

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

Financial Statements
Independent Auditor's Reports
Single Audit Reports
Supplementary Information

November 30, 2020

WEST, DAVIS & COMPANY, LLP
Certified Public Accountants
Austin, Texas

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
AUDITED FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Williamson-Burnet County Opportunities, Inc.
Georgetown, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Williamson-Burnet County Opportunities, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2020, and the related statements of activities, cash flows, and functional expenses 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 risks 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 above present fairly, in all material respects, the financial position of Williamson-Burnet County Opportunities, Inc. as of November 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Williamson-Burnet County Opportunities, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Williamson-Burnet County Opportunities, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the combining schedule of revenues and expenses - project level, are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the combining schedule of revenues and expenses - project level are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021, on our consideration of Williamson-Burnet County Opportunities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Williamson-Burnet County Opportunities, Inc.'s internal control over financial reporting and compliance.

West, Davis & Company, LLP

Certified Public Accountants

Austin, Texas

May 24, 2021

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**STATEMENT OF FINANCIAL POSITION**

NOVEMBER 30, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

	Assets	
	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 1,921,555	\$ 1,078,134
Accounts receivable	1,304,769	913,573
Prepaid expenses and deposits	<u>49,532</u>	<u>75,115</u>
Total current assets	<u>3,275,856</u>	<u>2,066,822</u>
Property and equipment, at cost:		
Land	408,363	408,363
Buildings and improvements	17,054,728	17,079,945
Furniture and equipment	1,150,143	1,020,381
Less accumulated depreciation	<u>(9,773,023)</u>	<u>(9,187,679)</u>
Property and equipment, net	<u>8,840,211</u>	<u>9,321,010</u>
Total assets	<u><u>\$ 12,116,067</u></u>	<u><u>\$ 11,387,832</u></u>
	Liabilities and Net Assets	
	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 608,936	\$ 301,467
Accrued expenses	499,062	422,828
Deposits	68,167	65,954
Deferred revenues	88,256	25,483
Current portion of long-term debt	<u>316,357</u>	<u>297,200</u>
Total current liabilities	1,580,778	1,112,932
Long-term debt, net of current portion	<u>7,297,573</u>	<u>7,611,963</u>
Total liabilities	<u>8,878,351</u>	<u>8,724,895</u>
Net Assets		
Without donor restrictions	493,571	(184,178)
With donor restrictions	<u>2,744,145</u>	<u>2,847,115</u>
Total net assets	<u>3,237,716</u>	<u>2,662,937</u>
Total liabilities and net assets	<u><u>\$ 12,116,067</u></u>	<u><u>\$ 11,387,832</u></u>

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED NOVEMBER 30, 2020

(WITH COMPARATIVE TOTALS FOR 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	2019
Revenues and other support:				
Grants and contracts	\$ 12,043,430	\$ -	\$ 12,043,430	\$ 10,607,376
Rent and rental assistance	1,559,440	-	1,559,440	1,578,971
Contributions	341,163	-	341,163	305,315
Program fees and reimbursements	40,210	-	40,210	54,180
Other revenue	(8,542)	-	(8,542)	9,142
In-kind contributions	4,452,966	-	4,452,966	3,179,932
Net assets released from restrictions	102,970	(102,970)	-	-
Total revenues and other support	<u>18,531,637</u>	<u>(102,970)</u>	<u>18,428,667</u>	<u>15,734,916</u>
Expenses:				
Program services:				
Head Start	11,212,763	-	11,212,763	9,722,436
Meal distribution	1,838,775	-	1,838,775	1,774,802
Housing	1,429,252	-	1,429,252	1,556,461
Social services	804,111	-	804,111	569,900
Total program services	<u>15,284,901</u>	<u>-</u>	<u>15,284,901</u>	<u>13,623,599</u>
Supporting services:				
General and administrative	2,467,830	-	2,467,830	2,145,200
Fundraising	101,157	-	101,157	100,683
Total supporting services	<u>2,568,987</u>	<u>-</u>	<u>2,568,987</u>	<u>2,245,883</u>
Total expenses	<u>17,853,888</u>	<u>-</u>	<u>17,853,888</u>	<u>15,869,482</u>
Increase (decrease) in net assets	<u>677,749</u>	<u>(102,970)</u>	<u>574,779</u>	<u>(134,566)</u>
Net assets at beginning of year	<u>(184,178)</u>	<u>2,847,115</u>	<u>2,662,937</u>	<u>2,797,503</u>
Net assets at end of year	<u>\$ 493,571</u>	<u>\$ 2,744,145</u>	<u>\$ 3,237,716</u>	<u>\$ 2,662,937</u>

