

# WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.

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

November 30, 2016

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

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Williamson-Burnet County Opportunities, Inc. (a nonprofit organization), which comprise the statement of financial position as of November 30, 2016, 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, 2016, 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**

The prior year summarized comparative information has been derived from the financial statements of Williamson-Burnet County Opportunities, Inc. as of November 30, 2015. These financial statements were audited by another auditor and, in their report dated July 19, 2016 expressed an unqualified opinion.

## **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 August 28, 2017, 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

August 28, 2017

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

**STATEMENT OF FINANCIAL POSITION**

**NOVEMBER 30, 2016**

(WITH COMPARATIVE TOTALS FOR 2015)

	<b>Assets</b>	
	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 793,360	\$ 813,097
Accounts receivable	613,587	662,592
Prepaid expenses and deposits	<u>194,938</u>	<u>50,106</u>
Total current assets	<u>1,601,885</u>	<u>1,525,795</u>
Property and equipment, at cost:		
Land	408,363	408,363
Buildings and improvements	16,758,879	16,758,879
Furniture and equipment	875,963	900,782
Less accumulated depreciation	<u>(7,461,776)</u>	<u>(6,903,008)</u>
Property and equipment, net	<u>10,581,429</u>	<u>11,165,016</u>
Total assets	<u>\$ 12,183,314</u>	<u>\$ 12,690,811</u>
	<b>Liabilities and Net Assets</b>	
	<u>2016</u>	<u>2015</u>
Current liabilities:		
Accounts payable	\$ 187,597	\$ 389,638
Accrued expenses payable	337,760	314,040
Deposits	59,000	61,620
Deferred revenues	19,446	56,084
Current portion of long-term debt	<u>266,827</u>	<u>251,021</u>
Total current liabilities	870,630	1,072,403
Long-term debt, net of current portion	<u>8,463,931</u>	<u>8,730,944</u>
Total liabilities	<u>9,334,561</u>	<u>9,803,347</u>
Net Assets		
Unrestricted	92,042	316,167
Temporarily restricted	<u>2,756,711</u>	<u>2,571,297</u>
Total net assets	<u>2,848,753</u>	<u>2,887,464</u>
Total liabilities and net assets	<u>\$ 12,183,314</u>	<u>\$ 12,690,811</u>

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

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.****STATEMENT OF ACTIVITIES  
YEAR ENDED NOVEMBER 30, 2016**

	Unrestricted	Temporarily restricted	Total
<b>Revenue, gains and other support:</b>			
Grants and contracts	\$ -	\$ 10,139,413	\$ 10,139,413
Rent and rental assistance	1,318,929	-	1,318,929
Contributions	178,116	73,353	251,469
Program fees and reimbursements	127,574	-	127,574
Other revenue	49,150	-	49,150
In-kind contributions	2,330,502	-	2,330,502
Net assets released from restrictions	10,027,352	(10,027,352)	-
<b>Total revenue, gains and other support</b>	<u>14,031,623</u>	<u>185,414</u>	<u>14,217,037</u>
<b>Expenses:</b>			
Program services:			
Head Start	9,643,436	-	9,643,436
Meal distribution	1,769,861	-	1,769,861
Housing	1,205,876	-	1,205,876
Social services	819,441	-	819,441
Total program services	<u>13,438,614</u>	<u>-</u>	<u>13,438,614</u>
Supporting services:			
General and administrative	817,134	-	817,134
Total supporting services	<u>817,134</u>	<u>-</u>	<u>817,134</u>
<b>Total expenses</b>	<u>14,255,748</u>	<u>-</u>	<u>14,255,748</u>
Increase (decrease) in net assets	<u>(224,125)</u>	<u>185,414</u>	<u>(38,711)</u>
Net assets at beginning of year	<u>316,167</u>	<u>2,571,297</u>	<u>2,887,464</u>
<b>Net assets at end of year</b>	<u>\$ 92,042</u>	<u>\$ 2,756,711</u>	<u>\$ 2,848,753</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, 2016**

**Cash flows from operating activities:**

Net change in total assets	\$ (38,711)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	598,272
Gain on sale of assets	(19,199)
(Increase) decrease in operating assets	
Accounts receivable	49,005
Prepaid expenses and deposits	(144,832)
Increase (decrease) in operating liabilities	
Accounts payable	(202,041)
Accrued expenses payable	23,720
Deposits	(2,620)
Deferred revenues	<u>(36,638)</u>
Net cash provided (used) by operating activities	<u>226,956</u>

**Cash flows from investing activities:**

Proceeds from sale of assets	19,199
Payments for property and equipment	<u>(14,685)</u>
Net cash provided by investing activities	<u>4,514</u>

**Cash flows from financing activities:**

Principal payments on notes payable	<u>(251,207)</u>
Net cash provided by financing activities	<u>(251,207)</u>
Net increase (decrease) in cash	(19,737)
Cash at beginning of year	<u>813,097</u>
<b>Cash at end of year</b>	<u><u>\$ 793,360</u></u>

**Supplementary Disclosure of Cash Flow Information:**

Cash paid during the year for interest	<u><u>\$ 457,180</u></u>
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The accompanying notes are an integral part of the financial statements.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED NOVEMBER 30, 2016**

