Cash Disbursed for:		
General and Administrative	(203,102)	(57,008)
Construction	(171,681)	(283,856)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(23,049)	68,023
BEGINNING CASH BALANCE	1,954,549	1,886,526
ENDING CASH BALANCE	$ 1,931,500	$ 1,954,549

RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

	2020	2019
Change in Net Assets	$ 38,951	$ (41,625)
Adjustments to reconcile change in assets to net Cash provided (used) by operating activities:		
Accounts Receivable – Due from City	-	47,648
Accounts Payable – Other	(62,000)	62,000
Total Adjustments	(62,000)	109,648
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ (23,049)	$ 68,023

The accompanying notes are an integral part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization
In July 1996, Odessa (Ector) Parks Foundation, Inc. (the "Foundation") was organized. The Foundation is a non-profit organization, which assists Odessa and Ector County governmental agencies and local groups improve park systems and recreational facilities through land acquisition and development of existing parks. The Foundation accepts land, bequests, right of ways, and other donations to further enhance the natural beauty and open space of Odessa (Ector County), Texas. These activities help support the recreational opportunities in the park system and to improve opportunities for visual and performing arts.

Basis of Reporting
The financial statements of the Odessa (Ector) Parks Foundation, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the readers.

Basis of Presentation
The foundation prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for NFPs. The significant accounting and reporting policies used by the foundation are described subsequently to enhance the useful and understandability of the financial statements.

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 estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Net Assets
The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- **Net Assets Without Donor Restrictions**

Net Assets without donor restrictions are resources available to support operations. The only limits on the use of donor restrictions are the broad limits resulting from the nature of the foundation, 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 on the course of its operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- **<u>Net Assets With Donor Restrictions</u>**

Net Assets with Donor Restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Foundation's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with donor restrictions to net assets without restrictions.

Some net assets with donor restrictions are resources whose use by the Foundation is limited by with donor restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time.

All revenue and net gains are reported as increase in Net Assets Without Donor Restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions.

<u>Contributions</u>

In accordance with FASB ASC 958, whereby contributions received are recorded as net assets with donor restrictions or without donor restrictions support depending on the existence or nature of any donor restrictions. Such contributions are required to be reported as net assets with donor restrictions support and are then reclassified to net assets without donor restrictions upon expiration of the time restriction. All donor-restricted contributions are reported as increases in net assets with donor restrictions net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

<u>Cash and Cash Equivalents</u>

For the purposed of the statement of cash flows, the Foundation considers all highly liquid investments with a maturity of one year or less when purchased to be cash equivalents.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Federal Income Taxes

The Foundation is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, therefore no provision for federal income taxes has been provided in the accompanying financial statements.

Management is required to evaluate the tax positions taken by the Foundation and recognize a tax liability if the foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions of the Foundation and has concluded that as of September 30, 2020, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Foundation Forms 990, are subject to examination by the IRS, generally for the three years after they were filed. Management believes it is no longer subject to income tax examination for years prior to 2017.

Subsequent Events

The Foundation has evaluated events subsequent to the date of the statement of net assets (September 30, 2020) through March 8, 2021 the date these financial statements were suitable to be issued, and concluded a deposit of $37,977 to the Tex Pool account, from the City of Odessa, occurred on October 19,2020.

New Accounting Pronouncements

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces the current revenue recognition requirements and most industry-specific guidance. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. The Foundation is currently evaluating the impact of the provisions of ASU Topic 606.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made.* The amendments in this update will assist entities in evaluating whether transactions should be accounted for as a contribution (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2019, for transactions in which the entity services as the resource provider. Early application of the amendments in this update is permitted. The Foundation is currently evaluating the impact of the provision of ASU Topic 958.

In 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which is intended to improve financial

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Foundation is currently evaluating the impact of the provisions of ASU Topic 842.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and Cash equivalents is comprised of the following liquid assets:

	2020	2019
Cash-Without Donor Restrictions	$ 467,321	$ 484,978
Cash-With Donor Restrictions	1,464,179	1,469,571
TOTALS	$ 1,931,500	$ 1,954,549

NOTE 3: WITH DONOR RESTRICTIONS

Board Designated Net Assets are comprised of the following:

	2020	2019
Skate Park	$ 20,473	$ 20,473
McKinney Park	79,541	79,541
Memorial Gardens	3,276	3,276
Star Bright Village	37,060	63,174
Endowment	1,210,268	1,172,973
Fall Festival	38,899	29,984
Mother/Son Dance	3,956	3,726
Movies in the Park	(6,490)	(10,067)
Fishing	500	500
Daddy/Daughter Dance	5,706	2,001
Linear Park	11,688	11,688
UTPB	67,000	100,000
Parade	(12,810)	(12,810)
Trees	3,112	3,112
Citywide Run	2,000	2,000
TOTALS	$ 1,464,179	$1,469,571

NOTE 4: SUMMARIZED FINANCIAL INFORMATION FOR 2019

The financial information for the year ended September 30, 2019, presented for comparative purposes, is not intended to be a complete financial statement presentation.

NOTE 5: LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date.

Comprise the following:

Cash	$ 467,321
	$ 467,321

NOTE 6: LEASES

There are no lease agreements in 2020.