

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

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

November 30, 2022

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
AUDITED FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS
NOVEMBER 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Williamson-Burnet County Opportunities, Inc. ("WBCO") (a nonprofit organization), which comprise the statement of financial position as of November 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Williamson-Burnet County Opportunities, Inc. as of November 30, 2022, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of WBCO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WBCO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that the audits conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WBCO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WBCO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Report on Summarized Comparative Information

We have previously audited Williamson-Burnet County Opportunities, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended November 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary schedules on pages 31 to 33 are presented for purposes of additional analysis and are not a required part of the financial statements. 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 is presented for purposes of additional analysis, and is 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 information is 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 24, 2023, 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 24, 2023

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**STATEMENT OF FINANCIAL POSITION****NOVEMBER 30, 2022**

(WITH COMPARATIVE TOTALS FOR 2021)

Assets		
	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 2,954,864	\$ 1,829,308
Investments	1,760,639	1,885,843
Accounts receivable	1,372,390	1,484,262
Prepaid expenses and deposits	<u>63,416</u>	<u>38,201</u>
Total current assets	<u>6,151,309</u>	<u>5,237,614</u>
Property and equipment, at cost:		
Land	651,738	103,189
Buildings and improvements	9,292,470	8,691,384
Furniture and equipment	1,631,701	1,279,566
Less accumulated depreciation	<u>(4,631,466)</u>	<u>(4,409,602)</u>
Property and equipment, net	<u>6,944,443</u>	<u>5,664,537</u>
Total assets	<u><u>\$ 13,095,752</u></u>	<u><u>\$ 10,902,151</u></u>
Liabilities and Net Assets		
	<u>2022</u>	<u>2021</u>
Current liabilities:		
Accounts payable	\$ 451,672	\$ 653,231
Accrued expenses	624,521	596,746
Deposits	-	-
Deferred revenues	901,334	28,559
Current portion of long-term debt	<u>112,862</u>	<u>94,630</u>
Total current liabilities	2,090,389	1,373,166
Long-term debt, net of current portion	<u>1,832,075</u>	<u>1,464,126</u>
Total liabilities	<u>3,922,464</u>	<u>2,837,292</u>
Net Assets		
Without donor restrictions	5,587,398	4,600,308
With donor restrictions	<u>3,585,890</u>	<u>3,464,551</u>
Total net assets	<u>9,173,288</u>	<u>8,064,859</u>
Total liabilities and net assets	<u><u>\$ 13,095,752</u></u>	<u><u>\$ 10,902,151</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, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	2021
Revenues and other support:				
Grants and contracts	\$ 13,492,826	\$ 747,863	\$ 14,240,689	\$ 13,081,930
Rent and rental assistance	-	-	-	541,350
Contributions	1,037,381	-	1,037,381	316,046
Program fees	28,573	-	28,573	39,845
Other revenue	11,144	-	11,144	22,914
In-kind contributions	2,420,943	-	2,420,943	4,491,913
Investment income	(134,895)	-	(134,895)	(15,570)
Gain/(loss) on sale of property	(90,896)	-	(90,896)	4,121,283
Net assets released from restrictions	626,524	(626,524)	-	-
Total revenues and other support	17,391,600	121,339	17,512,939	22,599,711
Expenses:				
Program services:				
Head Start	9,669,316	-	9,669,316	11,490,233
Meal distribution	2,271,420	-	2,271,420	2,150,217
Housing	14,406	-	14,406	582,735
Social services	2,365,775	-	2,365,775	1,593,280
Total program services	14,320,917	-	14,320,917	15,816,465
Supporting services:				
General and administrative	2,019,847	-	2,019,847	1,918,118
Fundraising	63,746	-	63,746	37,985
Total supporting services	2,083,593	-	2,083,593	1,956,103
Total expenses	16,404,510	-	16,404,510	17,772,568
Increase (decrease) in net assets	987,090	121,339	1,108,429	4,827,143
Net assets at beginning of year	4,600,308	3,464,551	8,064,859	3,237,716
Net assets at end of year	\$ 5,587,398	\$ 3,585,890	\$ 9,173,288	\$ 8,064,859