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**STATEMENT OF CASH FLOWS
YEAR ENDED NOVEMBER 30, 2020**

(WITH COMPARATIVE TOTALS FOR 2019)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Net change in total assets	\$ 574,779	\$ (134,566)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	637,744	607,380
Loss on disposition of property and equipment	24,372	-
(Increase) decrease in operating assets		
Accounts receivable	(391,196)	(239,293)
Prepaid expenses and deposits	25,583	69,889
Property held for resale	-	141,600
Increase (decrease) in operating liabilities		
Accounts payable	307,469	135,017
Accrued expenses	76,234	(3,342)
Deposits	2,213	(1,284)
Deferred revenues	62,773	(13,239)
Net cash provided (used) by operating activities	<u>1,319,971</u>	<u>562,162</u>
Cash flows from investing activities:		
Payments for property and equipment	<u>(181,317)</u>	<u>(167,750)</u>
Net cash provided by investing activities	<u>(181,317)</u>	<u>(167,750)</u>
Cash flows from financing activities:		
Principal payments on notes payable	<u>(295,233)</u>	<u>(278,473)</u>
Net cash provided by financing activities	<u>(295,233)</u>	<u>(278,473)</u>
Net increase (decrease) in cash	843,421	115,939
Cash at beginning of year	<u>1,078,134</u>	<u>962,195</u>
Cash at end of year	<u><u>\$ 1,921,555</u></u>	<u><u>\$ 1,078,134</u></u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u><u>\$ 459,506</u></u>	<u><u>\$ 482,037</u></u>

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED NOVEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	Program Services					General and Administrative	Fundraising	2020 Total	2019
	Head Start	Meal Distribution	Housing	Social Services	Total				
Personnel & fringe benefits	\$ 5,414,481	\$ 598,489	\$ 153,698	\$ 101,685	\$ 6,268,353	\$ 1,304,421	\$ 73,234	\$ 7,646,008	\$ 7,358,912
Program expenses	639,380	515,114	-	679,074	1,833,568	331,692	-	2,165,260	1,689,621
Professional expenses	29,374	7,891	126,186	44	163,495	143,605	986	308,086	399,678
Interest expense	95,306	-	356,651	-	451,957	(1,775)	-	450,182	476,265
Supplies	416,931	132,772	10,091	468	560,262	35,421	3,757	599,440	428,766
Insurance	5,000	1,094	73,830	-	79,924	131,422	-	211,346	192,489
Automobile and travel expenses	5,992	6,539	1,768	1,012	15,311	2,429	2,133	19,873	50,976
Occupancy	234,625	91,039	316,708	2,917	645,289	55,688	6	700,983	678,581
Maintenance and repairs	195,271	33,617	51,689	103	280,680	14,977	24	295,681	280,877
Equipment	35,781	27,112	7,676	8,249	78,818	96,012	982	175,812	192,159
Conferences and training	80,446	2,542	1,462	41	84,491	10,418	2,090	96,999	216,107
Fundraising expenses	-	-	-	-	-	-	-	-	34,796
Miscellaneous	27,871	13,711	7,269	10,518	59,369	24,256	9,883	93,508	82,942
In-kind expenses	4,032,305	408,855	-	-	4,441,160	3,744	8,062	4,452,966	3,179,933
Total expenses before depreciation	11,212,763	1,838,775	1,107,028	804,111	14,962,677	2,152,310	101,157	17,216,144	15,262,102
Depreciation	-	-	322,224	-	322,224	315,520	-	637,744	607,380
Total expenses	\$ 11,212,763	\$ 1,838,775	\$ 1,429,252	\$ 804,111	\$ 15,284,901	\$ 2,467,830	\$ 101,157	\$ 17,853,888	\$ 15,869,482

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 1 - The Company and Summary of Significant Accounting Policies

Williamson-Burnet County Opportunities, Inc. (WBCO), which operates under the assumed name of Opportunities for Williamson and Burnet Counties is a not-for-profit organization that was incorporated on November 19, 1965. WBCO was organized for the purpose of promoting self-sufficiency and enabling persons to live in dignity and decency through providing a wide variety of social services and economic opportunity programs benefiting low and moderate-income persons. WBCO has a 15-member Board of Directors as its governing body.

