



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

October 26, 2023

Board of Directors
Ohio Valley Opportunities, Inc.
P.O. Box 625
Madison, IN 47250

We have reviewed the audit report of Ohio Valley Opportunities, Inc., which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Ohio Valley Opportunities, Inc. as of December 31, 2022, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, PC prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**Ohio Valley
Opportunities, Inc. and
Subsidiaries**

**Consolidated Financial Statements
For the Years Ended
December 31, 2022 and 2021
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ohio Valley Opportunities, Inc. and Subsidiaries
Madison, Indiana

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements Ohio Valley Opportunities, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ohio Valley Opportunities, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of SVC Apartments, L.P., which statements reflect total assets of \$1,688,142 and \$1,746,811 as of December 31, 2022 and 2021, respectively, and total support and revenues of \$204,261 and \$205,880 for the years then ended, respectively. We did not audit the financial statements of Valley Court Apartments of North Vernon, which statements reflect total assets of \$1,223,735 and \$1,266,744 as of December 31, 2022 and 2021, respectively, and total support and revenue of \$180,179 and \$184,468 for the years then ended, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for SVC Apartments, L.P. and Valley Court Apartments at North Vernon are based solely on the reports of the other auditors.

Basis for Opinion

We conducted our audits 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 Audit of the Financial Statements section of our report. We are required to be independent of the Ohio Valley Opportunities, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ohio Valley Opportunities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 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 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 July 27, 2023 on our consideration of the Ohio Valley 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 solely 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 effectiveness of the Ohio Valley Opportunities, Inc.'s 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 the Ohio Valley Opportunities, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

