

Owners Association of Bradford Park, Inc.

Audited Financial Statements

For the Year Ended December 31, 2023

Owners Association of Bradford Park, Inc.

Audited Financial Statements

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**Ronald W. Meyer, P.L.L.C.**  
**Certified Public Accountant**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Owners Association of Bradford Park, Inc.  
Round Rock, Texas

**Opinion**

We have audited the accompanying financial statements of Owners Association of Bradford Park, Inc. (a non-profit corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in members' equity 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 Owners Association of Bradford Park, Inc. as of December 31, 2023, and the results of its operations and 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 Auditor's Responsibilities for Audit of the Financial Statements section of our report. We are required to be independent of Owners Association of Bradford Park, Inc. and to meet our ethical responsibilities in accordance with 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.

**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, 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 Owners Association of Bradford Park, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibility 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 one 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 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 through 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 Owners Association of Bradford Park, 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 Owners Association of Bradford Park, 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.

#### **Omission of Required Supplementary Information about Future Major Repairs and Replacements**

Management has omitted the required supplementary information about future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our conclusion on the basic financial statements is not affected by the missing information.

Austin, Texas  
March 31, 2024





Owners Association of Bradford Park, Inc.

Balance Sheet

December 31, 2023

	<u>2023</u>
<b>Assets</b>	
Current Assets	
Cash - Undesignated	\$ 91,025
Cash - Designated	35,838
Accounts Receivable - Other	28,847
Prepaid Insurance	<u>1,049</u>
Total Current Assets	<u>156,759</u>
Total Assets	<u><u>\$ 156,759</u></u>
<b>Liabilities and Members' Equity</b>	
Current Liabilities	
Accrued Expenses	\$ 3,800
Prepaid Assessments	<u>16,416</u>
Total Current Liabilities	<u>20,216</u>
Total Liabilities	<u>20,216</u>
Members' Equity	
Undesignated	100,705
Designated	<u>35,838</u>
Total Members' Equity	<u>136,543</u>
Total Liabilities and Members' Equity	<u><u>\$ 156,759</u></u>

See accompanying notes to financial statements.

Owners Association of Bradford Park, Inc.

Statement of Revenues and Expenses

For the Year Ended December 31, 2023

	<u>2023</u>
Revenues	
Assessments	\$ 46,920
Collection Fee Income	3,182
Late Fees	555
Interest Income	71
Other Income	190
Total Revenues	<u>50,918</u>
Expenses	
Administrative and General	
Collections	250
Copies	2,030
Management Fees	11,124
Audit/Tax Return Preparation	4,459
Legal Fees	975
Meetings	650
Postage and Delivery	1,227
Printing	195
Social Events	2,757
Total Administrative and General	<u>23,667</u>
Contract Services	
Landscape Maintenance	6,325
Total Contract Services	<u>6,325</u>
Insurance	
Insurance	3,473
Total Insurance	<u>3,473</u>
Repairs and Maintenance	
Concrete Repairs and Maintenance	2,403
Lighting	1,602
Signs	854
Total Repairs and Maintenance	<u>4,859</u>
Total Expenses	<u>38,324</u>
Excess of Revenues Over Expenses	<u>\$ 12,594</u>

See accompanying notes to financial statements.

Owners Association of Bradford Park, Inc.

Statement of Changes in Members' Equity  
(Exclusive of Capital Contributions)

For the Year Ended December 31, 2023

	Operating Fund	Reserve Fund	Totals 2023
Members' Equity - Beginning of Year	<u>\$ 94,159</u>	<u>\$ 29,790</u>	<u>\$ 123,949</u>
Excess of Revenues Over Expenses	12,523	71	12,594
Transfers Between Funds	<u>(5,977)</u>	<u>5,977</u>	<u>-</u>
Members' Equity - End of Year	<u>\$ 100,705</u>	<u>\$ 35,838</u>	<u>\$ 136,543</u>

See accompanying notes to financial statements.