The significant accounting policies followed by Williamson-Burnet County Opportunities, Inc. are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities and objectives specified by donors.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in its Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of WBCO and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of WBCO. These net assets may be used at the discretion of WBCO's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of WBCO or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. All other support that is restricted by the donor is reported as an increase in net assets with donor restrictions. 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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

Fees for service receipts from consumers and government agencies are recognized in the period earned. Reimbursable earnings not yet received from grantors and consumers are recorded as receivables. Funds received in excess of actual earnings are recorded as deferred revenue. Expenditures for goods and services are recorded at the time goods are received or services are rendered.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

In-Kind Contributions

Donated materials and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value at date of receipt. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Williamson-Burnet County Opportunities, Inc.'s ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

For purposes of the financial statements, the organization considers all liquid investments having initial maturities of three months or less to be cash equivalents. Cash and cash equivalents reflected in the accompanying financial statements represent operating cash on hand in six accounts in the amount of \$1,921,555 at November 30, 2020.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management evaluates the need for an allowance for doubtful accounts applicable to its accounts receivable based on various factors, including an assessment of the credit worthiness of its donors and customers, aging of the amount due and historical experience. At November 30, 2020, 89% of WBCO's accounts receivable balances are through contracts with governmental agencies. No provision for bad debts has been made in the financial statements as management believes all receivables are collectible.

Prepaid Expenses

WBCO, in the ordinary course of business, is required to make payments for certain costs in advance of the actual occurrence of an expense. These prepayments are expensed as the related cost is incurred or over the life of the associated benefit period using a straight-line calculation.

Fair Value Measurements

Investments are shown at their estimated fair value in accordance with FASB ASC 820, "Fair Value Measurements and Disclosures". Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, accounts and grants receivable, prepaid and accrued expenses, and accounts payable.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other organizations, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Capital Assets and Depreciation

Property and equipment represents the cost of acquisition and construction of the facilities, including capitalization of professional fees associated with construction and taxes incurred during the construction period, as well as land improvements and furniture and equipment with unit costs of over \$5,000. If acquired by gift, the asset is recorded at the fair market value at the date of the gift. Contributions of property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as donor restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives as follows:

Buildings and improvements	15-31.5 years
Furniture and equipment	5-20 years

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized when the unit cost of the item is over \$5,000. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. In the event of termination or separation of certain grant agreements, equipment purchased in a whole or in part with certain grant funds may be required to be returned to the funding source.

Accrued Vacation Payable

Under the terms of WBCO's personnel policy, employees are granted up to 160 vacation hours per year, depending on the length of employment. In the event of termination, an employee is paid for up to 200 unused vacation hours, depending on the length of employment. The liability for accumulated vacation leave is recorded when earned by the employee. At November 30, 2020, the liability for unused vacation leave was \$187,140.

Resident Deposits

Deposits are required under the rental agreement for residents entering the affordable housing apartment complex. The deposit amount varies based on the rental plan and the type of unit. Interest is earned on the deposits and is kept by WBCO. At November 30, 2020, WBCO held \$68,167 in deposits which will be returned or applied to rent income when the tenant leaves.

Apartment Rental Income

WBCO owns an apartment complex that it rents to provide affordable housing to the community. The apartment complex includes 152 units that are leased under a rental agreement based on applicant income qualification. Tenants are billed monthly for their lease payments and income is recognized when earned.

Fundraising

From time to time, WBCO conducts fundraising activities and special events in order to assist in program operations. All revenue received from such events in excess of expenses, are used for current program operations.

Income Taxes

WBCO is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, WBCO qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2). No provision for income taxes has been made in the accompanying financial statements, as there are no activities subject to unrelated business income tax.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

On January 1, 2009, WBCO adopted the provisions of Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (ASC 740). ASC 740 prescribes a new threshold for determining when an income tax benefit can be recognized, which is a higher threshold than the one imposed for claiming deductions on income tax returns. The adoption of ASC 740 did not have any impact on WBCO's financial statements.

WBCO's federal tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal income tax returns have three year statute of limitations.