July 27, 2023

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS		<u>2022</u>	<u>2021</u>
CURRENT ASSETS:			
Cash operating	\$	294,942	\$ 104,051
Grants receivable		364,015	431,611
Accounts receivable		24,159	23,027
Inventory		1,157	1,157
Prepaid expenses		46,289	25,750
Total current assets		<u>730,562</u>	<u>585,596</u>
LONG-TERM ASSETS			
Property and equipment, net of accumulated depreciation		5,240,335	4,999,807
Restricted deposits and funded reserves		168,380	147,714
Tenant security deposits held in trust		20,248	19,545
Other assets		2,250	7,351
		<u>5,431,213</u>	<u>5,174,417</u>
Total assets	\$	<u>6,161,775</u>	\$ <u>5,760,013</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accounts payable	\$	55,504	\$ 54,328
Accrued salaries and wages		104,204	84,340
Accrued vacation payable		88,080	76,600
Accrued interest payable		954	997
Accrued real estate taxes		14,889	14,868
Prepaid rent		293	320
Other accrued liabilities		53,588	42,602
Current portion of long-term debt		31,005	28,798
Total current liabilities		<u>348,517</u>	<u>302,853</u>
LONG-TERM LIABILITIES			
Security deposits		21,923	22,270
Line of credit		150,000	-
Long-term debt, net of current portion		1,135,900	1,166,302
Total long-term liabilities		<u>1,307,823</u>	<u>1,188,572</u>
Total liabilities		<u>1,656,340</u>	<u>1,491,425</u>
NET ASSETS			
Net assets without donor restrictions		4,505,435	4,268,588
Total net assets		<u>4,505,435</u>	<u>4,268,588</u>
Total liabilities and net assets	\$	<u>6,161,775</u>	\$ <u>5,760,013</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUE AND SUPPORT		
Grant revenue	\$ 12,997,817	\$ 8,253,960
Food supply revenue	85,513	122,191
Local support	42,566	83,333
In-kind revenue	138,048	209,931
Rental income	401,544	387,716
Donations	20,538	41,096
Other income	6,617	24,771
Interest income	34,026	34,023
	<u>13,726,669</u>	<u>9,157,021</u>
OPERATING EXPENSES		
Head Start	2,543,911	2,590,373
Section 8 Housing	1,924,719	1,900,810
Apple Blossom Court Apartments	25,272	22,244
Casa Amiga	60,490	22,537
Weatherization	803,040	683,265
Energy Assistance	7,336,652	3,097,704
Subsidiaries	505,190	487,137
Other programs	34,975	73,795
Management and general	255,573	322,676
	<u>13,489,822</u>	<u>9,200,541</u>
Increase (decrease) in net assets	236,847	(43,520)
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR	<u>4,268,588</u>	<u>4,312,108</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 4,505,435</u>	<u>\$ 4,268,588</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Head Start	Section 8 Housing	Apple Blossom Court Apartments	Casa Amiga	Weatherization	Energy Assistance	Total Services	Management and General	SVCA	Valley Court Apartments of North Vernon	Other	2022 Total
OPERATING EXPENSES												
Salaries and wages	\$ 1,067,247	\$ 141,287	\$ 1,868	\$ 6,790	\$ 228,360	\$ 281,880	\$ 1,727,432	\$ 106,463	\$ 14,832	\$ 38,636	\$ 408	\$ 1,887,771
Employee benefits	320,730	45,042	190	579	66,922	83,294	516,757	30,695	5,806	2,826	(397)	555,687
Occupancy	137,834	2,931	2,802	2,450	21,530	44,985	212,532	2,029	32,303	48,433	3,980	299,277
Telephone	26,450	4,522	-	-	8,112	12,531	51,615	1,923	-	-	10	53,548
Postage and office supplies	1,822	4,774	5,117	8	996	10,223	22,940	4,243	9,628	-	-	36,811
Contracted services	54,910	32,950	5,962	415	390,584	78,188	563,009	1,310	18,467	6,687	130	589,603
Materials and supplies	439,522	8,667	5,403	19	38,630	96,561	588,802	8,996	44,084	46,634	138	688,654
Travel and transportation	10,058	629	-	-	5,605	1,721	18,013	25	-	-	2,228	20,266
Training	43,015	2,925	-	-	8,623	13,616	68,179	1,791	-	-	1,140	71,110
Other costs	77,493	3,933	3,930	47,851	11,572	157,189	301,968	7,212	30,027	27,472	4,862	371,541
Specific assistance	123,468	1,663,382	-	1,721	-	6,529,177	8,317,748	80,580	-	-	551	8,398,879
Interest expense	-	-	-	-	-	-	-	-	56,955	11,687	21,885	90,527
Bad debt	-	-	-	-	-	-	-	-	6,636	-	-	6,636
Depreciation	103,314	13,677	-	657	22,106	27,287	167,041	10,306	69,443	34,634	40	281,464
In-kind expenses	138,048	-	-	-	-	-	138,048	-	-	-	-	138,048
Total operating expenses	<u>\$ 2,543,911</u>	<u>\$ 1,924,719</u>	<u>\$ 25,272</u>	<u>\$ 60,490</u>	<u>\$ 803,040</u>	<u>\$ 7,336,652</u>	<u>\$ 12,694,084</u>	<u>\$ 255,573</u>	<u>\$ 288,181</u>	<u>\$ 217,009</u>	<u>\$ 34,975</u>	<u>\$ 13,489,822</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Head Start	Section 8 Housing	Apple Blossom Court Apartments	Casa Amiga	Weatherization	Energy Assistance	Total Services	Management and General	SVCA	Valley Court Apartments of North Vernon	Other	2021 Total
OPERATING EXPENSES												
Salaries and wages	\$ 1,248,833	\$ 115,060	\$ 4,684	\$ 12,300	\$ 156,957	\$ 158,682	\$ 1,696,516	\$ 139,158	\$ 13,049	\$ 21,697	\$ 4,311	\$ 1,874,731
Employee benefits	433,164	45,445	798	1,251	55,574	54,989	591,221	42,727	5,244	644	(10)	639,826
Occupancy	106,594	1,344	3,103	4,200	10,934	2,687	128,862	537	27,642	39,489	2,744	199,274
Telephone	23,455	3,994	-	509	6,641	7,531	42,130	925	-	-	-	43,055
Postage and office supplies	1,364	4,670	355	33	867	7,578	14,867	604	8,891	-	-	24,362
Contracted services	35,518	31,656	4,188	1,950	390,939	77,555	541,806	22,277	17,868	7,227	33,033	622,211
Materials and supplies	212,475	8,487	6,255	438	19,257	40,030	286,942	68,671	82,506	25,110	8,324	471,553
Travel and transportation	3,166	458	-	-	4,687	56	8,367	29	-	-	-	8,396
Training	49,905	968	-	124	10,812	1,519	63,328	4,974	-	-	2,894	71,196
Other costs	48,535	5,196	2,861	699	14,010	65,460	136,761	1,519	28,886	33,106	4,105	204,377
Specific assistance	115,798	1,674,253	-	-	-	2,668,860	4,458,911	30,000	-	-	267	4,489,178
Interest expense	-	-	-	-	-	-	-	-	57,770	12,183	17,765	87,718
Bad debt	-	-	-	-	-	-	-	-	1,742	-	-	1,742
Depreciation	101,635	9,279	-	1,033	12,587	12,757	137,291	11,255	69,449	34,634	362	252,991
In-kind expenses	209,931	-	-	-	-	-	209,931	-	-	-	-	209,931
Total operating expenses	<u>\$ 2,590,373</u>	<u>\$ 1,900,810</u>	<u>\$ 22,244</u>	<u>\$ 22,537</u>	<u>\$ 683,265</u>	<u>\$ 3,097,704</u>	<u>\$ 8,316,933</u>	<u>\$ 322,676</u>	<u>\$ 313,047</u>	<u>\$ 174,090</u>	<u>\$ 73,795</u>	<u>\$ 9,200,541</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 236,847	\$ (43,520)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	281,464	252,991
(Gain) Loss on disposal of fixed assets	2,727	-
Increase (decrease) in cash from changes in:		
Grants receivable	67,596	(290,367)
Accounts and interest receivable	(1,132)	5,821
Prepaid expenses	(15,438)	20,642
Accounts payable and accrued expenses	32,498	(2,374)
Security deposits - liability	(347)	1,110
Prepaid rent	(27)	313
Other accrued liabilities	10,986	9,684
Net cash provided by (used in) operating activities	<u>615,174</u>	<u>(45,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	<u>(524,719)</u>	<u>(103,008)</u>
Net cash provided by (used in) investing activities	<u>(524,719)</u>	<u>(103,008)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments against mortgage	(28,195)	(26,128)
Advance on line of credit	<u>150,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>121,805</u>	<u>(26,128)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	212,260	(174,836)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>271,310</u>	<u>446,146</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 483,570</u>	<u>\$ 271,310</u>
Supplemental disclosures of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 56,570</u>	<u>\$ 54,830</u>
Cash paid during the year for interest subsidy	<u>\$ 32,167</u>	<u>\$ 32,179</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Ohio Valley Opportunities, Inc. (the “Organization”), who owns Valley Court Apartments of North Vernon and SVC Apartments. In accordance with generally accepted accounting principles, consolidation is required for each of the previously mentioned entities and all material intercompany transactions have been eliminated in the consolidation.

