



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B50791

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September 6, 2018

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

We have reviewed the report prepared by Ohio Valley Opportunities, Inc. and opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. 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, 2017 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 all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

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

**Consolidated Financial Statements
For the Years Ended
December 31, 2017 and 2016
(With Single Audit Section)**

COMER  NOWLING

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Certified Public Accountants

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

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows.....	9
Notes to Consolidated Financial Statements.....	10
SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Supplementary Information	20
Consolidating Statements of Financial Position	21
Consolidating Statements of Activities.....	25
Consolidating Statements of Cash Flows	29
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	33
Notes to Schedule of Expenditures of Federal Awards	34
Schedule of Expenditures of State and Local Awards.....	35
Summary Schedule of Prior Audit Findings.....	36
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with <i>Government Auditing Standards</i>	37
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	39
Schedule of Findings and Questioned Costs.....	41

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Ohio Valley Opportunities, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, 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.

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 audits. We did not audit the financial statements of SVC Apartments, L.P., which statements reflect total assets of \$2,060,818 and \$2,170,127 as of December 31, 2017 and 2016, respectively, and total support and revenues of \$182,030 and \$177,540 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 \$1,317,039 and \$1,357,485 as of December 31, 2017 and 2016, respectively, and total support and revenue of \$162,597 and \$161,495, 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. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Ohio Valley Opportunities, Inc. and Subsidiaries as of December 31, 2017 and 2016, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements of Ohio Valley Opportunities, Inc. 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of state and local awards, as required by the Indiana State Board of Accounts, 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 6, 2018 on our consideration of Ohio Valley Opportunities, Inc.'s internal control over financial reporting and 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* and should be read in conjunction with this report in considering the results of our audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

August 6, 2018

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash operating	\$ 92,297	\$ 74,403
Cash security deposits	13,651	12,500
Cash reserve for replacement and escrows	113,269	108,983
Cash operating reserve	26,621	26,608
Grants receivable	215,230	230,257
Accounts receivable	16,309	29,069
Inventory	1,157	1,157
Prepaid expenses	29,560	-
Total current assets	508,094	482,977
LONG-TERM ASSETS		
Property and equipment, net of accumulated depreciation	5,414,338	5,661,961
Total assets	\$ 5,922,432	\$ 6,144,938

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 51,500	\$ 93,033
Accrued salaries and wages	68,061	63,466
Accrued vacation payable	75,423	55,419
Accrued interest payable	2,057	2,681
Accrued real estate taxes	19,351	20,872
Security deposits	15,326	14,075
Prepaid rent	435	364
Other accrued liabilities	19,056	13,522
Current portion of long-term debt	55,215	50,924
Total current liabilities	306,424	314,356
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	1,331,893	1,387,470
Total long-term liabilities	1,331,893	1,387,470
Total liabilities	1,638,317	1,701,826
NET ASSETS		
Non-controlling interest in net assets - unrestricted	512,612	596,106
Controlling interest in net assets - unrestricted	3,771,503	3,847,006
Total net assets	4,284,115	4,443,112
Total liabilities and net assets	\$ 5,922,432	\$ 6,144,938

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE AND SUPPORT		
Grant revenue	\$ 6,323,383	\$ 5,636,409
Food supply revenue	123,211	111,122
Local support	63,375	55,296
In-kind revenue	392,857	294,556
Rental income	314,461	316,579
Donations	45,390	40,162
Other income	15,467	4,878
Interest income	67,642	66,594
	<hr/>	<hr/>
Total revenue and support	7,345,786	6,525,596
OPERATING EXPENSES		
Headstart	2,643,517	2,322,483
Community Services Block Grant	401,154	212,115
Section 8 Housing	1,495,992	1,361,672
Apple Blossom Court Apartments	12,553	13,057
Casa Amiga	30,266	22,523
Weatherzation	700,496	683,737
Energy Assistance	1,699,714	1,589,206
Subsidiaries	461,056	465,275
Other programs	60,035	50,778
	<hr/>	<hr/>
Total operating expenses	7,504,783	6,720,846
Increase (decrease) in net assets	(158,997)	(195,250)
NET ASSETS, BEGINNING OF YEAR	<hr/>	<hr/>
	4,443,112	4,638,205
Non-controlling interest in subsidiary's earnings	(83,494)	(90,426)
Controlling interest in subsidiary's earnings	(75,503)	(104,667)
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	<u>\$ 4,284,115</u>	<u>\$ 4,443,112</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, 2017

