ODESSA (ECTOR) PARKS FOUNDATION, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2021 AND 2020

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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, 2021 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, 2021 and 2020, 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 March 8, 2021 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Comparative Financial Information
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, 2021, from which the summarized information was derived.

Odessa, Texas
December 27, 2021

CPA

ODESSA (ECTOR) PARKS FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	$ 2,017,977	$ 1,931,500
Accounts Receivable-Due from City	-	-
TOTAL CURRENT ASSETS	2,017,977	1,931,500
TOTAL ASSETS	$ 2,017,977	$ 1,931,500
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable – Other	$ -	$ -
TOTAL CURRENT LIABILITIES	-	-
NET ASSETS		
Without Donor Restrictions	$ 517,823	$ 467 321
With Donor Restrictions	1,500,154	1,464,179
TOTAL NET ASSETS	2,017,977	1,931,500
TOTAL LIABILITIES AND NET ASSETS	$ 2,017,977	$ 1,931,500

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Without Donor Restrictions	With Donor Restrictions	Total All Classes 2021	Total All Classes 2020
REVENUE				
Investment Income	$ 941	$ -	$ 941	$ 16,306
City of Odessa	-	174,337	174,337	186,476
Donations	-	148,914	148,914	148,952
Net Assets Released from restrictions	287,276	(287,276)	-	-
TOTAL REVENUE AND OTHER SUPPORT	288,217	35,975	324,192	351,734
EXPENSES				
Programs	237,715	-	237,715	312,783
Management & General	-	-	-	-
Fundraising	-	-	-	-
TOTAL EXPENSES	237,715	-	237,715	312,783
CHANGES IN NET ASSETS	50,502	35,975	86,477	38,951
BEGINNING NET ASSETS	467,321	1,464,179	1,931,500	1,892,549
ENDING YEAR NET ASSETS	$ 517,823	$ 1,500,154	$ 2,017,977	$ 1,931,500

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	Programs	Management and General	Fundraising	Total 2021	Total 2020
Accounting Fees	$ 1,875	$ -	$ -	$ 1,875	$ 1,750
Office Expense	825	-	-	825	701
Projects	14,858	-	-	14,858	138,651
Construction	220,157	-	-	220,157	171,681
Expenses Before Depreciation	237,715	-	-	237,715	312,783
Depreciation Expense	-	-	-	-	-
Total Functional Expenses	$ 237,715	$ -	$ -	$ 237,715	$ 312,783

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from:		
Investment Income	$ 941	$ 16,306
Grants and Donations	323,251	335,428
Cash Disbursed for:		
General and Administrative	(17,558)	(203,102)
Construction	(220,157)	(171,681)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	86,477	(23,049)
BEGINNING CASH BALANCE	1,931,500	1,954,549
ENDING CASH BALANCE	$ 2,017,977	$ 1,931,500

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

	2021	2020
Change in Net Assets	$ 86,477	$ 38,951
Adjustments to reconcile change in assets to net Cash provided (used) by operating activities:		
Accounts Payable – Other	-	(62,000)
Total Adjustments	-	(62,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 86,477	$ (23,049)

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)

- **Net Assets With Donor Restrictions**

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.

Cash and Cash Equivalents

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.

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, 2021, 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 2018.

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

Subsequent Events

The Foundation has evaluated events subsequent to the date of the statement of net assets (September 30, 2021) through December 27, 2021 the date these financial statements were suitable to be issued, and concluded a deposit of $48,092 to the Tex Pool account, from the City of Odessa, occurred on October 13, 2021.

Revenue Recognition for Contributions

The Foundation receives contributions to support operating activities, endowments and capital projects. The Foundation records contributions and deferred support received as without donor restrictions or with donor restrictions support depending on the nature of any restrictions made by the donor. Contributions include gifts of cash and promises to give. Contributions of securities and property to the Foundation are recorded at fair market value at the date of the gift. The Foundation records unconditional promises to give (pledges) as receivables and contributions within the appropriate net asset category based on the existence or absence of a donor stipulation. A donor stipulation (donors include other types of contributors, including makers of certain grants) represents a barrier that must be overcome before the recipient is entitled to the assets transferred or promised. Failure to overcome the barrier gives the contributor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. The Foundation does not recognize contributions with donor stipulations until the barrier has been overcome.