NATURE OF OPERATIONS

Ohio Valley Opportunities, Inc. (the “Organization”), is a not-for-profit corporation which administers various programs substantially funded by the Federal government and the State of Indiana. These funds are used to provide for the planning and development of programs that intervene at critical points in poverty that will enable families and individuals to become more self-sufficient. The grants that the Organization administers to accomplish this purpose primarily are Energy Assistance, Weatherization, Low-Income Housing, and Head Start.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

RECLASSIFICATIONS

Certain prior year financial information has been reclassified to conform to the current year presentation.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Ohio Valley Opportunities, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Ohio Valley Opportunities, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Ohio Valley Opportunities, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Ohio Valley Opportunities, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES – (continued)**

FINANCIAL STATEMENT PRESENTATION – (continued)

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

The Organization did not have any net assets with donor restrictions as of December 31, 2022 and 2021.

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. With few exceptions, the Organization is no longer subject to examination by taxing authorities for the years before 2019.

REVENUE RECOGNITION

The Organization receives conditional grants from the State of Indiana (State) and the federal government to carry out certain program activities. The grants are received under contracts which require the Organization to submit to the State appropriate records of services provided to eligible individuals. Revenue earned under cost-reimbursement awards from governmental agencies are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities.

Fees for services and contract revenues are recognized as revenue at a point in time when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities. The Subsidiaries recognize rent revenue monthly as it is earned and billed.

The Organization reports grants and contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statements of activities as net assets released from restrictions. However, contributions received with donor-imposed restrictions in which the restrictions are satisfied in the same reporting period are reported as support without donor restrictions.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES – (continued)**

REVENUE RECOGNITION – (continued)

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue and other support by the same amount.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

No amounts have been reflected in the financial statements for unskilled donated services. The Organization pays for most services that require specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, solicitations, and various committee assignments.

USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. During the years ended December 31, 2022 and 2021, the Organization did not have cash equivalents.

ACCOUNTS RECEIVABLE

Grant and other receivables are amounts due from various governmental and state funding sources and other customers. There is no allowance for doubtful accounts balance as of December 31, 2022 and 2021.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES – (continued)**

INVENTORY

Materials and supplies purchased throughout the year are charged to expense as the cost is incurred. Any items remaining on hand at year end are recognized as inventory in the financial statements at their actual cost.

PROPERTY AND EQUIPMENT

The Organization follows the practice of capitalizing all expenditures in excess of \$5,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided using the straight-line method over estimated useful lives. The following is a summary of the lives for each class of asset:

Building and improvements	5 - 50 years
Equipment and vehicles	5 years

When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

ALLOCATION OF COST

The Organization allocates joint costs to beneficiary programs based on various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all agency programs, which cannot be readily identified with a final cost objective. The underlying methodology for the allocation of general and administrative costs is assigned time.

LEASES

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. All leases are considered short term (less than 12 months) or immaterial to the financial statements as a whole. Therefore, ASU 2016-02 does not impact the Organization as of December 31, 2022.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 27, 2023, which is the date the financial statements were available to be issued.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 – RESTRICTED CASH

Reserve for Replacement

Under a regulatory agreement, the Entities are required to set aside amounts for the replacement of property and other expenditures as approved by HUD for certain HUD funded projects. These restricted deposits are held in a separate account and generally are not available for operating purposes. The balance in the reserve for replacement totaled \$111,856 and \$105,586 as of December 31, 2022 and 2021, respectively.

Operating Reserves

The operating reserve held by SVCA was originally funded in an amount equal to \$62,000. The operating reserve is to be maintained through the tax credit compliance period. The balance in the operating reserve account was \$26,645 and \$26,643 as of December 31, 2022 and 2021, respectively.

NOTE 3 – GRANTS RECEIVABLE

The Organization’s grant receivables consisted of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Federal Programs (Direct and pass-through)	\$ 364,015	\$ 431,611
Total	<u>\$ 364,015</u>	<u>\$ 431,611</u>

NOTE 4 – PROPERTY AND EQUIPMENT

The Organization’s property and equipment for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 653,251	\$ 653,251
Building and improvements	8,079,138	7,942,935
Equipment and vehicles	<u>1,063,576</u>	<u>726,564</u>
	9,795,965	9,322,750
Accumulated depreciation	<u>(4,555,630)</u>	<u>(4,322,943)</u>
	<u>\$ 5,240,335</u>	<u>\$ 4,999,807</u>

Depreciation expense during the years ended December 31, 2022 and 2021 was \$281,464 and \$252,991, respectively.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 – NOTES RECEIVABLE FROM RELATED PARTIES

Notes receivable as of December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Note 1 - AHP	\$ 280,000	\$ 280,000
Note 2 - HOME	400,000	400,000
	680,000	680,000
Less: current portion	-	-
Notes receivable - related parties	680,000	680,000
Elimination of interfund receivable	(680,000)	(680,000)
Total notes receivable	<u>\$ -</u>	<u>\$ -</u>

Note 1 – AHP

OVO provided \$280,000 to SVCA, L.P. on July 27, 2005 under the Affordable Housing Program (AHP). The note required interest to be accrued at a rate of 5% per annum, compounded annually. Accrued interest is to be paid annually to the extent of available cash flow, as defined in the agreement. Accrued interest as of December 31, 2022 and 2021 was \$241,500 and \$227,500, respectively. The note is due December 31, 2035. This note balance has been eliminated in consolidation.

