

# WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

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

November 30, 2021

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

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**AUDITED FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS**  
**NOVEMBER 30, 2021**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditor’s Report</b> .....	3
<b>Financial Statements:</b>	
Statement of Financial Position.....	5
Statement of Activities.....	6
Statement of Cash Flows.....	7
Statement of Functional Expenses.....	8
Notes to Financial Statements.....	9-19
<b>Reports Required by <i>Government Auditing Standards</i> and the Uniform Guidance:</b>	
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 <i>Government Auditing Standards</i> .....	21
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	23
Schedule of Expenditures of Federal Awards.....	25
Notes to Schedule of Expenditures of Federal Awards.....	26
Schedule of Findings and Questioned Costs.....	27
<b>Supplementary Information:</b>	
Combining Schedule of Revenues and Expenses - Project Level.....	29-31

# WEST, DAVIS & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
11824 JOLLYVILLE ROAD, SUITE 100  
AUSTIN, TEXAS 78759  
TELEPHONE 503-828-6650

GARY W. DAVIS, C.P.A.  
ROBERT H. WEST, C.P.A.  
ROBERT H. WEST, JR., C.P.A.

gary@westdavis.com  
bob@westdavis.com  
rob@westdavis.com

## 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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2020 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 April 25, 2022, 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

April 25, 2022

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

NOVEMBER 30, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

	<b>Assets</b>	
	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 1,829,308	\$ 1,921,555
Investments	1,885,843	-
Accounts receivable	1,484,262	1,304,769
Prepaid expenses and deposits	<u>38,201</u>	<u>49,532</u>
Total current assets	<u>5,237,614</u>	<u>3,275,856</u>
Property and equipment, at cost:		
Land	103,189	408,363
Buildings and improvements	8,691,384	17,054,728
Furniture and equipment	1,279,566	1,150,143
Less accumulated depreciation	<u>(4,409,602)</u>	<u>(9,773,023)</u>
Property and equipment, net	<u>5,664,537</u>	<u>8,840,211</u>
Total assets	<u>\$ 10,902,151</u>	<u>\$ 12,116,067</u>
	<b>Liabilities and Net Assets</b>	
	<u>2021</u>	<u>2020</u>
Current liabilities:		
Accounts payable	\$ 653,231	\$ 608,936
Accrued expenses	596,746	499,062
Deposits	-	68,167
Deferred revenues	28,559	88,256
Current portion of long-term debt	<u>94,630</u>	<u>316,357</u>
Total current liabilities	1,373,166	1,580,778
Long-term debt, net of current portion	<u>1,464,126</u>	<u>7,297,573</u>
Total liabilities	<u>2,837,292</u>	<u>8,878,351</u>
Net Assets		
Without donor restrictions	4,600,308	493,571
With donor restrictions	<u>3,464,551</u>	<u>2,744,145</u>
Total net assets	<u>8,064,859</u>	<u>3,237,716</u>
Total liabilities and net assets	<u>\$ 10,902,151</u>	<u>\$ 12,116,067</u>

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

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**

STATEMENT OF ACTIVITIES  
YEAR ENDED NOVEMBER 30, 2021

(WITH COMPARATIVE TOTALS FOR 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	2020
<b>Revenues and other support:</b>				
Grants and contracts	\$ 12,190,574	\$ 891,356	\$ 13,081,930	\$ 12,043,430
Rent and rental assistance	541,350	-	541,350	1,559,440
Contributions	316,046	-	316,046	341,163
Program fees and reimbursements	39,845	-	39,845	40,210
Other revenue	7,344	-	7,344	15,830
Gain/(loss) on sale of property	4,121,283	-	4,121,283	(24,372)
In-kind contributions	4,491,913	-	4,491,913	4,452,966
Net assets released from restrictions	170,950	(170,950)	-	-
<b>Total revenues and other support</b>	<u>21,879,305</u>	<u>720,406</u>	<u>22,599,711</u>	<u>18,428,667</u>
<b>Expenses:</b>				
Program services:				
Head Start	11,490,233	-	11,490,233	11,212,763
Meal distribution	2,150,217	-	2,150,217	1,838,775
Housing	582,735	-	582,735	1,429,252
Social services	1,593,280	-	1,593,280	804,111
Total program services	<u>15,816,465</u>	<u>-</u>	<u>15,816,465</u>	<u>15,284,901</u>
Supporting services:				
General and administrative	1,918,118	-	1,918,118	2,467,830
Fundraising	37,985	-	37,985	101,157
Total supporting services	<u>1,956,103</u>	<u>-</u>	<u>1,956,103</u>	<u>2,568,987</u>
<b>Total expenses</b>	<u>17,772,568</u>	<u>-</u>	<u>17,772,568</u>	<u>17,853,888</u>
Increase (decrease) in net assets	<u>4,106,737</u>	<u>720,406</u>	<u>4,827,143</u>	<u>574,779</u>
Net assets at beginning of year	<u>493,571</u>	<u>2,744,145</u>	<u>3,237,716</u>	<u>2,662,937</u>
<b>Net assets at end of year</b>	<u>\$ 4,600,308</u>	<u>\$ 3,464,551</u>	<u>\$ 8,064,859</u>	<u>\$ 3,237,716</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, 2021**  
(WITH COMPARATIVE TOTALS FOR 2020)