	<u>Head Start</u>	<u>Community Services Block Grant</u>	<u>Section 8 Housing</u>	<u>Apple Blossom Court Apartments</u>	<u>Casa Amiga</u>
OPERATING EXPENSES					
Salaries and wages	\$ 1,042,796	\$ 312,860	\$ 88,250	\$ 1,790	\$ 15,428
Employee benefits	397,508	28,124	37,791	184	1,344
Occupancy	106,991	604	2,043	2,559	4,550
Telephone	24,882	865	2,009	-	1,706
Postage	2,517	1,010	1,822	-	10
Contracted services	43,266	919	1,332,883	120	1,200
Materials and supplies	266,979	2,877	12,305	2,485	3,833
Travel and transportation	78,555	21,665	1,432	76	-
Training	39,583	1,655	1,992	-	-
Other costs	47,428	1,467	7,254	5,339	760
Specific assistance	110,781	-	-	-	-
Interest expense	-	-	-	-	-
Depreciation	89,374	29,108	8,211	-	1,435
In-kind expenses	392,857	-	-	-	-
Total operating expenses	<u>\$ 2,643,517</u>	<u>\$ 401,154</u>	<u>\$ 1,495,992</u>	<u>\$ 12,553</u>	<u>\$ 30,266</u>

See accompanying notes to consolidated financial statements.

<u>Weatherzation</u>	<u>Energy Assistance</u>	<u>SVCA, L.P.</u>	<u>Valley Court Apartments of North Vernon</u>	<u>Other</u>	<u>2017 Total</u>
\$ 146,981	\$ 110,015	\$ 26,876	\$ -	\$ 2,604	\$ 1,747,600
78,751	36,477	5,100	-	552	585,831
9,314	3,833	23,040	113,649	986	267,569
3,489	3,350	2,280	-	-	38,581
1,117	3,330	-	-	-	9,806
391,953	5,371	-	-	24,965	1,800,677
20,517	10,568	1,500	-	1,799	322,863
13,397	953	-	-	338	116,416
7,229	878	-	-	-	51,337
14,073	3,400	70,512	-	7,578	157,811
-	1,511,303	-	-	-	1,622,084
-	-	59,965	47,240	13,324	120,529
13,675	10,236	76,259	34,635	7,889	270,822
-	-	-	-	-	392,857
<u>\$ 700,496</u>	<u>\$ 1,699,714</u>	<u>\$ 265,532</u>	<u>\$ 195,524</u>	<u>\$ 60,035</u>	<u>\$ 7,504,783</u>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Head Start	Community Services Block Grant	Section 8 Housing	Apple Blossom Court Apartments	Casa Amiga
OPERATING EXPENSES					
Salaries and wages	\$ 1,104,037	\$ 171,940	\$ 77,036	\$ 1,547	\$ 12,258
Employee benefits	343,115	18,128	28,155	88	1,375
Occupancy	82,544	681	1,440	4,031	3,957
Telephone	19,834	1,747	2,545	-	1,693
Postage	1,887	93	2,127	30	3
Contracted services	21,116	4,449	1,228,241	-	1,261
Materials and supplies	80,723	6,619	11,657	3,456	1,608
Travel and transportation	60,440	131	275	95	-
Training	63,678	3,964	1,266	-	25
Other costs	31,840	1,996	3,903	3,810	343
Specific assistance	101,460	-	-	-	-
Interest expense	10	-	-	-	-
Bad debt	-	-	-	-	-
Depreciation	117,243	2,367	5,027	-	-
In-kind expenses	294,556	-	-	-	-
Total operating expenses	<u>\$ 2,322,483</u>	<u>\$ 212,115</u>	<u>\$ 1,361,672</u>	<u>\$ 13,057</u>	<u>\$ 22,523</u>

See accompanying notes to consolidated financial statements.