Note 2 – HOME

OVO provided \$395,000 to SVCA, L.P. during 2005 and an additional \$5,000 during 2006, under the Home Investment Partnership Program (HOME). The note requires interest to be accrued at the rate of 5% per annum, compounded annually. Accrued interest is to be paid annually to the extent of available cash flow, as defined in the agreement. Accrued interest as of December 31, 2022 and 2021 was \$343,906 and \$323,906, respectively. The note is due June 30, 2026. This note balance has been eliminated in consolidation.

NOTE 6 – DEVELOPMENT FEE RECEIVABLE

In a prior year, OVO earned a development fee of \$410,000 for its services in connection with the development of the SVCA, L.P. project. OVO received \$0 and \$0 as of December 31, 2022 and 2021, respectively. The remaining \$68,301 is recorded as a receivable at December 31, 2022. Management believes that the entire amount will be collected and therefore, no allowance has been recorded. This receivable has been eliminated in consolidation.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 – CONTINGENT OBLIGATION

In prior years, OVO received funds from the Indiana Housing and Finance Authority totaling \$400,000. These proceeds were reflected in the consolidated Statement of Activities as grant revenue in the year the funds were received. However, OVO is required to fulfill certain requirements and maintain the operations of an apartment complex through June 2026; otherwise, these funds may be required to be repaid. It is management’s intent to comply with the provisions of this agreement.

NOTE 8 – LONG TERM DEBT

As of December 31, 2022 and 2021, the Organization’s long term debt consisted of the following:

	<u>2022</u>	<u>2021</u>
Mortgage payable to Rural Housing Service, payable in monthly installments of \$638, including interest at 6.875% adjusted to approximately 1% through subsidy allowance by Rural Housing Service and a balloon payment, maturing March 2031, secured by the apartment complex located in North Vernon, Indiana.	\$ 266,268	\$ 269,241
Mortgage payable to Rural Housing Service, payable in monthly installments of \$933, including interest at 7.375% adjusted to approximately 1% through subsidy allowance by Rural Housing Service and a balloon payment, due September 2031, secured by the apartment complex located in North Vernon, Indiana.	392,814	396,974
Note payable to Scott County Bank, payable in monthly installments of \$2,310, including interest at 4.5%, maturing September 10, 2031, secured by separate real estate.	229,752	240,749
Mortgage payable to First Financial Bank, payable in monthly installments of \$2,752 including interest at 8%, maturing April 2026, secured by certain real estate investments.	<u>278,071</u>	<u>288,136</u>
Sub-total	1,166,905	1,195,100
Less: current portion	<u>31,005</u>	<u>28,798</u>
Long-term debt	<u>\$ 1,135,900</u>	<u>\$ 1,166,302</u>

Interest expense amounted to \$90,527 and \$87,719 during the years ended December 31, 2022 and 2021, respectively.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 – LONG TERM DEBT – (continued)

Maturities of long-term debt for the next five years and thereafter are as follows:

2023		\$ 31,005
2024		33,380
2025		35,939
2026		38,695
2027		41,664
Thereafter		<u>986,222</u>
Total		<u>\$ 1,166,905</u>

NOTE 9 – CONCENTRATION OF CREDIT RISK

Approximately 97% and 95% of the Organization’s support and revenue was provided by federal grants during the years ended December 31, 2022 and 2021, respectively.

The Organization’s cash and cash equivalents are on deposit with one financial institution having branches in the local area. Each account is insured by the FDIC for up to \$250,000 during the years ended December 31, 2022 and 2021. At various times throughout the year, the Organization may have maintained balances in excess of the insured limits. The Organization’s uninsured balance was \$46,125 and \$0 as of December 31, 2022 and 2021, respectively.

NOTE 10 – PENSION PLAN

OVO has a defined contribution retirement plan covering all of its employees who meet certain guidelines as to age and years of service. Under the Plan, OVO contributes approximately 5% of the employees’ wages. The amount contributed to the Plan by OVO was \$43,746 and \$50,726 during the years ended December 31, 2022 and 2021 respectively.

NOTE 11 – IN-KIND CONTRIBUTIONS

The Organization has recorded in-kind contributions for professional services on the Statement of Activities as required per the FASB Accounting Standards Codification for *Accounting for Contributions Received and Contributions Made*. This standard requires that only contributions of services received that create or enhance non-financial assets or require specialized skill and would typically need to be purchased if not provided by donation be recorded. The requirements of the FASB standard are different from the in-kind requirements of the Organization’s grant funding sources.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 11 – IN-KIND CONTRIBUTIONS – (continued)

The table below details the in-kind contributions during the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Head Start in-kind:		
Professional services	\$ 9,479	\$ 77,647
Facilities	122,530	117,965
Mileage	304	2,276
Donations	<u>5,735</u>	<u>12,043</u>
Total in-kind reported in financial statements	138,048	209,931
Head Start volunteer services	<u>17,513</u>	<u>8,562</u>
Total in-kind for all programs	<u>\$ 155,561</u>	<u>\$ 218,493</u>

NOTE 12 – INFORMATION ABOUT LIQUIDITY

The financial assets per the consolidated financial statements for Ohio Valley Opportunities, Inc. and Subsidiaries consist of cash and receivables. As discussed in Note 2 certain cash balances related to replacement and operating reserves are required to be set aside for Valley Court, ABC and SVC apartments. In addition, security deposits from tenants are also segregated from operating cash.