Owners Association of Bradford Park, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2023

	<u>2023</u>
Cash Flows from Operating Activities:	
Excess of Revenues Over Expenses	\$ 12,594
Changes in Operating Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(3,523)
(Increase) Decrease in Prepaid Insurance	(50)
Increase (Decrease) in Accrued Expenses	(3,307)
Increase (Decrease) in Prepaid Assessments	<u>(466)</u>
Net Cash Provided By Operating Activities	<u>5,248</u>
Net Increase in Cash and Cash Equivalents	5,248
Cash and Cash Equivalents at Beginning of Year	<u>121,615</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 126,863</u></u>
Summary of Cash Accounts	
Undesignated	\$ 91,025
Designated	<u>35,838</u>
	<u><u>\$ 126,863</u></u>
Supplemental Disclosure	
Income Taxes Paid	<u><u>\$ -</u></u>
Interest Paid	<u><u>\$ -</u></u>

See accompanying notes to financial statements.



Owners Association of Bradford Park, Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTE 1 - NATURE OF ORGANIZATION

Owners Association of Bradford Park, Inc. (the "Association") was incorporated on December 27, 1996 under the Texas Nonprofit Corporation Act for the purpose of operating, managing and administering the affairs of its membership. This development consists of 278 homesites located in Round Rock, Williamson County, Texas.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting*

The Association uses the accrual basis method of accounting. Using this method of accounting, revenues and accounts receivables are recognized when earned regardless of when cash is received. Revenues received prior to being earned are reported as prepaid assessments. Expenses and accounts payable are recognized when the obligation is incurred regardless of when cash is disbursed. Expenses paid before being obligated are reported as prepaid expenses.

*Cash and Cash Equivalents*

Cash and cash equivalents include amounts in checking and money market accounts, time deposits, certificates of deposits and all highly liquid instruments with maturities of twelve months or less.

*Revenue and Revenue Recognition*

The Association recognizes revenue from homeowner assessments over the assessment period, which is generally one year. The assessments are used to cover the costs of operating the Association, maintaining the common elements and improvements, and providing for facility repair and replacement. Assessments for 2023 were approximately \$170 per homesite.

Homeowner assessments paid in advance are deferred to the year to which they relate. Due to the nature and timing of the performance and/or transfer of services and products, substantially all deferred revenue at December 31st of each year is recognized in the following year.

The allowance for credit losses was \$0 at December 31, 2023.

*Furniture and Equipment*

The policy of the Association is to capitalize at cost personal property not directly associated with the units. The Association will capitalize personal property costing \$1,000 or more and depreciate such items under the straight-line method over periods ranging from five to ten years.

Owners Association of Bradford Park, Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Common Property*

Real property and common areas and improvements acquired from the original developer are not reflected on the Association's financial statements. Those common properties are owned by the individual residence owners in common and not by the Association. The Association is responsible for preserving and maintaining the common property described herein.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 - REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table provides information about significant changes in homeowner assessments paid in advance for the years ended December 31st:

	<u>2023</u>
Assessments paid in advance, beginning of year	\$ 16,882
Homeowner assessments and fees revenue recognized	(46,920)
Collections of homeowner assessments and fees	46,454
Assessments paid in advance, end of year	<u><u>\$ 16,416</u></u>

NOTE 4 - FEDERAL INCOME TAXES

The Association has elected to be taxed under Internal Revenue Code Section 528 which allows the Association to exclude exempt function income from gross income. Exempt function income consists of owners' assessments or other fees the Association receives from members as owners of the Association services. Taxable non-member income arises from amounts received from non-members of the Association including interest earned on reserve funds. Income tax of \$0 for 2023 is reflected in these financial statements.

The Association should no longer be subject to IRS examination for tax years prior to 2021.

Owners Association of Bradford Park, Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2023

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$35,838 at December 31, 2023, are held in separate accounts and generally are not available for operating purposes.

NOTE 6 - EVALUATION OF SUBSEQUENT EVENTS

The Association has evaluated subsequent events through March 31, 2024, the date which the financial statements were available to be issued.