<u>Weatherzation</u>	<u>Energy Assistance</u>	<u>SVCA, L.P.</u>	<u>Valley Court Apartments of North Vernon</u>	<u>Other</u>	<u>2016 Total</u>
\$ 116,147	\$ 104,757	\$ 38,205	\$ 39,672	\$ 929	\$ 1,666,528
61,575	37,534	-	-	-	489,970
11,173	4,342	15,255	21,142	1,259	145,824
3,531	3,005	-	2,376	54	34,785
542	4,408	-	-	-	9,090
399,345	6,010	-	18,358	12,067	1,690,847
48,282	16,687	37,381	6,238	7,019	219,670
395	427	-	384	1,859	64,006
6,535	5,310	-	-	1,385	82,163
18,070	3,214	39,996	27,420	4,129	134,721
-	1,395,637	-	-	-	1,497,097
-	-	60,877	46,777	14,430	122,094
-	-	-	298	-	298
18,142	7,875	76,261	34,635	7,647	269,197
-	-	-	-	-	294,556
<u>\$ 683,737</u>	<u>\$ 1,589,206</u>	<u>\$ 267,975</u>	<u>\$ 197,300</u>	<u>\$ 50,778</u>	<u>\$ 6,720,846</u>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (158,997)	\$ (195,250)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	270,823	269,197
Bad debt	-	298
Increase (decrease) in cash from changes in:		
Operating reserve	(13)	(8)
Grants receivable	15,027	(66,609)
Accounts receivable	12,760	(16,696)
Security deposits - asset	99	(50)
Prepaid expenses	(29,560)	-
Accounts payable and accrued expenses	(19,079)	50,425
Security deposits - liability	1,251	150
Prepaid rent	71	(4,293)
Other accrued liabilities	5,534	(5,379)
Net cash provided by (used in) operating activities	<u>97,916</u>	<u>31,785</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(23,200)	(21,815)
Withdrawal from replacement reserve	8,257	8,280
Deposits and interest retained in reserve for replacement	(13,793)	(21,340)
Net cash provided by (used in) investing activities	<u>(28,736)</u>	<u>(34,875)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments against mortgage	(44,634)	(42,053)
Principal payments on long-term debt	(6,652)	(6,062)
Net cash provided by (used in) financing activities	<u>(51,286)</u>	<u>(48,115)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,894	(51,205)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>74,403</u>	<u>125,608</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 92,297</u>	<u>\$ 74,403</u>
Supplemental disclosures of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 60,411</u>	<u>\$ 55,612</u>
Cash paid during the year for interest subsidy	<u>\$ 33,591</u>	<u>\$ 32,562</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

**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 its wholly-owned subsidiary, SVC Apartments, Inc. which serves as the general partner for SVC Apartments, L.P. SVC Apartments, Inc. is a C Corporation, which has ownership interests in SVC Apartments L.P. SVC Apartments, Inc. has 100 shares of common stock which are wholly owned by the Organization with a par value of \$1 per share. In accordance with FASB ASC 958-810-15-4, 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, Section 8 Housing, Community Services Block Grant, 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.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. A description of the unrestricted, temporarily and permanently restricted net asset classes follows:

Unrestricted net assets represent the portion of net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. Unrestricted net assets include expendable funds available for the support of the Organization.

Temporarily restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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

FINANCIAL STATEMENT PRESENTATION – (continued)

Temporarily restricted net assets also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on permanently restricted net assets, which has not been appropriated by the Board of Directors.

Permanently restricted net assets represent contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization did not have any temporarily or permanently restricted net assets as of December 31, 2017 and 2016.

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 2014.

REVENUE RECOGNITION

The Organization receives grants from Federal agencies as well as from the State of Indiana (State) 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 and/or expenses incurred. Revenues under the contracts are recognized as the services are provided and/or expenses incurred.

GOVERNMENT GRANTS

Support funded by grants is recognized as the Organization performs the contracted services under grant agreements. Grant revenue is recognized as funds are received. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Amounts required prior to expenditures being incurred are reflected as refundable advances on the statements of financial position.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. For the years ended December 31, 2017 and 2016, 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, 2017 and 2016.

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 - 40 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.

CONTRIBUTED SERVICES

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 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.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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

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.

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.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 6, 2018, which is the date the financial statements were available to be issued.

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 \$113,269 and \$108,983 at December 31, 2017 and 2016, respectively.

Operating Reserves

The operating reserve held by SVCA, L.P. 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 \$26,621 and \$26,608 at December 31, 2017 and 2016, respectively.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 3 – GRANTS RECEIVABLE

The Organization’s grant receivables consisted of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Federal Programs (Direct and pass-through)	\$ 200,334	\$ 225,705
State and Local Programs	14,896	4,552
Total	<u>\$ 215,230</u>	<u>\$ 230,257</u>

NOTE 4 – PROPERTY AND EQUIPMENT

The Organization’s property and equipment for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 603,122	\$ 603,122
Building and improvements	4,538,098	4,514,898
Equipment and vehicles	796,039	796,039
	5,937,259	5,914,059
Accumulated depreciation	(2,452,101)	(2,257,537)
	<u>\$ 3,485,158</u>	<u>\$ 3,656,522</u>

