

*Financial Statements*

**PODS ASSOCIATION, INC.**

**December 31, 2020**

**PODS ASSOCIATION, INC.**

INDEPENDENT ACCOUNTANT'S REPORT

and

FINANCIAL STATEMENTS

*December 31, 2020*

**PODS ASSOCIATION, INC.**

*December 31, 2020*

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**Briscoe, Burke & Grigsby LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
PODS Association, Inc.  
Shreveport, Louisiana

We have reviewed the accompanying financial statements of PODS Association, Inc., which comprise the balance sheet as of December 31, 2020 and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**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.

**Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of PODS Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Briscoe, Burke & Grigsby LLP*  
Certified Public Accountants

October 8, 2021  
Tulsa, Oklahoma

# PODS ASSOCIATION, INC.

## Statement of Financial Position

*December 31, 2020*

### ASSETS

#### Current Assets

Cash	\$ 207,154
Accounts receivable - less allowance for non-renewals - \$25,750	<u>350,830</u>
<b>Total current assets</b>	<b><u>557,984</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>557,984</u></u></b>

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable	24,371
Unearned revenue	<u>356,250</u>
<b>Total liabilities</b>	<b><u>380,621</u></b>

#### Net assets

Without donor restrictions	<u>177,363</u>
<b>Total net assets</b>	<b><u>177,363</u></b>
<b>TOTAL LIABILITIES and NET ASSETS</b>	<b><u><u>\$ 557,984</u></u></b>

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

# PODS ASSOCIATION, INC.

## Statement of Activities

*For the Year Ended December 31, 2020*

### OPERATING ACTIVITIES

#### Revenues and support:

Annual membership fees	\$ 457,186
Sponsorships	14,000
Other income	150

**Total revenue** 471,336

#### Expenses:

**Program activities** 352,813

#### Supporting activities

Management and general 104,680

**Total expenses** 457,493

**Change in net assets** 13,843

Net assets at beginning of year 163,520

**Net assets at end of year** \$ 177,363

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

## PODS ASSOCIATION, INC.

### Statement of Functional Expenses

*For the Year Ended December 31, 2020*

	Program Expenses	Management and general expenses	Total
Executive director	\$ 140,000	\$ 20,000	\$ 160,000
Technical coordinator	93,500	-	93,500
Information technology	64,415	-	64,415
Consulting	50,851	-	50,851
Conference	2,000	-	2,000
Professional fees	-	25,624	25,624
Travel	2,047	-	2,047
Miscellaneous expenses	-	6,993	6,993
Non renewal expense	-	52,063	52,063
<b>Total expenses</b>	<b><u><u>\$ 352,813</u></u></b>	<b><u><u>\$ 104,680</u></u></b>	<b><u><u>\$ 457,493</u></u></b>

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

# PODS ASSOCIATION, INC.

## Statement of Cash Flows

*For the Year Ended December 31, 2020*

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 13,843
<b>Changes in:</b>	
Accounts receivable	3,192
Other assets	2,140
Accounts payable	19,047
Unearned revenue	<u>(29,250)</u>
<b>Net cash from operating activities</b>	<u><b>8,972</b></u>
<b>Net change in cash</b>	<b>8,972</b>
Cash at beginning of year	<u>198,182</u>
<b>Cash at end of year</b>	<u><b>\$ 207,154</b></u>

### Supplemental disclosures of cash flow information:

#### Cash paid during the year for:

Interest	\$ -
Income taxes	-

### Disclosures of accounting policy:

For purposes of the statement of cash flows, the Association considers all highly liquid instruments with a maturity of three months or less to be cash equivalents.

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

# PODS ASSOCIATION, INC.

## Notes to Financial Statements

*December 31, 2020*

### 1. ORGANIZATION and SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The PODS Association, Inc. (the “Association”) is a worldwide membership organization whose members consist of individuals, partnerships, corporations, agencies, and other subdivisions. The purpose of the Association is to promote standards in the storage and exchange of data in the oil and gas pipeline industry.

**Basis of Presentation** - Financial presentation follows the U.S. generally accepted accounting principles promulgated by the Financial Accounting Standards Board. Under those principles, the Association is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

All of the Association’s net assets are without donor restrictions and consist of amounts currently available at the discretion of the Board of Directors for use in the Association’s operations.

**Cash** - The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Association continually monitors its positions with, and the credit quality of, the financial institutions it invests with. At December 31, 2020, the Association maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Association believes that there is no significant risk with respect to these deposits.

**Accounts Receivable** - Accounts receivable represent amounts due from association members for annual member dues. Provisions are made for estimated uncollectible dues based on a review of the current status of receivables.

**Deferred Revenue** - Deferred revenue consists of prebilled membership dues, which are deferred and recognized as revenue in the applicable future period when earned.

**Income Taxes** – The Association is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code and, accordingly, no provision has been made for income taxes. The Association files information returns in the United States.

**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 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, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** – In preparing these financial statements management has evaluated and disclosed all material subsequent events through October 8, 2021, which is the date these statements were available to be issued.

# PODS ASSOCIATION, INC.

## Notes to Financial Statements

December 31, 2020

### 1. ORGANIZATION and SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Revenue and Revenue Recognition** – PODS Association, Inc. recognizes revenue from member dues over the membership period, which is generally one year. The performance obligation consists of providing members continuous access to the PODS Data Model and any updates, voting rights, and ability to network with other PODS users.

The following table provides information about significant changes in the contract liabilities for the year ended December 31, 2020:

Deferred membership dues, beginning of year	\$ 385,500
Revenue recognized that was included in deferred membership dues at beginning of year	(385,500)
Increase in deferred revenue due to memberships billed in advance	<u>356,250</u>
Deferred membership dues, end of year	<u><u>\$ 356,250</u></u>

### 2. AVAILABILITY OF FINANCIAL ASSETS

The Association has \$557,984 of financial assets available within one year of the balance sheet date consisting of cash of \$207,154 and accounts receivable of \$350,830. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of the Association's liquidity, management has a policy to structure its financial assets to be available as general expenditures and liabilities come due.

### 3. INTELLECTUAL PROPERTY

The Association has been granted by the Gas Technology Institute ("GTI"), the stewardship of GTI's intellectual property found in the Integrated Spatial Analysis Techniques ("ISAT") and Pipeline Open Data Standard ("PODS") databases. ISAT is a non-exclusive license, while PODS is an exclusive license. GTI also conveyed exclusive permission to own and administer the PODS.org website, permission to use the registered names ISAT and PODS, and full copyright permission to use any of the contents of their associated reports.

The conveyance of the above intellectual property was subject to the demonstration by the Association of continued increase in membership and in standards generating activities towards an international standard for a five-year period beginning March 7, 2002. Documentation of the increases was to be provided annually to GTI; however, the Association was in the process of documenting the growth and did not resolve with GTI until 2009. Growth was considered adequate and GTI granted the Association the exclusive rights to the intellectual property for life and without fee, on June 24, 2009.