	Program Services					General and Administrative	2016 Total
	Head Start	Meal Distribution	Housing	Social Services	Total		
Personnel & fringe benefits	\$ 5,454,907	\$ 949,700	\$ 126,370	\$ 120,390	\$ 6,651,367	\$ 340,183	\$ 6,991,550
Program expenses	459,254	558,156	203	648,217	1,665,829	20,754	1,686,583
Professional expenses	393,340	33,634	90,586	7,398	524,957	55,133	580,091
Interest expense	146,557	890	306,410	146	454,003	3,177	457,180
Supplies	169,483	97,446	15,351	5,317	287,596	8,401	295,997
Insurance	95,706	7,624	48,997	1,165	153,492	13,703	167,195
Automobile and travel expens	31,237	13,063	1,654	1,716	47,669	2,435	50,105
Occupancy	231,198	61,312	194,592	13,806	500,908	23,961	524,870
Maintenance and repairs	107,911	25,099	70,267	15,807	219,084	33,604	252,688
Equipment	44,212	1,839	45	369	46,466	20,007	66,473
Conferences and training	94,293	6,487	609	1,656	103,045	12,070	115,115
Printing and copying	33,014	4,718	125	1,165	39,021	3,001	42,022
Dues and subscriptions	29,468	2,827	607	496	33,398	2,676	36,074
Miscellaneous	23,040	6,382	12,503	1,791	43,717	17,314	61,031
In-kind expenses	2,329,817	685	-	-	2,330,502	-	2,330,502
<b>Total expenses before depreciation</b>	<b>9,643,436</b>	<b>1,769,861</b>	<b>868,317</b>	<b>819,441</b>	<b>13,101,055</b>	<b>556,420</b>	<b>13,657,475</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>337,559</b>	<b>-</b>	<b>337,559</b>	<b>260,713</b>	<b>598,272</b>
<b>Total expenses</b>	<b>\$ 9,643,436</b>	<b>\$ 1,769,861</b>	<b>\$ 1,205,876</b>	<b>\$ 819,441</b>	<b>\$ 13,438,613</b>	<b>\$ 817,134</b>	<b>\$ 14,255,747</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, 2016

**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 twenty-one 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 Auditing Standards Codification (ASC) 958, *Presentation of Financial Statements of Not-for-Profit Organizations*. 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 the organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. These balances represent the unexpended portion of externally restricted contributions and investment return to be used for specific programs or activities.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. There were no permanently restricted balances or transactions during the year ended November 30, 2016.

Contributions are recognized as revenues in the period unconditional promises to give are 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2016**

unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets 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.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets 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 facilities, supplies, services, and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value at date of receipt. Certain grants require in-kind and/or cash matching funds. WBCO utilized the fair market value of office space, furniture and equipment, and donated services as in-kind expense. The fair market rate is sometimes dictated by grant requirements. The recognition of the in-kind expense is offset by a corresponding revenue. 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 eight accounts in the amount of \$793,360 at November 30, 2016.

*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, 2016, 95% of OWBC'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, 2016**

*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 unrestricted contributions 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 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.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2016**

*Accrued Vacation Payable*

Under the terms of OWBC's personnel policy, employees are granted up to 200 vacation hours per year, depending on the length of employment. In the event of termination, an employee is paid for all accumulated vacation leave. The liability for accumulated vacation leave is recorded when earned by the employee. At November 30, 2016, the liability for unused vacation leave was \$132,029.

*Resident Deposits*

Deposits are required under the rental agreement for residents entering the affordable housing apartment complex. The deposit amount varies based on the rental plan and the type of unit. Interest is earned on the deposits and is kept by WBCO. At November 30, 2016, WBCO held \$59,000 in deposits which will be returned or applied to rent income when the tenant leaves.

*Apartment Rental Income*

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

*Fundraising*

From time to time, OWBC 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*

OWBC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, OWBC 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, OWBC 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 OWBC's financial statements.

OWBC'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, 2016**

*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 one financial institution by \$134,405 at November 30, 2016.

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 62% of its total revenue for the year ended November 30, 2016 from the Head Start Program, exclusive of in-kind contributions.

*Expenses*

The costs of providing various programs and other activities of the organization 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 the organization are allocated to programs in proportion to the benefits received from shared expenditures. The allocation is based on the ratio of salaries expense within the subject programs. Costs by their natural classification are presented in the statement of functional expenses.

*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.

**Note 2 - Accounts Receivable**

Accounts receivable consist of the following at November 30:

	<u>2016</u>	<u>2015</u>
Grants and contracts	\$ 571,419	\$ 462,974
Management fees	13,544	188,112
Tenant rents	28,624	11,506
Total	<u>\$ 613,587</u>	<u>\$ 662,592</u>

At November 30, 2016, none of OWBC's receivable balance was over 90 days past due. No allowance for uncollectible amounts is provided since all amounts were deemed collectible.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2016**

**Note 3 - Property and Equipment**

Property and equipment consists of the following at November 30:

	<u>2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>2016</u>
Land	\$ 408,363	-	-	408,363
Furniture and Equipment	900,781	14,685	(39,504)	875,962
Buildings and Improvements	<u>16,758,880</u>	<u>-</u>	<u>-</u>	<u>16,758,880</u>
Total Fixed Assets	18,068,024	14,685	(39,504)	18,043,205
Accumulated Depreciation	<u>(6,903,008)</u>	<u>39,504</u>	<u>(598,272)</u>	<u>(7,461,776)</u>
Net property and equipment	<u>11,165,016</u>	<u>54,189</u>	<u>(637,776)</u>	<u>10,581,429</u>

Depreciation expense for the year ended November 30, 2016 was \$598,272. Playground equipment purchases totaling \$14,685 were added during the year ended November 30, 2016. Fully depreciated automobiles with an original purchase price of \$39,504 were sold during the year ended November 30, 2016 at a gain of \$19,199.

**Note 4 – Restrictions on Net Assets**

Revenues earned under grant contracts for specific purposes and other donor contributions with temporary restrictions are recorded as temporarily restricted revenues. At November 30, 2016, temporarily restricted net assets totaling \$2,756,711 consists of revenues in excess of expenses for the following programs:

Head Start	\$ 182,849
Meal distribution	216,857
Social services	282,211
Federal capital assets, net of accumulated depreciation	<u>2,074,794</u>
Total	<u>\$ 2,756,711</u>

The sources of net assets released from temporary restrictions by either the passage of time or incurring expenditures satisfying the restricted purpose during the year ended November 30, 2016 were as follows:

Head Start	\$ 7,308,472
Meal distribution	1,756,131
Social services	819,944
Federal capital assets, net of accumulated depreciation	<u>142,805</u>
Total	<u>\$10,027,352</u>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2016**

**Note 5 – Long-term Debt**

The following is a summary of the long-term debt payable at November 30, 2016:

Note payable to the Texas Department of Housing and Community Affairs secured by the multi-family housing project at 2702 Bagdad Road in Leander, Texas, with a net book value of \$1,407,012. Payments of principal are due monthly through March 2030 in the amount of \$3,333 with a final payment of the remaining principal due in March 2030. No interest will accrue on this note unless there is an occurrence of default. \$1,150,000 will be waived and forgiven in March 2030 only in the event there is no occurrence of default.	\$ 1,683,167
Note payable to RBank secured by the office building located at 604 High Tech Drive, Georgetown, Texas, with a net book value of \$262,611. The interest rate is 4.5%. Payments of principal and interest are due monthly in the amount of \$1,113 with a final payment of the remaining principal due in March 2033.	151,469
Note payable to the Texas Department of Housing and Community Affairs secured by Phase II of the multi-family housing project at 2702 Bagdad Road in Leander, Texas, with a net book value of \$3,312,939. Payments of principal are due monthly through July 2034 in the amount of \$14,448 with a final payment of the remaining principal due in July 2034. The note bears interest at 10%.	1,484,787
Note payable to First State Bank Central Texas secured by the multi-family housing project at 2702 Bagdad Road in Leander, Texas including additional renovations, with a net book value of \$5,037,421 which also secures the two notes payable to TDHCA. The interest rate is 6.94%, and payments of principal and interest are due monthly through March 2025 in the amount of \$29,172, with the entire principal balance and any accrued interest due in March 2025.	3,578,215
Note payable to RBank secured by the Round Rock Transition building located in Round Rock, Texas with a net book value of \$3,194,136. The interest rate is variable and adjusted every five years to prime plus 1% (4.5% at year end). Payments of principal and interest are due monthly in the amount of \$12,849 with a final payment of the remaining principal due in September 2033.	1,815,996
Repayment agreement with the U.S. Department of Health and Human Services, due in monthly installments of \$975, including interest at 10.5% due June 2018	17,124
	<hr/>
Total long-term debt payable	8,730,758
Less current portion	(266,827)
	<hr/>
Long-term portion	<u>\$ 8,463,931</u>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED NOVEMBER 30, 2016**

**Note 5 – Long-term Debt (Continued)**

The annual maturities of the long-term debt at November 30, 2016 are as follows:

Year	Principal	Interest	Totals
2017	\$ 266,827	481,885	748,712
2018	276,977	465,849	742,826
2019	287,667	449,293	736,960
2020	304,403	432,585	736,988
2021	320,936	416,108	737,044
Thereafter	7,273,948	2,060,956	9,334,904
Totals	<u>8,730,758</u>	<u>4,306,676</u>	<u>13,037,434</u>

**Note 6 - Operating Leases Commitments**

The organization leases various facilities and office equipment for its programs. The leases are recorded as operating leases. Lease expense for the years ended November 30, 2016 was \$86,486. Future minimum payments, excluding common area maintenance expense, on these noncancelable leases are as follows:

Years Ending November 30,	
2017	\$ 113,236
2018	89,206
2019	76,474
2020	73,427
2021	63,339
Thereafter	252,257
	<u>\$ 667,939</u>

**Note 7 – 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 \$73,399 for the year ended November 30, 2016. 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, 2016**

**Note 8 – Donated Services, Supplies, and Facilities**

WBCO recognized the following in-kind revenue and expense for the year ended November 30, 2016:

	Head Start	Title III
Volunteer/parent hours	\$ 548,576	\$ -
Facilities use	745,088	-
Education services	985,496	-
Other	50,657	685
	\$2,329,817	\$ 685

**Note 9 – 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, 2016, 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.

403(b) Retirement Program: WBCO sponsors a 403(b) retirement plan for its employees. The plan requires annual reporting to the Internal Revenue Service and Department of Labor. During the year ended November 30, 2013, management became aware of compliance issues with the plan. Management is addressing the issues and does not expect the total cost to become compliant to have a material effect on the financial statements. The financial statements do not reflect any liability at this time because the amount is uncertain. During the year ended November 30, 2015, WBCO adopted a new 403(b) document and changed their plan sponsor.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED NOVEMBER 30, 2016

**Note 10 – 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 11 – 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 \$27,996 were earned for the year ending November 30, 2016. Additionally, BSHO reimburses WBCO for expenses related to services provided by employees of WBCO. Reimbursements of \$7,746 were received for the year ending November 30, 2016.

BSHO owes WBCO \$13,544 at November 30, 2016 which is included in accounts receivable on the Statement of Financial Position.

**Note 12 – Evaluation of Subsequent Events**

OWBC 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 August 28, 2017, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

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

# WEST, DAVIS & COMPANY, LLP

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Williamson-Burnet County Opportunities, Inc. (OWBC), which comprise the statement of financial position as of November 30, 2016, 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 August 28, 2017.

### **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 OWBC's internal control. Accordingly, we do not express an opinion on the effectiveness of OWBC's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2016-001 to be a material weakness.

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. We consider the deficiency described in the accompany schedule of findings and questioned costs as Finding 2016-002 to be a significant deficiency.

### **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*.

### **WBCO's Response to Findings**

WBCO's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. WBCO's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
August 28, 2017

# WEST, DAVIS & COMPANY, LLP

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

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

### **Report on Compliance for Each Major Federal Program**

We have audited Williamson-Burnet County Opportunities, Inc.'s (OWBC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of OWBC's major federal programs for the year ended November 30, 2016. OWBC'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 OWBC'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, 2016.

## **Other Matters**

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding 2016-003. Our opinion on each major federal program is not modified with respect to these matters.

WBCO's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. WBCO's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **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 OWBC'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 OWBC's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2016-005 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2016-004 to be a significant deficiency.

Williamson-Burnet County Opportunities, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Williamson-Burnet County Opportunities, Inc.'s response and, accordingly, we express no opinion on it.