The Subsidiaries’ property and equipment for the years ended December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 50,129	\$ 50,129
Building and improvements	2,810,064	2,810,064
Equipment and vehicles	89,408	89,408
	2,949,601	2,949,601
Accumulated depreciation	(1,020,421)	(944,162)
	<u>\$ 1,929,180</u>	<u>\$ 2,005,439</u>

Depreciation expense was \$270,822 and \$269,197 for the years ended December 31, 2017 and 2016, respectively.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 5 – NOTES RECEIVABLE FROM RELATED PARTIES

Notes receivable as of December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Note 1 - AHP	\$ 280,000	\$ 280,000
Note 2 - HOME	400,000	400,000
	<u>680,000</u>	<u>680,000</u>
Less: current portion	<u>-</u>	<u>-</u>
Notes receivable - related parties	680,000	680,000
Elimination of interfund receivable	<u>(680,000)</u>	<u>(680,000)</u>
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 at December 31, 2017 and 2016 was \$171,507 and \$157,507, 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 at December 31, 2017 and 2016 was \$244,840 and \$224,840, respectively. The note is due June 30, 2026. This note balance has been eliminated in consolidation.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 6 – LONG TERM DEBT

As of December 31, 2017 and 2016, the Organization’s long term debt consisted of the following:

	<u>2017</u>	<u>2016</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.	\$ 279,288	\$ 281,397
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.	410,867	413,748
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.	283,731	298,132
Capital lease obligation with Daimler Truck Financial, payable in monthly installments of \$2,677, including interest at 6.49%, maturing February 22, 2021, secured by two vehicles.	91,703	116,946
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>321,519</u>	<u>328,171</u>
Sub-total	1,387,108	1,438,394
Less: current portion	<u>55,215</u>	<u>50,924</u>
Long-term debt	<u>\$1,331,893</u>	<u>\$1,387,470</u>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 6 – LONG-TERM DEBT – (continued)

Interest expense amounted to \$13,324 and \$14,440 for the years ended December 31, 2017 and 2016, respectively. Maturities of long-term debt for the next five years and thereafter are as follows:

2018	\$ 55,215
2019	58,735
2020	62,487
2021	33,830
2022	35,926
Thereafter	<u>1,140,915</u>
Total	<u>\$ 1,387,108</u>

NOTE 7 – CONCENTRATION OF CREDIT RISK

Approximately 90% of the Organization’s support and revenue for both years ended December 31, 2017 and 2016 was provided by federal grants.

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 for the years ended December 31, 2017 and 2016. At various times throughout the year, the Organization may have maintained balances in excess of the insured limits. The Organization’s uninsured balance was \$-0- at December 31, 2017 and 2016.

NOTE 8 – 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, 2017 AND 2016

NOTE 8 – IN-KIND CONTRIBUTIONS -- (continued)

The table below details the in-kind contributions for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Headstart in-kind:		
Professional services	\$ 209,703	\$ 121,238
Facilities	128,076	126,445
Mileage	6,290	7,877
Donations	<u>48,788</u>	<u>38,996</u>
Total in-kind reported in financial statements	392,857	294,556
Headstart volunteer services	<u>85,551</u>	<u>166,723</u>
Total in-kind for all programs	<u>\$ 478,408</u>	<u>\$ 461,279</u>

NOTE 9 – 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 \$10,000 and \$0 as of December 31, 2017 and 2016, respectively. The remaining \$96,425 is recorded as a receivable at December 31, 2017. Management believes that the entire amount will be collected and therefore, no allowance has been recorded. This receivable has been eliminated in consolidation.

NOTE 10 – 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 11 – GUARANTEED INDEBTEDNESS OF RELATED PARTY

OVO is contingently liable for operating deficits of SVCA, L.P. However, the total exposure for OVO is not to exceed \$45,000. At December 31, 2017 and 2016, management believes no material loss is anticipated.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 12 – 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 \$49,634 and \$46,984 for the years ended December 31, 2017 and 2016.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

Our report on our audit of the consolidated financial statements of Ohio Valley Opportunities, Inc. and Subsidiary as of December 31, 2017 and 2016, and for the years then ended appears on page one. That audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 21 through 32) 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 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. 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.
August 6, 2018