	<u>2022</u>	<u>2021</u>
Cash	\$ 483,570	\$ 271,310
Grants receivable	364,015	431,611
Accounts receivable	<u>24,159</u>	<u>23,027</u>
Total financial assets	871,744	725,948
Less:		
Cash for reserves, escrows and security deposits	<u>188,628</u>	<u>167,259</u>
Financial assets available for operations within the next year	<u>\$ 1,060,372</u>	<u>\$ 893,207</u>

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Ohio Valley Opportunities, Inc. and Subsidiaries
Madison, Indiana

We have audited of the consolidated financial statements of Ohio Valley Opportunities, Inc. and Subsidiaries as of and for the years ended December 31, 2022 and 2021, and our report thereon dated July 27, 2023, which expressed an unmodified opinion on those consolidated financial states, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 19 through 24) is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. We did not audit the financial statements of SVC Apartments, L.P., which statements reflect total assets of \$1,688,142 and \$1,746,811 as of December 31, 2022 and 2021, respectively, and total support and revenues of \$204,261 and \$205,880 for the years then ended, respectively. We did not audit the financial statements of Valley Court Apartments of North Vernon, which statements reflect total assets of \$1,223,735 and \$1,266,744 as of December 31, 2022 and 2021, respectively, and total support and revenue of \$180,179 and \$184,468 for the years then ended, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for SVC Apartments, L.P. and Valley Court Apartments at North Vernon are based solely on the reports of the other auditors. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
July 27, 2023

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
CURRENT ASSETS						
Cash operating	\$ 278,534	\$ 9,136	\$ 3,798	\$ 3,474	\$ -	\$ 294,942
Grants receivable	364,015	-	-	-	-	364,015
Accounts receivable	15,156	9,003	-	-	-	24,159
Inventory	1,157	-	-	-	-	1,157
Prepaid expenses	37,974	8,315	-	-	-	46,289
Total current assets	<u>696,836</u>	<u>26,454</u>	<u>3,798</u>	<u>3,474</u>	<u>-</u>	<u>730,562</u>
LONG-TERM ASSETS						
Property plant and equipment - net	2,542,724	1,108,026	-	1,589,585	-	5,240,335
Restricted deposits and funded reserves	-	80,052	2,895	85,433	-	168,380
Tenant security deposits held in trust	-	9,203	1,395	9,650	-	20,248
Interest receivable	585,406	-	-	-	(585,406)	-
Investment in related parties	-	-	-	-	-	-
Notes receivable	680,000	-	-	-	(680,000)	-
Development fee receivable and other assets	68,301	-	2,250	-	(68,301)	2,250
Total long-term assets	<u>3,876,431</u>	<u>1,197,281</u>	<u>6,540</u>	<u>1,684,668</u>	<u>(1,333,707)</u>	<u>5,431,213</u>
Total assets	<u>\$ 4,573,267</u>	<u>\$ 1,223,735</u>	<u>\$ 10,338</u>	<u>\$ 1,688,142</u>	<u>\$ (1,333,707)</u>	<u>\$ 6,161,775</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 40,328	\$ 6,748	\$ 570	\$ 7,858	\$ -	\$ 55,504
Accrued salaries and wages	104,204	-	-	-	-	104,204
Accrued vacation payable	88,080	-	-	-	-	88,080
Accrued interest payable	-	954	-	585,406	(585,406)	954
Accrued real estate taxes	-	-	-	14,889	-	14,889
Prepaid rent	-	243	50	-	-	293
Developer fees payable	-	-	-	68,301	(68,301)	-
Other current liabilities	51,074	-	2,514	-	-	53,588
Current portion of long-term liabilities	12,017	7,662	-	11,326	-	31,005
Total current liabilities	<u>295,703</u>	<u>15,607</u>	<u>3,134</u>	<u>687,780</u>	<u>(653,707)</u>	<u>348,517</u>
LONG-TERM LIABILITIES						
Security deposits	1,675	9,203	1,395	9,650	-	21,923
Line of credit	150,000	-	-	-	-	150,000
Long-term debt net of current portion	217,735	651,420	-	946,745	(680,000)	1,135,900
Total long-term liabilities	369,410	660,623	1,395	956,395	(680,000)	1,307,823
Total liabilities	<u>665,113</u>	<u>676,230</u>	<u>4,529</u>	<u>1,644,175</u>	<u>(1,333,707)</u>	<u>1,656,340</u>
NET ASSETS						
Net assets without donor restrictions	3,908,154	547,505	5,809	43,967	-	4,505,435
Total net assets	<u>3,908,154</u>	<u>547,505</u>	<u>5,809</u>	<u>43,967</u>	<u>-</u>	<u>4,505,435</u>
Total liabilities and net assets	<u>\$ 4,573,267</u>	<u>\$ 1,223,735</u>	<u>\$ 10,338</u>	<u>\$ 1,688,142</u>	<u>\$ (1,333,707)</u>	<u>\$ 6,161,775</u>