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

August 28, 2017

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED NOVEMBER 30, 2016**

<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>
<b><u>MAJOR PROGRAMS</u></b>				
U.S. Department of Health and Human Services				
Head Start	12/1/14 - 11/30/15	93.600	06CH7173/01	\$ 27,948
Head Start	12/1/15 - 11/30/16	93.600	06CH7173/01	<u>7,362,270</u>
Total U.S. Department of Health and Human Services				<u>7,390,218</u>
<b><u>NON-MAJOR PROGRAMS</u></b>				
U.S. Department of Agriculture				
Passed through the Texas Department of Agriculture:				
Child and Adult Care Food Program	10/1/15 - 9/30/16	10.558	TX 246-001	442,738
Child and Adult Care Food Program	10/1/16 - 9/30/17	10.558	TX 246-001	<u>117,059</u>
Total U.S. Department of Agriculture				<u>559,797</u>
U.S. Department of Health and Human Services				
Passed through the Texas Department of Housing and Community Affairs:				
Low Income Home Energy Assistance Program	1/1/15 - 7/31/16	93.568	58150002132	106,031
Low Income Home Energy Assistance Program	1/1/16 - 6/30/17	93.568	58160002360	<u>594,133</u>
Total Low Income Home Energy Assistance Program				<u>700,164</u>
Community Service Block Grant	1/4/15 - 5/31/16	93.569	61150002201	68,242
Community Service Block Grant	1/1/16 - 5/31/17	93.569	61160002400	162,740
Community Service Block Grant	2/1/16 - 8/31/16	93.569	61150002452	17,640
Community Service Block Grant	9/1/16 - 2/28/17	93.569	61160002525	<u>6,652</u>
Total Community Service Block Grant				<u>255,274</u>
Total U.S. Department of Health and Human Services				<u>955,438</u>
U.S. Department of Homeland Security				
Passed through the Capital Area United Way:				
Emergency Food and Shelter Program	9/15/16 - 3/31/17	97.024	782400-004	<u>57,250</u>
U.S. Department of Housing and Urban Development				
Passed through Williamson County, Texas:				
Community Development Block Grant	10/1/15 - 9/30/16	14.218	322P FY15	<u>6,000</u>
Total expenditures of federal awards				<u>\$ 8,968,703</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, 2016**

**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 OWBC 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 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 December 2016 *Catalog of Federal Domestic Assistance*.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2016**

**Section 1 - Summary of Auditors' Results**

***Financial Statements***

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

Internal control over financial reporting:

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

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified:   X   Yes        No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   X   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?   X   Yes        No

***Identification of Major Programs***

- **93.600 - Head Start**
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 - **No**

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED NOVEMBER 30, 2016**

**Section 2 – Financial Statement Findings**

*Finding 2016-001 - Material Weakness in Financial Reporting- Material Audit Adjustments*

Criteria or Specified Requirement

Management is responsible for establishing and maintaining effective internal control over financial reporting under Generally Accepted Accounting Principles (GAAP) to ensure that their external financial statements are fairly presented in accordance with GAAP.

Condition Found

During the audit, we identified misstatements in the Organization's accounting records that are material in the aggregate to the financial statements. These misstatements were not identified prior to the audit by internal controls used by the Organization's management.

Cause

Management did not make all of the necessary entries to properly record its accounting activity in accordance with GAAP for the year ended November 30, 2016.

Effect

Prior to audit procedures, material misstatements in the current year financial statements were not identified and corrected by the internal control procedures utilized by the Organization's management.

Recommendation

We recommend management more closely review all of the significant activity and balances and make any necessary adjustments to their accounting records and financial statements, especially at year-end.

Views of Responsible Officials and Planned Corrective Action

Refer to the Corrective Action Plan prepared by management.

*Finding 2016-002 - Significant Deficiency and Compliance with Board-Approved Purchasing Policies*

Criteria or Specified Requirement

The Board adopted purchasing policies that require three written bids for purchases over \$3,500 and competitive bidding and formal solicitation for purchases over \$25,000.

Condition Found

Documentation of the verbal or written bids or quotes were not always maintained or less than the three minimum bids or quotes were received. Documentation of bid specifications was not always apparent as formal solicitation was not consistently used. In two cases, formal solicitation was required by the federal grant but there was no formal solicitation performed. See Finding 2016-003 for further detail.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

Cause

Relative to the requirement to obtain at least three written bids for procurements over \$3,500 and competitive bidding and formal solicitation is used for purchases over \$25,000, there are no procedures in place to ensure the process is properly and consistently followed and to document responses received by prospective vendors.

Effect

Purchasing policies are in place to ensure the Organization gets the best value by obtaining prices from multiple sources and proper approvals. Not following policies or maintaining documentation does not allow for proper oversight of the process.

Recommendation

We recommend that management follow current policies. We also recommend that program directors obtain and review required bids or quotes prior to approving purchase orders over \$3,500 and maintain all related documentation. We also recommend that management consider using available purchasing cooperatives and incorporating this option into the local purchasing policy.

Views of Responsible Officials and Planned Corrective Action

Please refer to the Corrective Action Plan prepared by management.

**Section 3 – Federal Award Findings**

*Finding 2016-003 - Significant Deficiency in Procurement - Child and Adult Care Food Program (CFDA #10.558)*

Criteria or Specified Requirement

Supply and food purchases used in the Child and Adult Care Food Program must be properly procured to ensure, to the maximum extent practical, open and free competition. Vendors selected may not be suspended or debarred from entering into federal contracts

Condition Found

The Child and Adult Care Food Program purchased over \$25,000 in food and supplies used in the program. As such, competitive proposals were required. Management obtained price lists from two different vendors that account for most of the nonperishable purchases but no formal competitive bidding or advertising was performed. A formal cost analysis was not documented showing why the awarded vendor was selected. No procedures were performed to verify that selected vendors were eligible to enter into federal contracts. No formal advertising was used to establish an approved vendor list. As such, only the called vendors could provide prices. There was no documentation of the verbal price quotes received.

Cause

Relative to the requirement to obtain competitive bidding and formal solicitation for purchases over \$25,000, there are no procedures in place to ensure the process is properly and consistently followed and to document responses received by prospective vendors. Management failed to follow procedures in place for formal solicitation.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

Effect

Purchasing policies are in place to ensure the Organization gets the best value by obtaining prices from multiple sources. Not following policies or maintaining documentation does not allow for proper oversight of the process.

Recommendation

We recommend that management follow procedures in place for the formal solicitation of procurements in excess of \$25,000. We also recommend that management consider using available purchasing cooperatives and incorporating this method into their purchasing policy. We also recommend that management consider centralizing purchase decisions and that management take steps to ensure employees that are responsible for procurement obtain relevant training regarding federal procurement requirements.