	2021	2020
<b>Cash flows from operating activities:</b>		
Net change in total assets	\$ 4,827,143	\$ 574,779
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	437,112	637,744
(Gain)/loss on investments	21,920	-
(Gain)/loss on disposition of property and equipment	(4,121,283)	24,372
(Increase) decrease in operating assets		
Accounts receivable	(179,493)	(391,196)
Prepaid expenses and deposits	11,331	25,583
Increase (decrease) in operating liabilities		
Accounts payable	44,295	307,469
Accrued expenses	97,684	76,234
Deposits	(68,167)	2,213
Deferred revenues	(59,697)	62,773
	1,010,845	1,319,971
<b>Cash flows from investing activities:</b>		
Purchase of investments held for long term use	(1,907,763)	-
Proceeds from disposition of property and equipment	8,033,340	-
Purchase of property and equipment	(1,173,495)	(181,317)
	4,952,082	(181,317)
<b>Cash flows from financing activities:</b>		
Principal payments on notes payable	(6,055,174)	(295,233)
	(6,055,174)	(295,233)
Net increase (decrease) in cash	(92,247)	843,421
Cash at beginning of year	1,921,555	1,078,134
<b>Cash at end of year</b>	\$ 1,829,308	\$ 1,921,555
<b>Supplementary Disclosure of Cash Flow Information:</b>		
Cash paid during the year for interest	\$ 253,868	\$ 459,506

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

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED NOVEMBER 30, 2021**  
(WITH COMPARATIVE TOTALS FOR 2020)

	Program Services					General and Administrative	Fundraising	2021 Total	2020
	Head Start	Meal Distribution	Housing	Social Services	Total				
Personnel & fringe benefits	\$ 5,114,305	\$ 781,000	\$ 81,410	\$ 294,333	\$ 6,271,048	\$ 1,036,438	\$ 1,221	\$ 7,308,707	\$ 7,646,008
Program expenses	781,373	507,203	-	1,149,561	2,438,137	330	-	2,438,467	2,165,260
Professional expenses	28,182	13,978	38,174	25,167	105,501	168,143	568	274,212	308,086
Interest expense	90,300	-	124,914	-	215,214	20,966	53	236,233	450,182
Supplies	831,634	111,227	11,244	2,150	956,255	43,340	420	1,000,015	599,440
Insurance	-	-	27,321	-	27,321	94,377	783	122,481	211,346
Automobile and travel expenses	24,019	13,073	-	1,305	38,397	384	2,255	41,036	19,873
Occupancy	249,629	87,414	132,191	10,523	479,757	53,599	514	533,870	700,983
Maintenance and repairs	107,295	61,188	51,753	78,674	298,910	65,113	169	364,192	295,681
Equipment	164,070	10,319	4,237	23,644	202,270	40,645	4,286	247,201	175,812
Conferences and training	125,838	3,356	99	815	130,108	10,766	456	141,330	96,999
Fundraising expenses	-	-	-	-	-	-	20,959	20,959	-
Miscellaneous	34,554	10,027	3,544	7,108	55,233	54,753	4,854	114,840	93,508
In-kind expenses	3,939,034	551,432	-	-	4,490,466	-	1,447	4,491,913	4,452,966
<b>Total expenses before depreciation</b>	<b>11,490,233</b>	<b>2,150,217</b>	<b>474,887</b>	<b>1,593,280</b>	<b>15,708,617</b>	<b>1,588,854</b>	<b>37,985</b>	<b>17,335,456</b>	<b>17,216,144</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>107,848</b>	<b>-</b>	<b>107,848</b>	<b>329,264</b>	<b>-</b>	<b>437,112</b>	<b>637,744</b>
<b>Total expenses</b>	<b>\$ 11,490,233</b>	<b>\$ 2,150,217</b>	<b>\$ 582,735</b>	<b>\$ 1,593,280</b>	<b>\$ 15,816,465</b>	<b>\$ 1,918,118</b>	<b>\$ 37,985</b>	<b>\$ 17,772,568</b>	<b>\$ 17,853,888</b>

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



**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**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, 2021**

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.