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
CURRENT ASSETS						
Cash	\$ 80,473	\$ 16,622	\$ 1,042	\$ 5,914	\$ -	\$ 104,051
Grants receivable	431,611	-	-	-	-	431,611
Accounts receivable	7,873	10,291	4,863	-	-	23,027
Inventory	1,157	-	-	-	-	1,157
Prepaid expenses	18,019	7,731	-	-	-	25,750
Total current assets	<u>539,133</u>	<u>34,644</u>	<u>5,905</u>	<u>5,914</u>	<u>-</u>	<u>585,596</u>
LONG-TERM ASSETS						
Property plant and equipment - net	2,198,119	1,142,660	-	1,659,028	-	4,999,807
Restricted deposits and funded reserves	-	80,090	2,606	65,018	-	147,714
Tenant security deposits held in trust	-	9,350	695	9,500	-	19,545
Interest receivable, net	551,406	-	-	-	(551,406)	-
Investment in related parties	-	-	-	-	-	-
Notes receivable	680,000	-	-	-	(680,000)	-
Development fee receivable and other assets	68,301	-	-	7,351	(68,301)	7,351
Total long-term assets	<u>3,497,826</u>	<u>1,232,100</u>	<u>3,301</u>	<u>1,740,897</u>	<u>(1,299,707)</u>	<u>5,174,417</u>
Total assets	<u>\$ 4,036,959</u>	<u>\$ 1,266,744</u>	<u>\$ 9,206</u>	<u>\$ 1,746,811</u>	<u>\$ (1,299,707)</u>	<u>\$ 5,760,013</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 40,585	\$ 5,527	\$ 2,203	\$ 6,013	\$ -	\$ 54,328
Accrued salaries and wages	84,340	-	-	-	-	84,340
Accrued vacation payable	76,600	-	-	-	-	76,600
Accrued interest payable	-	997	-	551,406	(551,406)	997
Accrued real estate taxes	-	-	-	14,868	-	14,868
Prepaid rent	-	320	-	-	-	320
Developer fees payable	-	-	-	68,301	(68,301)	-
Other current liabilities	42,602	-	-	-	-	42,602
Current portion of long-term liabilities	11,207	7,133	-	10,458	-	28,798
Total current liabilities	<u>255,334</u>	<u>13,977</u>	<u>2,203</u>	<u>651,046</u>	<u>(619,707)</u>	<u>302,853</u>
LONG-TERM LIABILITIES						
Security deposits	1,675	9,350	1,045	10,200	-	22,270
Line of credit	-	-	-	-	-	-
Long-term debt net of current portion	229,542	659,082	-	957,678	(680,000)	1,166,302
Total long-term liabilities	<u>231,217</u>	<u>668,432</u>	<u>1,045</u>	<u>967,878</u>	<u>(680,000)</u>	<u>1,188,572</u>
Total liabilities	<u>486,551</u>	<u>682,409</u>	<u>3,248</u>	<u>1,618,924</u>	<u>(1,299,707)</u>	<u>1,491,425</u>
NET ASSETS						
Net assets without donor restrictions	<u>3,550,408</u>	<u>584,335</u>	<u>5,958</u>	<u>127,887</u>	<u>-</u>	<u>4,268,588</u>
Total net assets	<u>3,550,408</u>	<u>584,335</u>	<u>5,958</u>	<u>127,887</u>	<u>-</u>	<u>4,268,588</u>
Total liabilities and net assets	<u>\$ 4,036,959</u>	<u>\$ 1,266,744</u>	<u>\$ 9,206</u>	<u>\$ 1,746,811</u>	<u>\$ (1,299,707)</u>	<u>\$ 5,760,013</u>

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>Consolidated Total</u>
REVENUES AND OTHER SUPPORT					
Grant revenue	\$ 12,997,817	\$ -	\$ -	\$ -	\$ 12,997,817
Food supply revenue	85,513	-	-	-	85,513
Local support	42,566	-	-	-	42,566
In-kind revenue	138,048	-	-	-	138,048
Rental income	-	173,976	24,554	203,014	401,544
Donations	20,538	-	-	-	20,538
Other income	(1,376)	6,194	569	1,230	6,617
Interest income	34,000	9	-	17	34,026
Total revenue and other support	<u>13,317,106</u>	<u>180,179</u>	<u>25,123</u>	<u>204,261</u>	<u>13,726,669</u>
OPERATING EXPENSES					
Headstart	2,543,911	-	-	-	2,543,911
Section 8 Housing	1,924,719	-	-	-	1,924,719
Apple Blossom Court Apartments	-	-	25,272	-	25,272
Casa Amiga	60,490	-	-	-	60,490
Weatherization	803,040	-	-	-	803,040
Energy Assistance	7,336,652	-	-	-	7,336,652
Management and general	255,573	-	-	-	255,573
Subsidiaries	-	217,009	-	288,181	505,190
Other Programs	34,975	-	-	-	34,975
Total operating expenses	<u>12,959,360</u>	<u>217,009</u>	<u>25,272</u>	<u>288,181</u>	<u>13,489,822</u>
Net increase (decrease) in net assets	357,746	(36,830)	(149)	(83,920)	236,847
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR					
	<u>3,550,408</u>	<u>584,335</u>	<u>5,958</u>	<u>127,887</u>	<u>4,268,588</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR					
	<u>\$ 3,908,154</u>	<u>\$ 547,505</u>	<u>\$ 5,809</u>	<u>\$ 43,967</u>	<u>\$ 4,505,435</u>