Concentration of Risk

Cash and Cash Equivalents - WBCO maintains its deposits in high credit quality financial institutions. Those balances may exceed insured limits. WBCO's deposits exceeded the insured limits in two financial institutions by \$1,419,860 at November 30, 2020.

Receivables - WBCO has outstanding grants, rental fees and other receivables at times throughout the year. Based on historical data, management does not consider there to be any significant credit losses associated with those receivables. Therefore, management has not established an allowance for uncollectible amounts for any of those receivables.

Revenue - WBCO received approximately 58% of its total revenue for the year ended November 30, 2020 from the Head Start Program, exclusive of in-kind contributions.

Expenses

Costs by their natural classification are presented in the statement of functional expenses. The costs of providing various programs and other activities of WBCO have been summarized on a functional basis by the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenditures benefiting all segments of WBCO are allocated to programs in proportion to the benefits received from shared expenditures. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Central office staff salaries and benefits	Time and effort
Professional services	Time and effort
Office expenses	Time and effort
Insurance	Square footage
Occupancy	Square footage
Depreciation	Square footage
Travel and training	Time and effort

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Use of Estimates

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

New Accounting Pronouncements

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958) - Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. WBCO's financial statements reflect the full retrospective application of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact WBCO's reported revenue.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. There was no material impact on the WBCO's financial position or changes in net assets upon adoption of the new standard using the modified retrospective approach.

Note 2 – Availability and Liquidity

Williamson-Burnet County Opportunities, Inc. has \$3,226,324 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$1,921,555 and accounts receivable of \$1,304,769. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The accounts receivable are expected to be collected within one year. WBCO has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 90 days of normal operating expense, which are, on average, approximately \$3,200,000. WBCO has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 3 - Accounts Receivable

Accounts receivable consist of the following at November 30:

	<u>2020</u>	<u>2019</u>
Head Start - ACF	\$ 734,109	\$ 499,995
Child Care Food Program (CACFP) - TDA	22,622	44,998
Comprehensive Energy Assistance - TDHCA	100,166	77,628
Community Service Block Grant - TDHCA	85,452	31,852
Senior meals - CAPCO	214,683	173,751
Other grants and contracts	30,550	12,795
Burnet Senior Housing management fees	10,206	15,599
Cedar Ridge tenant rents	<u>106,981</u>	<u>56,955</u>
 Total	 <u>\$ 1,304,769</u>	 <u>\$ 913,573</u>

At November 30, 2020, none of WBCO's receivable balance was over 90 days past due. No allowance for uncollectible amounts is provided since all amounts were deemed collectible.

Note 4 - Property and Equipment

Property and equipment consists of the following at November 30:

	<u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>2020</u>
Land	\$ 408,363	-	-	408,363
Furniture and Equipment	1,020,381	129,762	-	1,150,143
Buildings and Improvements	<u>17,079,945</u>	<u>51,555</u>	<u>(76,772)</u>	<u>17,054,728</u>
Total Fixed Assets	18,508,689	181,317	(76,772)	18,613,234
Accumulated Depreciation	<u>(9,187,679)</u>	<u>52,400</u>	<u>(637,744)</u>	<u>(9,773,023)</u>
 Net property and equipment	 <u>9,321,010</u>	 <u>233,717</u>	 <u>(714,516)</u>	 <u>8,840,211</u>

Depreciation expense for the year ended November 30, 2020 was \$637,774. Head Start facility and drainage improvements totaling \$153,980 and Senior Nutrition equipment and vehicles totaling \$27,337 were added during the year ended November 30, 2020. A portable building with a depreciated basis of \$24,372 was written off during the year ended November 30, 2020.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 5 – Restrictions on Net Assets

Revenues earned under grant contracts for specific purposes and other donor contributions with restrictions are recorded as revenues with donor restrictions. At November 30, 2020, net assets with donor restrictions totaling \$2,744,145 consists of revenues in excess of expenses for the following programs:

Federal capital assets, net of accumulated depreciation	\$ 4,265,298
Less: Transition building note payable (note 6)	<u>(1,521,153)</u>
Total	<u><u>\$ 2,744,145</u></u>

Net assets released from donor restrictions by either the passage of time or incurring expenditures satisfying the restricted purpose during the year ended November 30, 2020 consisted of \$102,790 of net decreases in total federal capital assets, net of accumulated depreciation and less note payable balances.