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**STATEMENT OF CASH FLOWS
YEAR ENDED NOVEMBER 30, 2022**

(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net change in total assets	\$ 1,108,429	\$ 4,827,143
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	419,578	437,112
In-kind property donations	(247,771)	-
(Gain)/loss on investments	134,895	21,920
(Gain)/loss on disposition of property and equipment	90,896	(4,121,283)
(Increase) decrease in operating assets		
Accounts receivable	111,872	(179,493)
Prepaid expenses and deposits	(25,215)	11,331
Increase (decrease) in operating liabilities		
Accounts payable	(201,559)	44,295
Accrued expenses	27,775	97,684
Deposits	-	(68,167)
Deferred revenues	872,775	(59,697)
Net cash provided (used) by operating activities	<u>2,291,675</u>	<u>1,010,845</u>
Cash flows from investing activities:		
Purchase of investments held for long term use	(9,691)	(1,907,763)
Proceeds from disposition of property and equipment	-	8,033,340
Purchase of property and equipment	<u>(1,542,609)</u>	<u>(1,173,495)</u>
Net cash provided by investing activities	<u>(1,552,300)</u>	<u>4,952,082</u>
Cash flows from financing activities:		
Proceeds from issuance of notes payable	600,000	-
Principal payments on notes payable	<u>(213,819)</u>	<u>(6,055,174)</u>
Net cash provided by financing activities	<u>386,181</u>	<u>(6,055,174)</u>
Net increase (decrease) in cash	1,125,556	(92,247)
Cash at beginning of year	<u>1,829,308</u>	<u>1,921,555</u>
Cash at end of year	<u><u>\$ 2,954,864</u></u>	<u><u>\$ 1,829,308</u></u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u><u>\$ 116,875</u></u>	<u><u>\$ 253,868</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, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services					General and Administrative	Fundraising	2022 Total	2021
	Head Start	Meal Distribution	Housing	Social Services	Total				
Personnel & fringe benefits	\$ 5,866,588	\$ 788,249	\$ 557	\$ 300,637	\$ 6,956,031	\$ 1,126,473	\$ 31,051	\$ 8,113,555	\$ 7,308,707
Program expenses	683,519	518,070	-	1,954,462	3,156,051	362	-	3,156,413	2,438,467
Professional expenses	59,718	8,892	13,844	40,616	123,070	211,516	786	335,372	274,212
Interest expense	85,251	12,184	-	-	97,435	1,752	53	99,240	236,233
Supplies	393,585	141,537	-	1,066	536,188	28,311	1,521	566,020	1,000,015
Insurance	-	-	-	-	-	138,433	976	139,409	122,481
Automobile and travel expenses	33,610	23,576	-	1,461	58,647	613	1,647	60,907	41,036
Occupancy	268,236	76,024	-	5,953	350,213	55,137	1,772	407,122	533,870
Maintenance and repairs	425,941	43,710	-	3,914	473,565	(56,669)	946	417,842	364,192
Equipment	76,771	10,762	-	24,556	112,089	53,272	715	166,076	247,201
Conferences and training	183,664	4,919	-	21,178	209,761	10,860	829	221,450	141,330
Fundraising expenses	-	-	-	-	-	-	21,126	21,126	20,959
Miscellaneous	49,569	13,189	5	11,932	74,695	30,209	2,324	107,228	114,840
In-kind expenses	1,542,864	630,308	-	-	2,173,172	-	-	2,173,172	4,491,913
 Total expenses before depreciation	 9,669,316	 2,271,420	 14,406	 2,365,775	 14,320,917	 1,600,269	 63,746	 15,984,932	 17,335,456
 Depreciation	 -	 -	 -	 -	 -	 419,578	 -	 419,578	 437,112
 Total expenses	 <u>\$ 9,669,316</u>	 <u>\$ 2,271,420</u>	 <u>\$ 14,406</u>	 <u>\$ 2,365,775</u>	 <u>\$ 14,320,917</u>	 <u>\$ 2,019,847</u>	 <u>\$ 63,746</u>	 <u>\$ 16,404,510</u>	 <u>\$ 17,772,568</u>

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

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

Note 1 - The Organization 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, 2022

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 three accounts in the amount of \$2,954,864 at November 30, 2022.