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>Consolidated Total</u>
REVENUES AND OTHER SUPPORT					
Grant revenue	\$ 8,253,960	\$ -	\$ -	\$ -	\$ 8,253,960
Food supply revenue	122,191	-	-	-	122,191
Local support	83,333	-	-	-	83,333
In-kind revenue	209,931	-	-	-	209,931
Rental income	-	170,955	20,693	196,068	387,716
Donations	41,096	-	-	-	41,096
Other income	(406)	13,508	1,875	9,794	24,771
Interest income	34,000	5	-	18	34,023
Total revenue and other support	<u>8,744,105</u>	<u>184,468</u>	<u>22,568</u>	<u>205,880</u>	<u>9,157,021</u>
OPERATING EXPENSES					
Headstart	2,590,373	-	-	-	2,590,373
Section 8 Housing	1,900,810	-	-	-	1,900,810
Apple Blossom Court Apartments	-	-	22,244	-	22,244
Casa Amiga	22,537	-	-	-	22,537
Weatherization	683,265	-	-	-	683,265
Energy Assistance	3,097,704	-	-	-	3,097,704
Management and general	322,676	-	-	-	322,676
Subsidiaries	-	174,090	-	313,047	487,137
Other Programs	73,795	-	-	-	73,795
Total operating expenses	<u>8,691,160</u>	<u>174,090</u>	<u>22,244</u>	<u>313,047</u>	<u>9,200,541</u>
Net increase (decrease) in net assets	52,945	10,378	324	(107,167)	(43,520)
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR					
	<u>3,497,463</u>	<u>573,957</u>	<u>5,634</u>	<u>235,054</u>	<u>4,312,108</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR					
	<u>\$ 3,550,408</u>	<u>\$ 584,335</u>	<u>\$ 5,958</u>	<u>\$ 127,887</u>	<u>\$ 4,268,588</u>

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>2022 Consolidated Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Increase (decrease) in net assets	\$ 357,746	\$ (36,830)	\$ (149)	\$ (83,920)	\$ 236,847
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	177,387	34,634	-	69,443	281,464
(Gain) loss on disposal of fixed assets	2,727	-	-	-	2,727
Increase (decrease) in cash from changes in:					
Grants receivable	67,596	-	-	-	67,596
Interest receivable	(34,000)	-	-	34,000	-
Accounts receivable	(7,283)	1,288	4,863	-	(1,132)
Prepaid expenses and other assets	(19,955)	(584)	(2,250)	7,351	(15,438)
Accounts payable	(257)	1,221	(1,633)	1,845	1,176
Accrued expenses	31,344	(43)	-	21	31,322
Security deposits - liability	-	(147)	350	(550)	(347)
Prepaid rent	-	(77)	50	-	(27)
Other accrued liabilities	8,472	-	2,514	-	10,986
Net cash provided by (used in) operating activities	<u>583,777</u>	<u>(538)</u>	<u>3,745</u>	<u>28,190</u>	<u>615,174</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of fixed assets	<u>(524,719)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(524,719)</u>
Net cash provided by (used in) investing activities	<u>(524,719)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(524,719)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principal payments against mortgage	(10,997)	(7,133)	-	(10,065)	(28,195)
Advance on line of credit	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net cash provided by (used in) financing activities	<u>139,003</u>	<u>(7,133)</u>	<u>-</u>	<u>(10,065)</u>	<u>121,805</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	198,061	(7,671)	3,745	18,125	212,260
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	80,473	106,062	4,343	80,432	271,310
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 278,534</u>	<u>\$ 98,391</u>	<u>\$ 8,088</u>	<u>\$ 98,557</u>	<u>\$ 483,570</u>
Supplemental disclosures of Cash Flow Information					
Cash paid during the year for interest	<u>\$ 21,885</u>	<u>\$ 11,730</u>	<u>\$ -</u>	<u>\$ 22,955</u>	<u>\$ 56,570</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 32,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,167</u>

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>SVC Apartments</u>	<u>Consolidated Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Increase (decrease) in net assets	\$ 52,945	\$ 10,378	\$ 324	\$ (107,167)	\$ (43,520)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	148,908	34,634	-	69,449	252,991
(Gain) Loss on disposal of fixed assets	-	-	-	-	-
Increase (decrease) in cash from changes in:					
Grants receivable	(290,367)	-	-	-	(290,367)
Interest receivable	(33,059)	-	-	34,000	941
Accounts receivable	7,144	2,068	(4,332)	-	4,880
Prepaid expenses and other assets	28,362	(369)	-	(7,351)	20,642
Accounts payable	31,386	2,301	1,563	1,584	36,834
Accrued expenses	(39,182)	(39)	-	13	(39,208)
Security deposits - liability	-	110	-	1,000	1,110
Prepaid rent	-	313	-	-	313
Other accrued liabilities	9,684	-	-	-	9,684
Net cash provided by (used in) operating activities	<u>(84,179)</u>	<u>49,396</u>	<u>(2,445)</u>	<u>(8,472)</u>	<u>(45,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of fixed assets	<u>(103,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,008)</u>
Net cash provided by (used in) investing activities	<u>(103,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,008)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Principal payments against mortgage	(10,239)	(6,640)	-	(9,249)	(26,128)
Advance on line of credit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(10,239)</u>	<u>(6,640)</u>	<u>-</u>	<u>(9,249)</u>	<u>(26,128)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(197,426)</u>	<u>42,756</u>	<u>(2,445)</u>	<u>(17,721)</u>	<u>(174,836)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>277,899</u>	<u>63,306</u>	<u>6,788</u>	<u>98,153</u>	<u>446,146</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 80,473</u>	<u>\$ 106,062</u>	<u>\$ 4,343</u>	<u>\$ 80,432</u>	<u>\$ 271,310</u>
Supplemental disclosures of Cash Flow Information					
Cash paid during the year for interest	<u>\$ 18,838</u>	<u>\$ 12,222</u>	<u>\$ -</u>	<u>\$ 23,770</u>	<u>\$ 54,830</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 32,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,179</u>