Note 6 – Long-term Debt

The following is a summary of the long-term debt payable at November 30, 2020:

Note payable to the Texas Department of Housing and Community Affairs secured by the multi-family housing project at 2702 Bagdad Road in Leander, Texas, with a net book value of \$917,120. Payments of principal are due monthly through March 2030 in the amount of \$3,333 with a final payment of the remaining principal due in March 2030. No interest will accrue on this note unless there is an occurrence of default. \$1,150,000 will be waived and forgiven in March 2030 only in the event there is no occurrence of default.	\$1,523,167
Note payable to RBank secured by the office building located at 604 High Tech Drive, Georgetown, Texas, with a net book value of \$238,371. The interest rate is 5.75%. Payments of principal and interest are due monthly in the amount of \$1,190 with a final payment of the remaining principal due in March 2033.	125,472
Note payable to the Texas Department of Housing and Community Affairs secured by Phase II of the multi-family housing project at 2702 Bagdad Road in Leander, Texas, with a net book value of \$3,091,120. Payments of principal are due monthly through July 2034 in the amount of \$14,948 with a final payment of the remaining principal due in July 2034. The note bears interest at 10%.	1,333,399

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 6 – Long-term Debt (Continued)

Note payable to Bancorp South secured by the multi-family housing project at 2702 Bagdad Road in Leander, Texas including additional renovations, with a net book value of \$4,008,240 which also secures the two notes payable to TDHCA. The interest rate is 6.94%, and payments of principal and interest are due monthly through March 2025 in the amount of \$29,172, with the entire principal balance and any accrued interest due in March 2025. 3,110,739

Note payable to RBank secured by the Round Rock Transition building located in Round Rock, Texas with a net book value of \$2,737,830. The interest rate is variable and adjusted every five years to prime plus 1% (6% at year end). Payments of principal and interest are due monthly in the amount of \$14,251 with a final payment of the remaining principal due in September 2033. 1,521,153

Total long-term debt payable	7,613,930
Less current portion	<u>(316,357)</u>
Long-term portion	<u><u>\$7,297,573</u></u>

The annual maturities of the long-term debt at November 30, 2020 are as follows:

Year	Principal	Interest	Totals
2020	\$297,200	457,538	754,738
2021	316,357	438,381	754,738
2022	336,778	417,960	754,738
2023	358,838	395,900	754,738
2024	382,534	372,204	754,738
Thereafter	6,217,456	1,036,003	7,253,459
Totals	<u>7,909,163</u>	<u>3,117,986</u>	<u>11,027,149</u>

Note 7 - Operating Leases Commitments

The organization leases various facilities and office equipment for its programs. The leases are recorded as operating leases. Lease expense for the years ended November 30, 2020 was \$107,707. Future minimum payments, excluding common area maintenance expense, on these noncancelable leases are as follows:

Years Ending November 30,	
2020	\$ 103,757
2021	90,287
2022	87,806
2023	27,316
2024	15,742
Thereafter	184,997
	<u>\$ 509,905</u>

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 8 – Defined Contribution Pension Plan

WBCO sponsors a defined contribution pension plan available to all of its employees. Contributions by WBCO are between 1% and 5% of the participating employees' compensation. Pension costs were \$64,036 for the year ended November 30, 2020. Participating employees must contribute a minimum of 1% and may elect to contribute as much as 100% of their compensation. Employer and employee contributions go toward the purchase of an annuity contract. This arrangement transfers the pension benefit obligation to the insurer, and neither the plan assets nor the pension benefit obligation are recorded on the books of WBCO.

Note 9 – Donated Services, Supplies, and Facilities

WBCO recognized the following in-kind revenue and expenses for the year ended November 30, 2020:

	<u>Head Start</u>	<u>Meals</u>	<u>Administrative</u>	<u>Fundraising</u>
Volunteer/parent hours	\$ 546,315	\$ 405,906	\$ 2,482	\$ 2,876
Facilities use	2,791,250	-	-	-
Education services	625,664	-	-	-
Other	69,076	2,949	1,262	5,186
	<u>\$4,032,305</u>	<u>\$ 408,855</u>	<u>\$ 3,744</u>	<u>\$ 8,062</u>

Note 10 – Commitments and Contingencies

Litigation: WBCO is subject to asserted and unasserted claims encountered in the normal course of business. WBCO'S management and legal counsel assesses such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against WBCO or unasserted claims that may result in such proceedings, WBCO's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. At November 30, 2020, management affirms there are no asserted or unasserted claims against WBCO which could have a material effect on the financial statements.