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, 2022, 97% 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.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2022

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". Realized and unrealized gains and losses from investments are reflected in the statement of activities. These instruments include cash and cash equivalents, accounts and grants receivable, prepaid and accrued expenses, and accounts payable.

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

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, 2022, the liability for unused vacation leave was \$141,093.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

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.

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 \$2,263,389 at November 30, 2022.

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 59% of its total revenue for the year ended November 30, 2022 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.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

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

New Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. WBCO's financial statements reflect the full retrospective application of ASU 2020-07 guidance beginning in fiscal year 2022. The adoption of ASU 2020-07 did not impact WBCO's reported revenue.

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, 2022

Note 2 – Availability and Liquidity

Williamson-Burnet County Opportunities has \$4,715,503 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 \$2,954,864 and investments of \$1,760,639. 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 on hand to meet 90 days of normal operating expense, which are, on average, approximately \$3,500,000. 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 \$1,756,000 and a fund at Austin Community Foundation with a value of \$4,639 at November 30, 2022.

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, 2022 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities	\$ 912,551	\$ 912,551	\$ -	\$ -
Mutual funds	568,740	568,740	-	-
Corporate bonds	274,709	-	274,709	-
ACF pooled investment	4,639	-	4,639	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$1,760,639</u>	<u>\$1,481,291</u>	<u>\$ 279,348</u>	<u>\$ -</u>

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.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

Note 4 - Accounts Receivable

Accounts receivable consist of the following at November 30:

	2022	2021
Head Start - ACF	\$ 833,157	\$ 968,435
Child Care Food Program (CACFP) - TDA	62,135	27,492
Emergency Mortgage Assistance - TDHCA	-	66,538
Comprehensive Energy Assistance - TDHCA	53,864	117,378
Community Service Block Grant - TDHCA	58,332	88,022
Senior meals - CAPCO	206,660	106,887
Other grants and contracts	158,242	94,905
Burnet Senior Housing management fees	-	14,605
	<u> </u>	<u> </u>
Total	<u><u>\$ 1,372,390</u></u>	<u><u>\$ 1,484,262</u></u>

At November 30, 2022, \$3,750 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:

	2021	Increases	Decreases	2022
Land	\$ 103,189	548,549	-	651,738
Furniture and Equipment	1,279,566	380,018	(27,883)	1,631,701
Buildings and Improvements	8,691,384	1,014,287	(413,201)	9,292,470
Total Fixed Assets	10,074,139	1,942,854	(441,084)	1,575,909
Accumulated Depreciation	(4,409,602)	197,714	(419,578)	(4,631,466)
Net property and equipment	<u><u>5,664,537</u></u>	<u><u>2,140,568</u></u>	<u><u>(860,662)</u></u>	<u><u>6,944,443</u></u>

Depreciation expense for the year ended November 30, 2022 was \$419,578. Facility improvements totaling \$792,906, playground equipment totaling \$349,802, and a purchased Marble Falls Meals on Wheels facility totaling \$800,146 were added during the year ended November 30, 2022. Buildings and improvements with an original cost of \$441,084 were written off during the year ended November 30, 2022 at a loss of \$90,896.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

Note 6 – Long-term Debt

The following is a summary of the long-term debt payable at November 30, 2022:

Note payable to RBank secured by the Round Rock Head Start 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. \$1,354,681

Note payable to BancorpSouth Bank secured by land and a building located in Marble Falls, Texas with a net book value of \$801,781. The interest rate is variable and adjusted every five years to prime (4% at year end). Payments of principal and interest are due monthly in the amount of \$3,655 with a final payment of the remaining principal due in May of 2042. 590,256

Total long-term debt payable	1,944,937
Less current portion	<u>(112,862)</u>
Long-term portion	<u><u>\$1,832,075</u></u>

The annual maturities of the long-term debt at November 30, 2022 are as follows:

Year	Principal	Interest	Totals
2023	\$ 112,862	\$ 102,007	\$ 214,869
2024	119,391	95,477	214,868
2025	126,305	88,563	214,868
2026	133,628	81,240	214,868
2027	141,383	73,485	214,868
Thereafter	1,311,368	316,458	1,627,826
Totals	<u>\$1,944,937</u>	<u>\$ 757,230</u>	<u>\$2,702,167</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 year ended November 30, 2022 was \$52,422. Future minimum payments, excluding common area maintenance expense, on these noncancelable leases are as follows:

Years Ending November 30,	
2023	\$ 74,597
2024	27,744
2025	8,426
2026	5,000
2027	5,000
Thereafter	<u>169,997</u>
	<u><u>\$ 290,764</u></u>

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2022

Note 8 – 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, 2022, net assets with donor restrictions totaling \$3,585,890 consists of revenues in excess of expenses for the following programs:

Federal capital assets, net of accumulated depreciation	\$ 4,940,571
Less: Round Rock building note payable (note 6)	<u>(1,354,681)</u>
Total	<u>\$ 3,585,890</u>

Donor restricted revenue of \$747,863 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, 2022 consisted of \$626,524 of net decreases in total federal capital assets, net of accumulated depreciation and less note payable balances.

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 \$72,742 for the year ended November 30, 2022. 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 10 – Donated Services, Supplies, and Facilities

All donated services, supplies, and facilities have been recorded in the financial statements at the value of the goods and services at the time of donation. WBCO receives free use of facilities space to operate the Head Start and senior nutrition programs. WBCO also receives donated services from volunteer teachers and staff to operate the Head Start and senior nutrition programs. Additionally, WBCO receives donated classroom and kitchen supplies. The total value of donated services, supplies, and facilities received during the year ended November 30, 2022 was as follows:

	Head Start	Meals
Volunteer/parent hours	\$ 146,952	\$ 621,701
Facilities use	672,706	-
Education services	616,154	-
Donated facilities	247,771	-
Other	<u>107,052</u>	<u>8,607</u>
	<u>\$1,790,635</u>	<u>\$ 630,308</u>

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

Note 10 – Donated Services, Supplies, and Facilities (Continued)

Fair value techniques – Donated facilities usage is valued based on written independent third-party appraisals. Donated services, which require specialized skills and would typically need to be purchased if not provided by donation, are valued based on U.S. Bureau of Labor Statistics for comparable positions. Donated supplies are valued based on current rates of similar items. Donated facilities, which consists of the Bartlett Head Start building and land previously expensed during construction in 2010, is recognized at the original construction cost of \$400,245 less prior years' depreciation of \$152,474 in order to adjust the prior year presentation

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, 2022, 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.

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.

During the year ended November 30, 2022, BSHO sold its apartment complex and discontinued its operations. Closeout distributions of cash totaling \$522,088 were made to WBCO.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED NOVEMBER 30, 2022

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 24, 2023, 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

GARY W. DAVIS, C.P.A.
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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, 2022, 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 24, 2023.

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 24, 2023

WEST, DAVIS & COMPANY, LLP

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

Opinion on Each Major Federal Program

We have audited Williamson-Burnet County Opportunities, Inc.'s (WBCO) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Williamson-Burnet County Opportunities, Inc.'s major federal programs for the year ended November 30, 2022. Williamson-Burnet County Opportunities, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Williamson-Burnet County Opportunities, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of WBCO's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to WBCO's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Williamson-Burnet County Opportunities, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about WBCO's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding WBCO's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Williamson-Burnet County Opportunities, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 WBCO's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to

identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 24, 2023

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED NOVEMBER 30, 2022

<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	\$ 8,462,940
Head Start	4/1/21 - 3/31/23	93.600	06HE000750/01	589,406
Total Head Start				<u>\$ 9,052,346</u>
Passed through the Capital Area Council of Governments:				
Title III Part B Nutrition Services	10/1/20 - 9/30/24	93.044	AAA13-01	42,757
Title III Part C Nutrition Services	10/1/20 - 9/30/24	93.045	AAA13-01	711,636
Title III Part C Nutrition Services	10/1/20 - 9/30/24	93.045	AAA13-01	93,443
Total Aging Cluster				<u>847,836</u>
Passed through the Texas Department of Housing and Community Affairs:				
Community Service Block Grant	1/1/21 - 6/30/22	93.569	61210003470	36,265
Community Service Block Grant	1/1/22 - 3/31/23	93.569	61200003651	301,372
Community Service Block Grant	2/1/22 - 7/31/22	93.569	61200003739	8,696
Total Community Service Block Grant				<u>346,333</u>
Passed through the Texas Department of Housing and Community Affairs:				
Low Income Home Energy Assistance Program	1/1/22 - 2/28/23	93.568	58220003590	884,600
Low Income Home Energy Assistance Program	1/1/21 - 6/30/22	93.568	58210003408	633,436
Low Income Home Energy Assistance Program	10/1/21 - 9/30/22	93.568	25210003550	415,433
Low Income Home Energy Assistance Program	1/1/22 - 3/31/23	93.568	34210003688	14,079
Total Low Income Home Energy Assistance Program				<u>1,947,548</u>
Total U.S. Department of Health and Human Services				<u>12,194,063</u>
U.S. Department of Agriculture				
Passed through the Texas Department of Agriculture:				
Child and Adult Care Food Program	10/1/21 - 9/30/22	10.558	806780706	227,588
Child and Adult Care Food Program	10/1/22 - 9/30/23	10.558	806780706	62,135
Total Child and Adult Care Food Program				<u>289,723</u>
U.S. Department of Homeland Security				
Passed through the Capital Area United Way:				
Emergency Food and Shelter Program	1/1/22 - 5/31/23	97.024	782400-004	235,000
U.S. Department of Housing and Urban Development				
Passed through the Texas Department of Housing and Community Affairs:				
COVID-19 Community Development Block Grant	6/15/21 - 6/14/22	14.228	70700001014	220,039
Total expenditures of federal awards				<u>\$ 12,938,825</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, 2022

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.

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2022

Section 1 - Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of Major Programs

- **93.600 - Head Start**
- **93.569 - Community Services Block Grant**

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, 2022

	Head Start 1930	Early Head Start 1935	Head Start T&TA 1940	Early Head Start T&TA 1945	Head Start Rescue 1960	TWC Child Care 1970	Child Care Food 3761
Revenues:							
Grants and contracts	\$ 3,978,576	\$ 4,285,863	\$ 96,941	\$ 101,559	\$ 589,406	\$ 663,791	\$ 289,723
Contributions	-	-	-	-	-	-	-
Program fees	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
In-kind contributions	1,407,939	382,696	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Gain/(loss) on sale of property	(78,872)	-	-	-	-	-	-
Total Revenues	5,307,643	4,668,559	96,941	101,559	589,406	663,791	289,723
Expenses:							
Personnel & fringe benefits	2,571,011	3,199,751	-	-	-	623,052	343,642
Program expenses	419,937	167,274	-	-	39,702	-	55,500
Professional expenses	107,404	127,461	125	125	-	-	-
Interest expense	43,095	43,095	-	-	-	-	-
Supplies	140,116	196,714	10	-	24,164	33,667	10,686
Insurance	55,903	52,836	-	-	-	-	-
Automobile and travel expenses	653	633	16,838	16,014	-	-	-
Occupancy	140,633	156,903	-	-	-	172	-
Maintenance and repairs	101,178	71,703	-	-	268,593	-	-
Equipment	60,425	57,767	-	-	-	-	-
Conferences and training	9,334	9,177	79,631	85,262	-	6,900	-
Fundraising expenses	-	-	-	-	-	-	-
Miscellaneous	28,610	29,740	337	158	-	-	-
In-kind expenses	1,160,168	382,696	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total expenses	4,838,467	4,495,750	96,941	101,559	332,459	663,791	409,828
Revenues Over (Under) Expenses	469,176	172,809	-	-	256,947	-	(120,105)