See independent auditor's report on supplementary information.

SINGLE AUDIT SECTION

OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Grant or Identifying Number</u>	<u>Grant Awards (in dollars \$)</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services				
Direct Program:				
Head Start	93.600	05CH011855-02-03	2,320,195	\$ 2,049,452
Head Start	93.600	05CH011855-03-01	2,320,195	344,170
Head Start	93.600	05HE000454-1-01	287,514	159,686
				<u>2,553,308</u>
Passed through the Indiana Housing and Community Development Authority:				
Community Services Block Grant	93.569	CS-021-019-CO	201,822	163,028
Community Services Block Grant	93.569	CS-022-019	219,319	140,315
Community Services Block Grant COVID	93.569	CS-CV-20-019	294,419	16,569
Low-Income Home Energy Assistance ARPA	93.568	LI-ARPA-021-019	3,323,975	2,189,641
Low-Income Home Energy Assistance	93.568	LI-022-019	1,929,113	1,612,885
Low-Income Home Energy Assistance	93.568	LI-IIJA-022-019	47,733	8,114
Low-Income Home Energy Assistance	93.568	LI-023-019	4,353,613	3,072,256
Low-Income Home Energy Assistance ARPA	93.568	WAT-ARPA-022-019	338,374	314,091
Low-Income Home Energy Assistance	93.-568	WAT-022-019	407,088	99,597
Low-Income Home Energy Assistance	93.568	WL-022-019	253,705	224,526
Low-Income Home Energy Assistance	93.568	WL-023-019	389,592	56,058
Low-Income Home Energy Assistance ARPA	93.568	ARPA-WA-021-0019	386,104	305,902
				<u>8,202,982</u>
Total Department of Health and Human Services				<u>10,756,290</u>
U.S. Department of Energy				
Passed through the Indiana Housing and Community Development Authority:				
Weatherization Assistance for Low-Income Persons	81.042	WX-021-019	326,975	110,956
Weatherization Assistance for Low-Income Persons	81.042	WX-022-019	343,085	123,198
				<u>234,154</u>
U.S. Department of Agriculture				
Passed through the Indiana Department of Education				
Child and Adult Care Food Program	10.558	139-0058	n/a	85,524
				<u>85,524</u>
U.S. Department of Housing and Urban Development				
Passed through the Indiana Housing and Community Development Authority:				
Section 8 Housing	14.871	HCV-0200-012	n/a	1,855,051
Total Expenditures of Federal Awards				<u>\$ 12,931,019</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

OHIO VALLEY OPPORTUNITIES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ohio Valley Opportunities, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 – Energy Assistance Payments

The Energy Assistance Payments expenditures under FAL Number 93.568 include \$6,479,927 of energy assistance payments that were disbursed by the Indiana Housing and Community Development Authority on behalf of the Organization during the year ended December 31, 2022.

Note 4 – Indirect Cost Rate

Ohio Valley Opportunities, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under *Uniform Guidance*.

**OHIO VALLEY OPPORTUNITIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section II –Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2021.

Section III –Federal Awards Findings and Questioned Costs

There were no federal awards findings for the year ended December 31, 2021.



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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
Ohio Valley Opportunities, Inc.
Madison, Indiana

We have audited, 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, the consolidated financial statements of the Ohio Valley Opportunities, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon July 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Ohio Valley Opportunities, Inc.’s internal control over financial reporting (internal control) as a basis for designing 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 the Ohio Valley Opportunities, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization’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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization’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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ohio Valley Opportunities, Inc.'s financial statements are free of 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

July 27, 2023



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**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
Ohio Valley Opportunities, Inc.
Madison, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ohio Valley Opportunities, Inc.'s 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 Ohio Valley Opportunities, Inc.'s major federal programs for the year ended December 31, 2022. Ohio Valley 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, Ohio Valley 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 December 31, 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 Ohio Valley 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 Ohio Valley Opportunities, Inc.'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 Ohio Valley Opportunities, Inc.'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 Ohio Valley 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 Ohio Valley Opportunities, Inc.'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 Ohio Valley Opportunities, Inc.'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 Ohio Valley 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 Ohio Valley Opportunities, Inc.'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.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

July 27, 2023

**OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No

- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in Accordance with 2 CFR section 200.516(a) Yes No

Program tested as major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	U.S. Dept. of Health and Human Services – Head Start
93.568	U.S. Dept. of Health and Human Services – Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low risk auditee? Yes No

OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2022.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2022.