*Finding 2016-004 - Significant Deficiency in Internal Control over Compliance with Indirect Cost Allocations - Head Start - CFDA #93.600, Community Services Block Grant - CFDA #93.569*

Criteria or Specified Requirement

Management uses two pool funds to allocate central office costs to its various funds, activities and projects. These costs consist of salaries of overall management staff, accounting and fiscal staff, legal invoices, board expenses, etc. These costs are either allocated based on labor hours or by the number of transactions of the particular fund, activity or project. All funds, activities and projects should participate in the allocation.

Condition Found

In review of the allocation from the two pool funds, it was noted that several funds, activities and projects received no allocation. As such, the other funds, activities and projects are charged more than their share of those costs. It was further found that the documentation of the hours or transaction numbers were not maintained to support the allocation as the process is automated within the accounting software.

Cause

Management indicated that some grant awards do not allow allocation of central office costs. Another grant operates at a loss which is covered by Head Start. Current allocations have been set up to automatically calculate in their software based on parameters set up by previous management.

Effect

Some grant funds or projects receive excess pool allocations.

Questioned Costs

Monthly allocations are made within the accounting software but the hour and transaction totals are not documented; consequently, there is no way to recompute the allocation to include all funds, activities and projects used by the Organization. However, it is believed that the differences would not be material to any individual grant.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

Recommendation

We recommend that the allocation include all funds, activities and projects so that each shares in the pool cost. This could necessitate a change in the method used to allocate costs as some funds which should receive a pool allocation have no salaries. Alternatively, management should consider adopting an indirect cost rate that would be submitted to the U.S. Department of Health and Human Services for allocating funds, activities and projects in the future.

*Finding 2016-005 – Material Weakness in Internal Control over Compliance with Cash Management and Reporting - Head Start- CFDA# 93.600*

Criteria or Specified Requirement

Management should request drawdowns only for actual expenses or projected expenses with any advances being liquidated in a timely manner. Furthermore, final expense reports should agree to the general ledger accounts.

Condition Found

While testing drawdown requests, it was noted that management uses actual profit and loss statements as a basis for the drawdown. The last drawdown was made on December 5, 2016 at which time allowable costs on the profit and loss statement exceeded cumulative drawdowns \$30,656. Various expense reclassifications, accruals and encumbrances were used to reconcile total expenses on the profit and loss statement to total expenses eligible for reimbursement. Many of the reconciling items could not be traced to allowable costs. No allocation of indirect costs for the month of November 2016 had been included on the reconciliation (see Finding 2016-004). Management also failed to account for \$27,948 of 2015 disallowed costs.

Cause

Drawdowns were prepared and requested without an independent review. The final drawdown was made on December 5, 2016 to pull down the full grant even though documentation was not in place to support this amount.

Effect

Proper documentation was not in place to support the allowability of Head Start costs.

Questioned Costs

Since audit procedures were performed to vouch accruals, reclassifications, and indirect cost allocations eligible for reimbursement as of November 30, 2016 in excess of the allowable drawdown, there are no questioned costs.

Recommendation

We recommend that drawdowns match adjusted profit and loss statements or documented advances throughout the year and that they are independently reviewed for accuracy. Furthermore, at grant year end, we recommend that all allowable expenses be properly and timely recorded to the Head Start grant fund.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**CORRECTIVE ACTION PLAN**  
**YEAR ENDED NOVEMBER 30, 2016**

OWBC offers the following corrective action plans for the current year findings:

**Finding 2016-001 - Material Audit Adjustments**

The department incurred turnover immediately prior to the audit and temps were called in to gather documentation and finalize reconciliations. There were gaps in communication leading to the entries cited in this comment. Management agrees, all balance sheet accounts should have been reconciled by year end, but due to employee turnover there were issues with some of the accounts not being properly reviewed and reconciled. Management is working to recruit accounting personnel with adequate skill, knowledge, and experience necessary to correct this issue and ensure it does not occur in the future. Management will develop and document a formal month end close process and checklist for the accounting personnel and workbook of reconciliation schedules for balance sheet accounts. A formal close process and reconciliation of all balance sheet accounts each month will ensure financial statements are fairly presented in accordance with GAAP.

Action: Document formal monthly close process  
Due Date: 10/1/17  
Staff: Bette Walk

**Finding 2016-002 - Significant Deficiency and Compliance with Board-Approved Purchasing Policy**

A new procurement policy has been written and approved by the board in FY2016. Management has entered into agreements with Choice Partners and Texas Smart Buy to assist with choosing approved vendors and public notice requirements. Program directors will be responsible for ensuring procurement guidelines are followed for purchases. Management will develop a form for program directors to complete that summarizes steps completed. AP will verify completion of the form prior to payment and file in vendor files.

Action: Create and implement use of a form to verify process compliance  
Due Date: 10/1/17  
Staff: Lana Marsh

**Finding 2016-003 - Significant Deficiency and Compliance- CACFP**

See response to finding 2016-002.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**CORRECTIVE ACTION PLAN (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

**Finding 2016-004 - Compliance with Indirect Cost Allocations**

Management agrees that due to the turnover in staff, there were gaps in communication and transfer of knowledge regarding the allocation processes that are facilitated within the software. However, only the transaction pool allocations cannot be documented and they are not material to any grant. Management has scheduled training with a Head Start Grantee Specialist on August 31, 2017 regarding cost allocations. In addition, OWBC is working with the software specialist to schedule group trainings for accounting personnel to accelerate their understanding of the software features that will improve efficiency and accuracy. Management will document allocation processes along with the month end close processes noted in finding 2016-001.

The scheduled training scheduled with Head Start Grantee Specialist will also include a review of the cost allocation plan and discussion about adoption of an indirect cost rate to allocate funds.

Action: Include allocation explanation in formal monthly close process (see 2016-001)  
Due Date: 10/1/17  
Staff: Bette Walk

**Finding 2016-005 - Compliance with Cash Management and Reporting - Head Start**

Management agrees that due to the turnover in staff, there were gaps in communication and transfer of knowledge regarding amounts on the balance sheet and preparation of the drawdown calculation each period. Management will develop a process for the drawdown calculation that includes documentation and review of the balance sheet items. After preparation, drawdown worksheets will be reviewed for accuracy by the program director and/or one additional accounting staff member. At the end of each grant year, reconciliation between the organization's financial statements and funds received will become part of the process.