Restricted contributions are reported as restricted support in the period received and are then reclassified to net assets without donor restrictions upon satisfaction of the donor imposed restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

ASU 2014-09

In May 2014, the Financial Accounting Standards Board ("FASB") and International Accounting Standards Board (IASB) issued Accounting Standard Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance is effective for the Foundation in fiscal year 2020. The Foundation implemented ASU 2014-09 in 2020 using the modified retrospective method. The Foundation used all of the practical expedients included in ASC 606-10-65-1(f). The adoption of ASU 2014-09 did not have a material impact on the Foundation's financial position, activities, net assets or cash flows as of the adoption date or for the year ended June 30, 2020 and 2019. The adoption did not result in a restatement of previously reported

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

net assets for the year ended September 30, 2020.

ASU 2016-15

In August 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-15, Statement of Cash Flows (Topic 320): (Classification of Certain Cash Receipts and Cash Payments). This standard applies to all entities including both business entities and not-for-profit entities that are required to present a statement of cash flows. The standard provides guidance on specific cash flow issues including: debt prepayment or extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate owned life insurance policies, distributions received from equity method investees, beneficial interests in securitization transactions, and separately identifiable cash flows and application of the predominance principle. The amendments are applicable for fiscal years beginning after December 15, 2018. The Foundation adopted ASU 2016-15 during the fiscal year ended September 30, 2021, and there was no significant impact on the financial statements.

ASU 2018-08

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2018-08, (Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made). This standard applies to all entities, including business entities, which receive or make contributions of cash and other assets, including promises to give. This standard assists not-for-profit entities in determining whether to account for grants as revenue for providing goods or services or as a contribution. Under this standard, not-for-profit entities are more likely to classify funds from governmental grants as contributions than under prior US GAAP. This standard also clarifies whether a contribution is conditional or unconditional. For contributions received, the standard is applicable for annual periods beginning after June 15, 2018 for public companies (including certain not-for-profits entities) and annual periods beginning after December 15, 2018 for all other entities.

For contributions made, the standard is applicable for annual periods beginning after December 15, 2018 for public companies (including certain not-for-profits entities) and annual periods beginning after December 15, 2019. The Foundation adopted ASU 2016-15 during the fiscal year ended September 30, 2021, and there was no significant effect on the financial statements of the Foundation.

ASB 2016-02

The FASB finalized the standard on leases in ASU 2016-02 Leases in February 2016. This update was to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The core principle is that the lessee should recognize the assets and liabilities that arise from leases. All leases create

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

an asset and a liability for the lessee and therefore recognition of those lease assets and lease liabilities represent an improvement over previous GAAP. Under the guidance a lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. Additional guidelines for finance leases, operating leases and lessors is included in the guidance. The amendments under ASU 2020-05 defer the effective date for one year for entities in the "all other" category and public NFP entities that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Leases. Therefore, under the amendments, the standard is effective for entities within the "all other" category for fiscal years beginning after December 15, 2021.

NOTE 2: CASH AND CASH EQUIVALENTS

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

	2021	2020
Cash-Without Donor Restrictions	$ 517,823	$ 467,321
Cash-With Donor Restrictions	1,500,154	1,464,179
TOTALS	$ 2,017,977	$ 1,931,500

NOTE 3: WITH DONOR RESTRICTIONS

Board Designated Net Assets are comprised of the following:

	2021	2020
Skate Park	$ 20,472	$ 20,473
McKinney Park	81,141	79,541
Memorial Gardens	(2,630)	3,276
Star Bright Village	115,574	37,060
Endowment	1,132,621	1,210,268
Fall Festival	68,899	38,899
Mother/Son Dance	3,956	3,956
Movies in the Park	(6,490)	(6,490)
Fishing	500	500
Daddy/Daughter Dance	5,706	5,706
Linear Park	11,688	11,688
UTPB	-	67,000
Parade	(12,810)	(12,810)
Trees	3,112	3,112
Citywide Run	2,000	2,000
Lawndale Park	66,415	-
Floyd Gwin Park	10,000	-
TOTALS	$ 1,500,154	$ 1,464,179

NOTE 4: SUMMARIZED FINANCIAL INFORMATION FOR 2020

The financial information for the year ended September 30, 2020, 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	$ 517,823
	$ 517,823

NOTE 6: LEASES

There are no lease agreements in 2021.