See independent auditor's report

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)
YEAR ENDED NOVEMBER 30, 2022

	Local Parent 3801	LIHWAP 3401	CEAP 3591	TXU Energy Aid 3201	Meals on Wheels 3031	CDBG TEMAP 3058	Other Grants 3181 3821
Revenues:							
Grants and contracts	\$ -	\$ 14,079	\$ 1,933,469	\$ 13,770	\$ 1,642,935	\$ 220,039	\$ -
Contributions	-	-	-	-	388,839	-	-
Program fees	-	-	-	-	25,344	-	-
Other revenue	1,105	-	-	-	1	-	-
In-kind contributions	-	-	-	-	630,308	-	-
Investment income	-	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-	-
Total Revenues	1,105	14,079	1,933,469	13,770	2,687,427	220,039	-
Expenses:							
Personnel & fringe benefits	-	646	149,626	-	932,936	20,498	-
Program expenses	1,105	7,385	1,725,384	13,770	518,042	183,777	4,028
Professional expenses	-	987	16,541	-	34,388	13,496	-
Interest expense	-	-	361	-	12,400	-	-
Supplies	-	-	6,365	-	146,092	-	-
Insurance	-	-	1,952	-	23,002	-	-
Automobile and travel expenses	-	-	550	-	23,653	-	-
Occupancy	-	-	10,192	-	82,825	1,296	-
Maintenance and repairs	-	-	4,849	-	47,295	-	-
Equipment	-	3,537	8,110	-	15,625	786	-
Conferences and training	-	-	1,016	-	5,895	-	-
Fundraising expenses	-	-	50	-	4,583	-	-
Miscellaneous	-	1,575	10,971	-	10,145	89	-
In-kind expenses	-	-	-	-	630,308	-	-
Depreciation	-	-	-	-	-	-	-
Total expenses	1,105	14,130	1,935,967	13,770	2,487,189	219,942	4,028
Revenues Over (Under) Expenses	-	(51)	(2,498)	-	200,238	97	(4,028)

See independent auditor's report

WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.
COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)
YEAR ENDED NOVEMBER 30, 2022

	Burnet Senior Housing 3890	CSBG 3171	Agency Admin 3901	Notes/ Capital Asset 3920	Fundraising 3995	Grand Total
Revenues:						
Grants and contracts	\$ -	\$ 346,333	\$ 64,205	\$ -	\$ -	\$ 14,240,689
Contributions	522,088	-	79,154	-	47,300	1,037,381
Program fees	2,744	-	485	-	-	28,573
Other revenue	38	-	10,000	-	-	11,144
In-kind contributions	-	-	-	-	-	2,420,943
Investment income	-	-	(134,895)	-	-	(134,895)
Gain/(loss) on sale of property	-	-	(12,024)	-	-	(90,896)
Total Revenues	524,870	346,333	6,925	-	47,300	17,512,939
Expenses:						
Personnel & fringe benefits	1,619	259,960	(20,237)	-	31,051	8,113,555
Program expenses	-	20,146	363	-	-	3,156,413
Professional expenses	14,074	15,584	4,401	-	786	335,372
Interest expense	-	235	-	-	54	99,240
Supplies	-	6,488	118	-	1,600	566,020
Insurance	-	4,740	-	-	976	139,409
Automobile and travel expenses	-	942	(23)	-	1,647	60,907
Occupancy	-	13,329	-	-	1,772	407,122
Maintenance and repairs	-	8,549	(85,271)	-	946	417,842
Equipment	92	14,483	4,536	-	715	166,076
Conferences and training	4	2,496	20,906	-	829	221,450
Fundraising expenses	-	50	-	-	16,443	21,126
Miscellaneous	40	1,147	17,491	-	6,925	107,228
In-kind expenses	-	-	-	-	-	2,173,172
Depreciation	-	-	74,177	345,401	-	419,578
Total expenses	15,829	348,149	16,461	345,401	63,744	16,404,510
Revenues Over (Under) Expenses	509,041	(1,816)	(9,536)	(345,401)	(16,444)	1,108,429

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