Action: Develop and document process for drawdown calculation and year end reconciliation to financial statements.  
Due Date: 10/1/17  
Staff: Tara Russell

Gordon Pierce, Interim Executive Director, is the official responsible for implementing each corrective action plan.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED NOVEMBER 30, 2015**

**Finding 2015-001 - Material Weakness- Management Override of Board Policies**

**Criteria or Specified Requirement:** The Board adopts policies that management should follow in running the organization including procurement and fiscal policies. Management is responsible for ensuring compliance with these policies.

**Condition Found:** Policies requiring that checks over \$10,000 contain dual signatures and that the Board approve all contracts over \$50,000 were not followed.

**Cause:** Management indicated an urgent need for the applicable purchases. The maintenance agreement was not originally intended to exceed \$50,000, but due to various other needs, additional tasks were added to the original scope of work.

**Effect:** Proper oversight by the Board was by-passed.

**Recommendation:** The auditor recommended that management follow current policies.

**OWBC Action Taken:** OWBC has developed adequate controls. Checks are reviewed for proper signature prior to release. A new procurement policy was adopted in June 2016 requiring a more thorough review and approval process for contracts.

**Auditor Response:** These changes have been implemented and are in effect.

**Finding 2015-002- Material Weakness in Financial Reporting - Material Audit Adjustments**

**Criteria or Specified Requirement:** Management is responsible for establishing and maintaining effective internal control over financial reporting under Generally Accepted Accounting Principles (GAAP) to ensure that their external financial statements are fairly presented in accordance with GAAP.

**Condition Found:** The auditor identified misstatements in the Organization's accounting records that are material in the aggregate to the financial statements. These misstatements were not identified prior to the audit by internal controls used by the Organization's management.

**Cause:** Management did not make all of the necessary entries to properly record its accounting activity in accordance with GAAP for the year ended November 30, 2015.

**Effect:** Prior to audit procedures, material misstatements in the financial statements were not identified and corrected by the internal control procedures utilized by the Organization's management.

**Recommendation:** The auditor recommended management more closely review all of the significant activity and balances and make any necessary adjustments to their accounting records and financial statements, especially at year-end.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)  
YEAR ENDED NOVEMBER 30, 2015

**Action Taken:** See current year finding 2016-001.

**Auditor Response:** See current year finding 2016-001.

**Finding 2015-003 - Significant Deficiency and Compliance with Board-Approved Purchasing Policies**

**Criteria or Specified Requirement:** The Board adopted local purchasing policies that require Executive Director and Program Director approval depending on the amount of the purchase. Purchases under \$500 should have verbal cost analysis or use a pre-approved vendor. Purchases over \$500 require a minimum of three oral or written bids or quotes. Formal solicitation is needed for purchases over \$25,000 if required by the funding agency.

**Condition Found:** Documentation of the verbal or written bids or quotes were not always maintained or less than the three minimum bids or quotes required were received and most of the applicable purchases did not have the documented approval of the Executive Director.

**Cause:** Policies had not been updated to include the CFO's ability to approve the purchases. There are no procedures in place to document responses received by prospective vendors. Management also does not consider the formal solicitation process to include public notice advertising.

**Effect:** Not following policies or maintaining documentation does not allow for proper oversight of the process.

**Recommendation:** The auditor recommended that management follow current policies or rewrite policies that meet management's needs and that management consider using available purchasing cooperatives and incorporating this option into the local purchasing policy. The auditor also recommended that program directors obtain and review required bids or quotes prior to approving the purchase order and maintain all related documentation.

**Action Taken:** See current year finding 2016-002.

**Auditor Response:** See current year finding 2016-002.

**Finding 2015-004- Significant Deficiency in Procurement - Child and Adult Care Food Program (CFDA #10.558)**

**Criteria or Specified Requirement:** Supply and food purchases used in the Child and Adult Care Food Program must be properly procured to ensure, to the maximum extent practical, open and free competition.

**Condition Found:** Formal procurement was required. No formal public advertising was performed and a formal cost analysis was not documented. No formal advertising was used to establish an approved vendor list. There was no documentation of the verbal price quotes received.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)  
YEAR ENDED NOVEMBER 30, 2015

**Cause:** Management indicated they were unaware that formal procurement included public notice advertising. There are no procedures in place to document responses from verbal or written quotes.

**Effect:** Purchasing policies are in place to ensure the Organization gets the best value by obtaining prices from multiple sources. Not following policies or maintaining documentation does not allow for proper oversight of the process.

**Recommendation:** The auditor recommended that management advertise in the public notice section of their local newspapers to ensure maximum open and free competition and that awarding analysis of product subject to a fixed price should be documented. The auditor also recommended that management consider using available purchasing cooperatives and incorporating into the local purchasing policy. The auditor also recommended that management consider centralizing purchase decisions and that employees that are responsible for procurement obtain relevant training.

**Action Taken:** See current year finding 2016-003.

**Auditor Response:** See current year finding 2016-003.

**Finding 2015-005 - Compliance with Indirect Cost Allocations - Head Start (CFDA #93.600), Community Services Block Grant (CFDA #93.569)**

**Criteria or Specified Requirement:** Management uses two pool funds to allocate central office costs to its various funds, activities and projects. All funds, activities and projects should participate in the allocation.

**Condition Found:** In review of the allocation from the two pool funds, it was noted that several funds, activities and projects received no allocation. It was further found that the documentation of the hours or transaction numbers were not maintained to support the allocation as the process is automated within the accounting software.

**Cause:** Management indicated that some grant awards do not allow allocation of central office costs. Another grant operates at a loss which is covered by Head Start. Current allocations have been set up to automatically calculate in their software based on parameters set up by previous management.