Federal and State Grants: Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although WBCO expects such amounts, if any, to be immaterial.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2020

Note 11 – Economic Dependency

WBCO receives a significant portion of its revenue from funds provided through federal and state grants. The grant amounts are appropriated each year by the federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of funds the organization receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the organization will receive in the next fiscal year.

Note 12 – Related Party Transactions

WBCO is related through common management to Burnet Senior Housing Opportunities, Inc. (BSHO), a 501 (c)(3) non-profit organization which operates an apartment complex for the elderly under Section 202 of the National Housing Act.

WBCO has a contract to provide management for BSHO. Management fees of \$32,925 were earned for the year ending November 30, 2020. BSHO owes WBCO \$10,206 at November 30, 2020 which is included in accounts receivable on the statement of financial position.

Note 13 – Evaluation of Subsequent Events

WBCO adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855), as of January 1, 2009. ASC 855 established new accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through May 24, 2021, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

**REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE**

WEST, DAVIS & COMPANY, LLP

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Williamson-Burnet County Opportunities, Inc.
Georgetown, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Williamson-Burnet County Opportunities, Inc. (WBCO), which comprise the statement of financial position as of November 30, 2020, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Williamson-Burnet County Opportunities, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WBCO's internal control. Accordingly, we do not express an opinion on the effectiveness of WBCO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Williamson-Burnet County Opportunities, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

West, Davis & Company, LLP

Certified Public Accountants

Austin, Texas

May 24, 2021

WEST, DAVIS & COMPANY, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Williamson-Burnet County Opportunities, Inc.
Georgetown, Texas

Report on Compliance for Each Major Federal Program

We have audited Williamson-Burnet County Opportunities, Inc.'s (WBCO) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of WBCO's major federal programs for the year ended November 30, 2020. WBCO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Williamson-Burnet County Opportunities, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WBCO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Williamson-Burnet County Opportunities, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Williamson-Burnet County Opportunities, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended November 30, 2020.

Report on Internal Control Over Compliance

Management of Williamson-Burnet County Opportunities, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

West, Davis & Company, LLP

Certified Public Accountants

Austin, Texas

May 24, 2021

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2020

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Grant Period</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>
<u>MAJOR PROGRAMS</u>				
U.S. Department of Health and Human Services				
Head Start	12/1/19 - 11/30/20	93.600	06CH7173/01	\$ 8,002,064
Head Start	7/1/20 - 11/30/20	93.600	06CH11583/01	<u>132,094</u>
Total Head Start				<u>\$ 8,134,158</u>
Passed through the Capital Area Council of Governments:				
Title III Part B Nutrition Services	10/1/16 - 9/30/20	93.044	AAA13-01	28,270
Title III Part B Nutrition Services	10/1/20 - 9/30/22	93.044	AAA13-01	5,654
Title III Part C Nutrition Services	10/1/16 - 9/30/20	93.045	AAA13-01	128,079
Title III Part B Nutrition Services	10/1/20 - 9/30/22	93.045	AAA13-01	14,254
Title III Part C Nutrition Services	10/1/16 - 9/30/20	93.045	AAA13-01	671,523
Title III Part C Nutrition Services	10/1/20 - 9/30/22	93.045	AAA13-01	<u>67,262</u>
Total Aging Cluster				<u>915,042</u>
Total U.S. Department of Health and Human Services				<u>9,049,200</u>
U.S. Department of Agriculture				
Passed through the Texas Department of Agriculture:				
Child and Adult Care Food Program	10/1/19 - 9/30/20	10.558	806780706	341,460
Child and Adult Care Food Program	10/1/20 - 9/30/21	10.558	806780706	<u>54,493</u>
Total Child and Adult Care Food Program				<u>395,953</u>
<u>NON-MAJOR PROGRAMS</u>				
U.S. Department of Health and Human Services				
Passed through the Texas Department of Housing and Community Affairs:				
Community Service Block Grant	1/1/20 - 12/31/20	93.569	61200003239	304,900
Community Service Block Grant	3/26/20 - 8/31/20	93.569	61190003258	16,466
Community Service Block Grant	3/27/20 - 7/31/21	93.569	61200003360	300,362
Community Service Block Grant	1/1/19 - 12/31/19	93.569	61190003067	29,454
Community Service Block Grant	4/1/19 - 8/31/20	93.569	61190003083	<u>6,129</u>
Total Community Service Block Grant				<u>657,311</u>
Passed through the Texas Department of Housing and Community Affairs:				
Low Income Home Energy Assistance Program	1/1/19 - 3/31/20	93.568	58190003005	471,329
Low Income Home Energy Assistance Program	1/1/20 - 3/31/21	93.568	58200003177	<u>381,274</u>
Total Low Income Home Energy Assistance Program				<u>852,603</u>
Total U.S. Department of Health and Human Services				<u>1,509,914</u>
U.S. Department of Homeland Security				
Passed through the Capital Area United Way:				
Emergency Food and Shelter Program	1/1/20 - 5/31/21	97.024	782400-004	<u>65,235</u>
U.S. Department of Housing and Urban Development				
Passed through the City of Round Rock, Texas:				
Community Development Block Grant	10/1/15 - 9/30/16	14.218	322P FY15	<u>15,000</u>
Total expenditures of federal awards				<u>\$ 11,035,302</u>