*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 \$1,829,308 at November 30, 2021.

*Investments*

Investments are presented at their fair values based on quoted values in published sources. Realized and unrealized gains and losses from investments are reflected in the statement of activities.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

*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, 2021, 98% 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, 2021**

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, 2021, the liability for unused vacation leave was \$160,728.

*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.

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.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

*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 \$1,230,002 at November 30, 2021.

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 52% of its total revenue for the year ended November 30, 2021 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

*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.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**Note 2 – Availability and Liquidity**

Williamson-Burnet County Opportunities has \$5,199,413 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 \$1,829,308, investments of \$1,885,843, and accounts receivable of \$1,484,262. 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.

**Note 3 – Investments**

Williamson-Burnet County Opportunities maintains an investment account with Merrill Lynch with a total value of \$1,885,843 at November 30, 2021.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for which prices are readily available for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs consist of unobservable inputs that are not corroborated by market data and have the lowest priority. Certain securities are classified as Level 2 if the value is derived principally from the market value of underlying limited partnership investments, nonpublicly traded securities, or other real estate-related investments which are priced daily to reflect market value. Certain amounts may be classified as Level 3 if the fair value is based on pooled accounts with multiple sources of valuation, which may include market data and/or quoted market prices from active markets.

Fair values of investments measured at November 30, 2021 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 916,400	\$ 916,400	\$ -	\$ -
Mutual funds	678,439	678,439	-	-
Corporate bonds	<u>291,004</u>	<u>-</u>	<u>291,004</u>	<u>-</u>
Total	<u>\$1,885,843</u>	<u>\$1,594,839</u>	<u>\$ 291,004</u>	<u>\$ -</u>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**Note 4 - Accounts Receivable**

Accounts receivable consist of the following at November 30:

	2021	2020
Head Start - ACF	\$ 968,435	\$ 734,109
Child Care Food Program (CACFP) - TDA	27,492	22,622
Emergency Mortgage Assistance - TDHCA	66,538	-
Comprehensive Energy Assistance - TDHCA	117,378	100,166
Community Service Block Grant - TDHCA	88,022	85,452
Senior meals - CAPCO	106,887	214,683
Other grants and contracts	94,905	30,550
Burnet Senior Housing management fees	14,605	10,206
Cedar Ridge tenant rents	-	106,981
	\$ 1,484,262	\$ 1,304,769

At November 30, 2021, \$11,250 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 5 - Property and Equipment**

Property and equipment consists of the following at November 30:

	2020	Increases	Decreases	2021
Land	\$ 408,363	-	(305,174)	103,189
Furniture and Equipment	1,150,143	216,042	(86,619)	1,279,566
Buildings and Improvements	17,054,728	957,452	(9,320,796)	8,691,384
Total Fixed Assets	18,613,234	1,173,494	(9,712,589)	10,074,139
Accumulated Depreciation	(9,773,023)	5,800,533	(437,112)	(4,409,602)
	8,840,211	6,974,027	(10,149,701)	5,664,537

Depreciation expense for the year ended November 30, 2021 was \$437,112. Head Start facility improvements totaling \$589,943, playground equipment totaling \$270,358, and vehicles totaling \$313,193 were added during the year ended November 30, 2021.

On April 1, 2021, WBCO sold its multi-family housing project at 2702 Bagdad Road with an original cost basis of \$9,619,578, less \$5,719,185 of accumulated depreciation, for \$8 million. Three notes payable totaling \$5,963,161 were paid off with the sale proceeds. The remaining \$1,961,084 was placed in an investment account at Merrill Lynch to be used for future costs (see note 3).

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**Note 6 – 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, 2021, net assets with donor restrictions totaling \$3,464,551 consists of revenues in excess of expenses for the following programs:

Federal capital assets, net of accumulated depreciation	\$ 4,904,992
Less: Transition building note payable (note 7)	<u>(1,440,441)</u>
Total	<u><u>\$ 3,464,551</u></u>

Donor restricted revenue of \$891,356 consists of capitalized Head Start playground and facility improvements. 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, 2021 consisted of \$170,950 of net decreases in total federal capital assets, net of accumulated depreciation and less note payable balances.