**Effect:** Some grant funds or projects receive excess pool allocations.

**Recommendation:** The auditor recommended that the allocation include all funds, activities and projects so that each shares in the pool cost. Alternatively, management should consider adopting an indirect cost rate that would be submitted to the U.S. Department of Health and Human Services for allocating funds, activities and projects in the future.

**Action Taken:** See current year finding 2016-004.

**Auditor Response:** See current year finding 2016-004.

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)  
YEAR ENDED NOVEMBER 30, 2015

**Finding 2015-006 - Compliance with Cash Management and Reporting - Head Start (CFDA# 93.600)**

**Criteria or Specified Requirement:** Management should request drawdowns only for actual expenses or projected expenses with any advances being liquidated in a timely manner. Furthermore, final expense reports should agree to the general ledger accounts.

**Condition Found:** Audited Head Start expenses allowable for reimbursement were determined to be \$27,948 less than cumulative drawdowns.

**Cause:** Drawdowns were prepared and requested without an independent review. Drawdowns were not reconciled to actual allowable costs.

**Effect:** Fund drawdowns exceeded final grant expenses.

**Recommendation:** We recommend that drawdowns match adjusted profit and loss statements or documented advances throughout the year and that they are independently reviewed for accuracy.

**Action Taken:** See current year finding 2016-005.

**Auditor Response:** See current year finding 2016-005.

## **SUPPLEMENTARY INFORMATION**

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL**  
**YEAR ENDED NOVEMBER 30, 2016**

	Head Start 1630	Early Head Start 1635	Head Start 1530	Early Head Start 1535	Head Start 3018	Child Care Food 3761	Title III 3031	Title III 3032	Title XIX 3041
<b>Revenues:</b>									
Grants and contracts	\$ 3,818,305	\$ 3,543,965	\$ 27,948	\$ -	\$ -	\$ 561,207	\$ 391,914	\$ 427,495	\$ 13,989
Rent and rental assistance	-	-	-	-	-	-	-	-	-
Contributions	300	420	-	-	-	-	212,640	1,755	-
Program fees	-	-	-	-	-	-	36,050	63,178	-
Other revenue	-	11,841	-	-	-	-	2,661	-	-
In-kind contributions	1,100,360	1,229,457	-	-	-	-	685	-	-
Interest income	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of property	5,019	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,923,984</b>	<b>4,785,684</b>	<b>27,948</b>	<b>-</b>	<b>-</b>	<b>561,207</b>	<b>643,949</b>	<b>492,428</b>	<b>13,989</b>
<b>Expenses:</b>									
Personnel & fringe benefits	2,767,432	2,687,474	-	-	-	295,360	506,725	62,501	85,114
Program expenses	348,119	139,083	(27,948)	-	-	247,672	298,776	33	11,675
Professional expenses	193,505	199,960	50	(175)	-	15	28,938	1,535	3,146
Interest expense	73,212	73,345	-	-	-	-	754	39	97
Supplies	75,949	95,535	799	(2,801)	-	11,677	82,797	135	2,836
Insurance	47,322	48,384	-	-	-	(229)	6,589	460	804
Automobile and travel expenses	15,595	15,642	-	-	-	-	12,108	534	421
Occupancy	131,130	99,482	-	586	-	2	53,081	100	8,129
Maintenance and repairs	62,358	46,254	-	(701)	-	-	24,058	93	949
Equipment	22,057	22,156	-	-	-	-	1,610	58	170
Conferences and training	48,844	43,638	-	-	1,810	-	6,066	73	348
Printing and copying	17,704	15,311	-	-	-	-	4,351	102	264
Dues and subscriptions	12,884	16,584	-	-	-	-	2,708	14	106
Miscellaneous	12,756	10,285	-	-	-	-	6,066	47	270
In-kind expenses	1,100,360	1,229,457	-	-	-	-	685	-	-
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>4,929,227</b>	<b>4,742,589</b>	<b>(27,099)</b>	<b>(3,091)</b>	<b>1,810</b>	<b>554,499</b>	<b>1,035,310</b>	<b>65,723</b>	<b>114,329</b>
<b>Revenues Over (Under) Expenses</b>	<b>(5,243)</b>	<b>43,095</b>	<b>55,047</b>	<b>3,091</b>	<b>(1,810)</b>	<b>6,708</b>	<b>(391,361)</b>	<b>426,704</b>	<b>(100,340)</b>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

	Senior Citizens 3051	Swalm 3055	CDBG Round Rock 3057	Georgetown Health Fdn 3634	CEAP 3591	TXU Energy Aid 3201	Share the Warmth 3308	TDA Meals 3622	EFSP 3611
<b>Revenues:</b>									
Grants and contracts	\$ 66,717	\$ 30,000	\$ 6,000	\$ 90,000	\$ 700,216	-	-	\$ 102,952	\$ 57,250
Rent and rental assistance	-	-	-	-	-	255	-	-	-
Contributions	1,340	-	-	-	-	9,000	310	-	-
Program fees	350	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	212	-	-	-	-
In-kind contributions	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Gain/(loss) on sale of property	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>68,407</b>	<b>30,000</b>	<b>6,000</b>	<b>90,000</b>	<b>700,429</b>	<b>9,255</b>	<b>310</b>	<b>102,952</b>	<b>57,250</b>
<b>Expenses:</b>									
Personnel & fringe benefits	55,860	-	-	-	64,531	-	-	-	-
Program expenses	97	-	6,000	18,000	584,808	13,789	-	-	21,105
Professional expenses	2,182	-	-	-	5,216	-	-	-	-
Interest expense	76	-	-	-	71	-	-	-	-
Supplies	188	-	-	-	2,750	-	-	-	-
Insurance	627	-	-	-	538	-	-	-	-
Automobile and travel expenses	45	-	-	-	1,671	-	-	-	-
Occupancy	1,223	-	-	-	12,583	-	-	-	-
Maintenance and repairs	172	-	-	-	1,468	-	-	-	-
Equipment	117	-	-	-	253	-	-	-	-
Conferences and training	141	-	-	-	1,016	-	-	-	-
Printing and copying	108	-	-	-	1,056	-	-	-	-
Dues and subscriptions	28	-	-	-	469	-	-	-	-
Miscellaneous	101	-	-	-	872	-	-	-	-
In-kind expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>60,964</b>	<b>-</b>	<b>6,000</b>	<b>18,000</b>	<b>677,301</b>	<b>13,789</b>	<b>-</b>	<b>-</b>	<b>21,105</b>
<b>Revenues Over (Under) Expenses</b>	<b>7,444</b>	<b>30,000</b>	<b>-</b>	<b>72,000</b>	<b>23,127</b>	<b>(4,533)</b>	<b>310</b>	<b>102,952</b>	<b>36,145</b>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