See accompanying notes to schedule of expenditures of federal awards.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2020

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Williamson-Burnet County Opportunities, Inc. and is presented on the accrual basis of accounting and in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

For purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by WBCO from a non-federal agency or other organizations. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

Williamson-Burnet County Opportunities has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Because the Schedule presents only a selected portion of the operations of Williamson-Burnet County Opportunities, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Williamson-Burnet County Opportunities, Inc.

2. Catalog of Federal Domestic Assistance

CFDA Numbers reported in the accompanying schedule of expenditures of federal awards are based on the August 2020 *Assistance Listings*.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2020

Section 1 - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued - **Unqualified**

Internal control over financial reporting:

- Material weakness(es) identified: Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs - **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) OMB? Yes No

Identification of Major Programs

- **93.600 - Head Start**
- **10.558 - Child and Adult Care Food Program**
- **93.044 - Title III Part B Nutrition Services**
- **93.045 - Title III Part C Nutrition Services**

1. Dollar threshold used to distinguish between Type A and Type B programs - **\$750,000.**
2. Is the auditee qualified as a low-risk auditee under the Uniform Guidance - Yes

Section 2 - Financial Statement Findings - None

Section 3 - Federal Award Findings and Questioned Costs - None

Section 4 - Prior Year Audit Findings - None

SUPPLEMENTARY INFORMATION

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL
YEAR ENDED NOVEMBER 30, 2020

	Head Start 1930	Early Head Start 1935	Head Start T&TA 1940	Early Head Start T&TA 1950	Head Start COVID 1950	Early Head Start COVID 1955
Revenues:						
Grants and contracts	\$ 4,067,899	\$ 3,804,854	\$ 47,469	\$ 81,842	\$ 66,981	\$ 65,113
Rent and rental assistance	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Program fees	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
In-kind contributions	1,033,108	2,999,197	-	-	-	-
Interest income	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-
Total Revenues	<u>5,101,007</u>	<u>6,804,051</u>	<u>47,469</u>	<u>81,842</u>	<u>66,981</u>	<u>65,113</u>
Expenses:						
Personnel & fringe benefits	2,947,029	2,910,501	-	-	-	-
Program expenses	379,670	253,180	-	-	-	-
Professional expenses	58,433	61,510	5,288	4,863	-	-
Interest expense	49,842	49,616	-	-	-	-
Supplies	186,975	181,778	3,007	2,640	25,747	27,118
Insurance	63,457	48,881	-	-	-	-
Automobile and travel expenses	161	159	747	496	2,847	1,809
Occupancy	127,691	131,628	-	-	2,975	774
Maintenance and repairs	79,089	63,562	-	-	30,111	30,111
Equipment	34,160	16,636	6,304	28,447	5,301	5,301
Conferences and training	12,737	(477)	30,810	44,357	-	-
Fundraising expenses	-	-	-	-	-	-
COVID related expenses	79	95	-	-	-	-
Miscellaneous	20,152	18,078	1,313	1,039	-	-
In-kind expenses	1,033,108	2,999,197	-	-	-	-
Depreciation	-	-	-	-	-	-
Total expenses	<u>4,992,583</u>	<u>6,734,344</u>	<u>47,469</u>	<u>81,842</u>	<u>66,981</u>	<u>65,113</u>
Revenues Over (Under) Expenses	<u>108,424</u>	<u>69,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See independent auditor's report