**Note 7 – Long-term Debt**

The following is a summary of the long-term debt payable at November 30, 2021:

Note payable to RBank secured by the office building located at 604 High Tech Drive, Georgetown, Texas, with a net book value of \$209,128. 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. \$ 118,315

Note payable to RBank secured by the Round Rock Transition building located in Round Rock, Texas with a net book value of \$2,623,754. 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. 1,440,441

Total long-term debt payable	1,558,756
Less current portion	<u>(94,630)</u>
Long-term portion	<u><u>\$1,464,126</u></u>



**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**Note 7 – Long-term Debt (Continued)**

The annual maturities of the long-term debt at November 30, 2021 are as follows:

Year	Principal	Interest	Totals
2022	\$ 94,630	\$ 90,664	\$ 185,294
2023	100,446	84,848	185,294
2024	106,620	78,674	185,294
2025	113,173	72,121	185,294
2026	120,129	65,524	185,653
Thereafter	<u>1,023,758</u>	<u>222,317</u>	<u>1,246,075</u>
Totals	<u>\$ 1,558,756</u>	<u>\$ 614,148</u>	<u>\$ 2,172,904</u>

**Note 8 - 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 year ended November 30, 2021 was \$114,018. Future minimum payments, excluding common area maintenance expense, on these noncancelable leases are as follows:

Years Ending November 30,	
2022	\$ 50,241
2023	74,597
2024	27,744
2025	8,827
2026	5,000
Thereafter	<u>174,997</u>
	<u>\$ 341,405</u>

**Note 9 – 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 \$57,487 for the year ended November 30, 2021. 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.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2021**

**Note 10 – Donated Services, Supplies, and Facilities**

WBCO recognized the following in-kind revenue and expenses for the year ended November 30, 2021:

	<u>Head Start</u>	<u>Meals</u>	<u>Fundraising</u>
Volunteer/parent hours	\$ 348,188	\$ 549,010	\$ -
Facilities use	2,856,300	-	-
Education services	628,011	-	-
Other	106,535	2,422	1,447
	<u>\$3,939,034</u>	<u>\$ 551,432</u>	<u>\$ 1,447</u>

**Note 11 – 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, 2021, 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.

**Note 12 – 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.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED NOVEMBER 30, 2021

**Note 13 – 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, 2021. BSHO owes WBCO \$14,605 at November 30, 2021 which is included in accounts receivable on the statement of financial position.

**Note 14 – 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 April 25, 2022, 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

CERTIFIED PUBLIC ACCOUNTANTS  
11824 JOLLYVILLE ROAD, SUITE 100  
AUSTIN, TEXAS 78759  
TELEPHONE 503-828-6650

GARY W. DAVIS, C.P.A.  
ROBERT H. WEST, C.P.A.  
ROBERT H. WEST, JR., C.P.A.

gary@westdavis.com  
bob@westdavis.com  
rob@westdavis.com

## **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, 2021, 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 April 25, 2022.

### **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

April 25, 2022

# WEST, DAVIS & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
11824 JOLLYVILLE ROAD, SUITE 100  
AUSTIN, TEXAS 78759  
TELEPHONE 503-828-6650

GARY W. DAVIS, C.P.A.  
ROBERT H. WEST, C.P.A.  
ROBERT H. WEST, JR., C.P.A.

gary@westdavis.com  
bob@westdavis.com  
rob@westdavis.com

## **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, 2021. 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, 2021.