	Leander 3625	Senior Pet Grants 3635	Round Rock Transition 3815	Local Funds 3801	Hutto Parking Lot 3832	Hutto Beautification 3833	Cedar Ridge Apartments 3831	Cedar Ridge Operating 4000	Burnet Senior Housing 3890
<b>Revenues:</b>									
Grants and contracts	\$ 5,000	\$ 2,500	\$ -	\$ 103	\$ -	\$ 8,000	\$ -	\$ -	\$ -
Rent and rental assistance	-	-	-	-	-	-	-	1,318,674	-
Contributions	-	-	-	11,273	-	-	-	-	-
Program fees	-	-	-	-	-	-	-	-	27,996
Other revenue	-	-	-	-	-	-	-	-	7,746
In-kind contributions	-	-	-	-	-	-	-	-	-
Interest income	-	-	79	-	-	-	-	94	-
Gain/(loss) on sale of property	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>5,000</b>	<b>2,500</b>	<b>79</b>	<b>11,376</b>	<b>-</b>	<b>8,000</b>	<b>-</b>	<b>1,318,768</b>	<b>35,742</b>
<b>Expenses:</b>									
Personnel & fringe benefits	-	-	-	-	-	-	-	121,414	4,956
Program expenses	-	1,961	-	2,457	-	-	-	-	203
Professional expenses	-	-	-	-	-	-	1,620	83,264	5,702
Interest expense	-	-	-	-	-	-	-	306,336	74
Supplies	-	92	-	2,286	-	-	-	15,003	348
Insurance	-	-	-	-	-	-	-	48,323	674
Automobile and travel expenses	-	-	-	-	-	-	-	1,626	28
Occupancy	-	-	-	-	-	-	-	194,441	151
Maintenance and repairs	-	-	-	-	6,670	7,497	-	70,127	139
Equipment	-	-	-	-	-	-	-	190	(145)
Conferences and training	-	-	-	-	-	-	-	475	133
Printing and copying	-	-	-	-	-	-	-	-	125
Dues and subscriptions	-	-	-	-	-	-	-	580	27
Miscellaneous	-	-	-	818	-	-	-	12,429	74
In-kind expenses	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	337,559	-
<b>Total expenses</b>	<b>-</b>	<b>2,053</b>	<b>-</b>	<b>5,562</b>	<b>6,670</b>	<b>7,497</b>	<b>1,620</b>	<b>1,191,767</b>	<b>12,488</b>
<b>Revenues Over (Under) Expenses</b>	<b>5,000</b>	<b>447</b>	<b>79</b>	<b>5,815</b>	<b>(6,670)</b>	<b>503</b>	<b>(1,620)</b>	<b>127,001</b>	<b>23,253</b>

**WILLIAMSON-BURNET COUNTY OPPORTUNITIES, INC.**  
**COMBINING SCHEDULE OF REVENUE AND EXPENSES - PROJECT LEVEL (Continued)**  
**YEAR ENDED NOVEMBER 30, 2016**

	Program Materials 3802	CSBG 3171	Community Service 3800	Agency Admin 3901	Labor Hour Pool 3990	Transaction Pool 3991	Notes/ Capital Asset 3920	Grand Total
<b>Revenues:</b>								
Grants and contracts	\$ -	\$ 254,152	\$ -	\$ 31,700	\$ -	\$ -	\$ -	\$ 10,139,413
Rent and rental assistance	-	-	-	-	-	-	-	1,318,929
Contributions	2,518	-	167	11,747	-	-	-	251,469
Program fees	-	-	-	-	-	-	-	127,574
Other revenue	-	-	-	6,733	-	50	-	29,244
In-kind contributions	-	-	-	-	-	-	-	2,330,502
Interest income	-	-	-	534	-	-	-	707
Gain/(loss) on sale of property	-	-	-	14,180	-	-	-	19,199
<b>Total Revenues</b>	<b>2,518</b>	<b>254,152</b>	<b>167</b>	<b>64,894</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>14,217,036</b>
<b>Expenses:</b>								
Personnel & fringe benefits	-	161,987	-	82,543	87,029	8,625	-	6,991,550
Program expenses	-	17,466	-	3,288	-	-	-	1,686,583
Professional expenses	-	9,860	-	16,287	28,986	-	-	580,091
Interest expense	-	270	-	2,318	589	-	-	457,180
Supplies	-	3,538	-	570	4,293	-	-	295,997
Insurance	-	2,677	-	1,039	9,987	-	-	167,195
Automobile and travel expenses	-	2,019	-	62	355	-	-	50,105
Occupancy	-	19,998	-	387	3,576	-	-	524,870
Maintenance and repairs	-	2,431	-	29,030	1,984	159	-	252,688
Equipment	-	782	-	16,707	2,518	-	-	66,473
Conferences and training	500	10,050	-	207	1,813	-	-	115,115
Printing and copying	-	1,461	-	203	1,338	-	-	42,022
Dues and subscriptions	-	972	-	1,542	163	-	-	36,074
Miscellaneous	-	1,105	-	14,553	1,641	15	-	61,031
In-kind expenses	-	-	-	-	-	-	-	2,330,502
Depreciation	-	-	-	-	-	-	260,713	598,272
<b>Total expenses</b>	<b>500</b>	<b>234,616</b>	<b>-</b>	<b>168,735</b>	<b>144,270</b>	<b>8,799</b>	<b>260,713</b>	<b>14,255,747</b>
<b>Revenues Over (Under) Expenses</b>	<b>2,018</b>	<b>19,535</b>	<b>167</b>	<b>(103,841)</b>	<b>(144,270)</b>	<b>(8,749)</b>	<b>(260,713)</b>	<b>(38,711)</b>