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)
YEAR ENDED NOVEMBER 30, 2020

	Child Care Food 3761	Local Parent 3801	CEAP 3591	Meals on Wheels 3031	TXU Energy Aid 3201	Burnet Senior Housing 3890
Revenues:						
Grants and contracts	\$ 395,953	\$ -	\$ 852,603	\$ 1,839,753	\$ 18,423	\$ -
Rent and rental assistance	-	-	-	-	-	-
Contributions	-	628	-	191,563	-	-
Program fees	-	-	-	7,073	-	32,925
Other revenue	-	2,969	-	-	-	-
In-kind contributions	-	-	-	408,855	-	-
Interest income	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-
Total Revenues	395,953	3,597	852,603	2,447,244	18,423	32,925
Expenses:						
Personnel & fringe benefits	415,194	-	151,164	680,257	-	14,524
Program expenses	5,441	1,089	660,651	515,114	18,423	-
Professional expenses	1,008	-	2,291	17,260	-	1,402
Interest expense	-	-	755	226	-	-
Supplies	6,811	2,041	3,776	119,945	-	80
Insurance	-	-	1,325	15,902	-	-
Automobile and travel expenses	-	-	1,016	6,560	-	3
Occupancy	-	-	8,085	92,578	-	138
Maintenance and repairs	-	-	1,392	34,031	-	-
Equipment	-	-	9,429	33,101	-	836
Conferences and training	-	-	1,220	3,325	-	99
Fundraising expenses	-	-	-	-	-	-
COVID related expenses	-	-	234	14,253	-	56
Miscellaneous	-	467	11,265	14,849	-	147
In-kind expenses	-	-	-	408,855	-	-
Depreciation	-	-	-	-	-	-
Total expenses	428,454	3,597	852,603	1,956,256	18,423	17,285
Revenues Over (Under) Expenses	(32,501)	-	-	490,988	-	15,640

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WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)
YEAR ENDED NOVEMBER 30, 2020

	Cedar Ridge Operating 4000	CSBG 3171	Agency Admin 3901	Notes/ Capital Asset 3920	Fundraising 3995	Grand Total
Revenues:						
Grants and contracts	\$ -	\$ 657,311	\$ 143,616	\$ -	\$ 1,613	\$ 12,043,430
Rent and rental assistance	1,559,440	-	-	-	-	1,559,440
Contributions	-	-	103,700	-	45,272	341,163
Program fees	-	-	212	-	-	40,210
Other revenue	-	-	11,937	-	-	14,906
In-kind contributions	-	-	3,744	-	8,062	4,452,966
Interest income	231	-	693	-	-	924
Gain/(loss) on sale of property	-	-	-	(24,372)	-	(24,372)
Total Revenues	1,559,671	657,311	263,902	(24,372)	54,947	18,428,667
Expenses:						
Personnel & fringe benefits	150,143	249,704	54,258	-	73,234	7,646,008
Program expenses	-	289,353	172	-	-	2,123,093
Professional expenses	126,186	26,859	2,000	-	986	308,086
Interest expense	347,327	2,416	-	-	-	450,182
Supplies	8,854	12,504	7	-	69	581,352
Insurance	73,830	7,951	-	-	-	211,346
Automobile and travel expenses	1,768	2,175	-	-	2,132	19,873
Occupancy	316,570	20,804	(266)	-	6	700,983
Maintenance and repairs	51,689	5,672	-	-	24	295,681
Equipment	7,676	17,640	9,999	-	982	175,812
Conferences and training	1,462	1,183	193	-	2,090	96,999
Fundraising expenses	-	-	-	-	367	367
COVID related expenses	1,156	16,447	25,001	-	3,688	61,009
Miscellaneous	7,262	4,603	3,695	-	9,517	92,387
In-kind expenses	-	-	3,744	-	8,062	4,452,966
Depreciation	322,224	-	-	315,520	-	637,744
Total expenses	1,416,147	657,311	98,803	315,520	101,157	17,853,888
Revenues Over (Under) Expenses	143,524	-	165,099	(339,892)	(46,210)	574,779

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