## 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

April 25, 2022



**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED NOVEMBER 30, 2021**

<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.S. Department of Health and Human Services				
Head Start	7/1/20 - 6/30/25	93.600	06CH11583/02	\$ 8,481,971
Head Start	7/1/20 - 6/30/25	93.600	06CH11583/02	515,587
Head Start	4/1/21 - 3/31/23	93.600	06HE000750/01	<u>390,555</u>
Total Head Start				<u>\$ 9,388,113</u>
Passed through the Capital Area Council of Governments:				
Title III Part B Nutrition Services	10/1/20 - 9/30/22	93.044	AAA13-01	33,924
Title III Part C Nutrition Services	10/1/20 - 9/30/22	93.045	AAA13-01	83,726
Title III Part C Nutrition Services	10/1/20 - 9/30/22	93.045	AAA13-01	<u>738,302</u>
Total Aging Cluster				<u>855,952</u>
Passed through the Texas Department of Housing and Community Affairs:				
Community Service Block Grant	1/1/21 - 3/31/22	93.569	61210003470	300,166
Community Service Block Grant	3/27/20 - 12/31/21	93.569	61200003360	143,341
Community Service Block Grant	2/11/21 - 8/31/21	93.569	61200003494	28,540
Community Service Block Grant	1/1/20 - 12/31/20	93.569	61200003239	<u>29,440</u>
Total Community Service Block Grant				<u>501,487</u>
Passed through the Texas Department of Housing and Community Affairs:				
Low Income Home Energy Assistance Program	1/1/20 - 9/30/21	93.568	58200003177	572,842
Low Income Home Energy Assistance Program	1/1/21 - 12/31/21	93.568	58210003408	<u>367,786</u>
Total Low Income Home Energy Assistance Program				<u>940,628</u>
Total U.S. Department of Health and Human Services				<u>11,686,180</u>
U.S. Department of Agriculture				
Passed through the Texas Department of Agriculture:				
Child and Adult Care Food Program	10/1/20 - 9/30/21	10.558	806780706	217,582
Child and Adult Care Food Program	10/1/21 - 9/30/22	10.558	806780706	<u>61,378</u>
Total Child and Adult Care Food Program				<u>278,960</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>107,714</u>
U.S. Department of Housing and Urban Development				
Passed through the Texas Department of Housing and Community Affairs:				
Community Development Block Grant	6/15/21 - 6/14/22	14.228	70700001014	<u>225,803</u>
Total expenditures of federal awards				<u>\$ 12,298,657</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, 2021**

**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 2021 *Assistance Listings*.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2021**

**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**
- **93.568 - Low Income Home Energy Assistance Program**
- **14.228 - Community Development Block Grants**

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, 2021**

	Head Start 1930	Early Head Start 1935	Head Start T&TA 1940	Early Head Start T&TA 1945	Head Start COVID 1950	Early Head Start COVID 1955	Head Start Rescue 1960
<b>Revenues:</b>							
Grants and contracts	\$ 3,887,046	\$ 4,465,614	\$ 47,469	\$ 81,842	\$ 348,695	\$ 166,892	\$ 390,555
Rent and rental assistance	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Program fees	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
In-kind contributions	903,306	3,035,728	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,790,352</b>	<b>7,501,342</b>	<b>47,469</b>	<b>81,842</b>	<b>348,695</b>	<b>166,892</b>	<b>390,555</b>
<b>Expenses:</b>							
Personnel & fringe benefits	2,433,238	3,201,363	-	-	-	-	-
Program expenses	408,917	205,610	-	-	-	-	188,202
Professional expenses	79,341	86,606	275	700	-	-	-
Interest expense	47,163	47,002	-	-	-	-	-
Supplies	154,098	246,982	217	217	236,850	101,390	99,740
Insurance	44,869	42,407	-	-	-	-	-
Automobile and travel expenses	364	325	11,239	12,116	-	-	-
Occupancy	131,492	144,670	-	-	2,966	-	-
Maintenance and repairs	(22,291)	104,458	-	-	23,648	11,318	-
Equipment	19,998	22,486	5,649	5,649	85,231	54,184	-
Conferences and training	7,799	33,284	30,089	63,160	-	-	-
Fundraising expenses	-	-	-	-	-	-	-
Miscellaneous	22,359	20,664	-	-	-	-	-
In-kind expenses	903,306	3,035,728	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>4,230,653</b>	<b>7,191,585</b>	<b>47,469</b>	<b>81,842</b>	<b>348,695</b>	<b>166,892</b>	<b>287,942</b>
<b>Revenues Over (Under) Expenses</b>	<b>559,699</b>	<b>309,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,613</b>

See independent auditor's report

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)**  
**YEAR ENDED NOVEMBER 30, 2021**

	Child Care Food 3761	Local Parent 3801	CEAP 3591	Meals on Wheels 3031	TXU Energy Aid 3201	Burnet Senior Housing 3890
<b>Revenues:</b>						
Grants and contracts	\$ 278,960	\$ -	\$ 940,628	\$ 1,644,339	\$ 22,090	\$ -
Rent and rental assistance	-	-	-	-	-	-
Contributions	-	860	-	177,210	-	-
Program fees	-	-	-	6,361	-	32,925
Other revenue	-	3,231	-	-	-	-
In-kind contributions	-	-	-	551,432	-	-
Investment income	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-
<b>Total Revenues</b>	<b>278,960</b>	<b>4,091</b>	<b>940,628</b>	<b>2,379,342</b>	<b>22,090</b>	<b>32,925</b>
<b>Expenses:</b>						
Personnel & fringe benefits	309,654	-	133,768	883,669	-	12,092
Program expenses	(21,915)	558	768,861	507,203	21,953	-
Professional expenses	-	-	3,632	33,197	-	2,581
Interest expense	-	-	888	372	-	-
Supplies	10,669	3,312	5,372	113,627	-	66
Insurance	-	-	1,567	18,462	-	-
Automobile and travel expenses	-	-	325	13,077	-	-
Occupancy	-	-	9,335	90,354	-	89
Maintenance and repairs	-	-	2,204	62,080	-	-
Equipment	-	-	7,422	14,367	-	477
Conferences and training	108	134	300	4,556	-	143
Fundraising expenses	-	-	-	-	-	-
Miscellaneous	-	87	6,954	18,650	-	203
In-kind expenses	-	-	-	551,432	-	-
Depreciation	-	-	-	-	-	-
<b>Total expenses</b>	<b>298,516</b>	<b>4,091</b>	<b>940,628</b>	<b>2,311,046</b>	<b>21,953</b>	<b>15,651</b>
<b>Revenues Over (Under) Expenses</b>	<b>(19,556)</b>	<b>-</b>	<b>-</b>	<b>68,296</b>	<b>137</b>	<b>17,274</b>

See independent auditor's report

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)**  
**YEAR ENDED NOVEMBER 30, 2021**

	Cedar Ridge Operating 4000	CDBG TEMAP 3058	CSBG 3171	Agency Admin 3901	Notes/ Capital Asset 3920	Fundraising 3995	Grand Total
<b>Revenues:</b>							
Grants and contracts	\$ -	\$ 225,803	\$ 501,487	\$ 55,510	\$ -	\$ 25,000	\$ 13,081,930
Rent and rental assistance	526,592		-	14,758	-	-	541,350
Contributions	-		-	66,144	-	71,832	316,046
Program fees	-		-	559	-	-	39,845
Other revenue	-		-	19,683	-	-	22,914
In-kind contributions	-		-	-	-	1,447	4,491,913
Investment income	77		-	(15,647)	-	-	(15,570)
Gain/(loss) on sale of property	4,005,907		-	125,722	(10,346)	-	4,121,283
<b>Total Revenues</b>	<b>4,532,576</b>	<b>225,803</b>	<b>501,487</b>	<b>266,729</b>	<b>(10,346)</b>	<b>98,279</b>	<b>22,599,711</b>
<b>Expenses:</b>							
Personnel & fringe benefits	81,391	11,388	259,706	(18,783)	-	1,221	7,308,707
Program expenses	-	197,354	161,394	330	-	-	2,438,467
Professional expenses	37,853	15,036	14,297	126	-	568	274,212
Interest expense	124,914	-	1,946	13,895	-	53	236,233
Supplies	11,178	1,206	10,874	3,772	-	445	1,000,015
Insurance	26,022	-	3,804	(15,433)	-	783	122,481
Automobile and travel expenses	-	-	982	353	-	2,255	41,036
Occupancy	132,102	555	21,793	-	-	514	533,870
Maintenance and repairs	51,753	-	6,738	124,115	-	169	364,192
Equipment	4,233	312	17,637	5,270	-	4,286	247,201
Conferences and training	99	-	996	206	-	456	141,330
Fundraising expenses	-	-	-	-	-	20,959	20,959
Miscellaneous	3,468	50	1,320	36,256	-	4,829	114,840
In-kind expenses	-	-	-	-	-	1,447	4,491,913
Depreciation	107,848	-	-	-	329,264	-	437,112
<b>Total expenses</b>	<b>580,861</b>	<b>225,901</b>	<b>501,487</b>	<b>150,107</b>	<b>329,264</b>	<b>37,985</b>	<b>17,772,568</b>
<b>Revenues Over (Under) Expenses</b>	<b>3,951,715</b>	<b>(98)</b>	<b>-</b>	<b>116,622</b>	<b>(339,610)</b>	<b>60,294</b>	<b>4,827,143</b>

See independent auditor's report