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

	Parent			
	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>Total</u>
CURRENT ASSETS				
Cash operating	\$ 80,460	\$ 1,164	\$ 3,389	\$ 85,013
Cash security deposits	-	5,100	701	5,801
Cash reserve for replacement	-	21,586	1,800	23,386
Cash operating reserve	-	-	-	-
Grants receivable	215,230	-	-	215,230
Accounts receivable	8,318	7,991	-	16,309
Inventory	1,157	-	-	1,157
Prepaid expenses	29,560	-	-	29,560
Total current assets	<u>334,725</u>	<u>35,841</u>	<u>5,890</u>	<u>376,456</u>
LONG-TERM ASSETS				
Property plant and equipment - net	2,203,960	1,281,198	-	3,485,158
Interest receivable	416,347	-	-	416,347
Investment in related parties	75	-	-	75
Notes receivable	680,000	-	-	680,000
Development fee receivable	96,425	-	-	96,425
Total long-term assets	<u>3,396,807</u>	<u>1,281,198</u>	<u>-</u>	<u>4,678,005</u>
Total assets	<u>\$ 3,731,532</u>	<u>\$ 1,317,039</u>	<u>\$ 5,890</u>	<u>\$ 5,054,461</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 38,039	\$ 6,971	\$ 768	\$ 45,778
Accrued salaries and wages	68,061	-	-	68,061
Accrued vacation payable	75,423	-	-	75,423
Accrued interest payable	-	1,140	-	1,140
Accrued real estate taxes	-	-	-	-
Security deposits	1,675	5,100	701	7,476
Prepaid rent	-	435	-	435
Developer fees payable	-	-	-	-
Other current liabilities	19,056	-	-	19,056
Current portion of long-term liabilities	42,253	5,360	-	47,613
Total current liabilities	<u>244,507</u>	<u>19,006</u>	<u>1,469</u>	<u>264,982</u>
LONG-TERM LIABILITIES				
Long-term debt net of current portion	<u>333,181</u>	<u>684,795</u>	<u>-</u>	<u>1,017,976</u>
Total liabilities	<u>577,688</u>	<u>703,801</u>	<u>1,469</u>	<u>1,282,958</u>
NET ASSETS				
Non-controlling interest in net assets - unrestricted	-	-	-	-
Controlling interest in net assets - unrestricted	<u>3,153,844</u>	<u>613,238</u>	<u>4,421</u>	<u>3,771,503</u>
Total net assets	<u>3,153,844</u>	<u>613,238</u>	<u>4,421</u>	<u>3,771,503</u>
Total liabilities and net assets	<u>\$ 3,731,532</u>	<u>\$ 1,317,039</u>	<u>\$ 5,890</u>	<u>\$ 5,054,461</u>

See independent auditor's report on supplementary information.

<u>Subsidiaries</u>			2017	
<u>SVC</u>	<u>SVC</u>		<u>Consolidated</u>	
<u>Apartments, Inc.</u>	<u>Apartments, L.P</u>	<u>Eliminations</u>	<u>Total</u>	
\$ -	\$ 7,284	\$ -	\$	92,297
-	7,850	-		13,651
-	89,883	-		113,269
-	26,621	-		26,621
-	-	-		215,230
-	-	-		16,309
-	-	-		1,157
-	-	-		29,560
-	131,638	-		508,094
-	1,929,180	-		5,414,338
-	-	(416,347)		-
75	-	(150)		-
-	-	(680,000)		-
-	-	(96,425)		-
75	1,929,180	(1,192,922)		5,414,338
\$ 75	\$ 2,060,818	\$ (1,192,922)	\$	5,922,432
\$ -	\$ 5,722	\$ -	\$	51,500
-	-	-		68,061
-	-	-		75,423
-	417,264	(416,347)		2,057
-	19,351	-		19,351
-	7,850	-		15,326
-	-	-		435
-	96,425	(96,425)		-
-	-	-		19,056
-	7,602	-		55,215
-	554,214	(512,772)		306,424
-	993,917	(680,000)		1,331,893
-	1,548,131	(1,192,772)		1,638,317
-	512,612	-		512,612
75	75	(150)		3,771,503
75	512,687	(150)		4,284,115
\$ 75	\$ 2,060,818	\$ (1,192,922)	\$	5,922,432

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

	Parent			
	ABC			Total
	OVO, Inc.	Valley Court	Apartments	
ASSETS				
CURRENT ASSETS				
Cash	\$ 20,086	\$ 1,540	\$ 1,372	\$ 22,998
Cash - security deposits	-	5,800	100	5,900
Cash - reserve for replacement and escrows	-	29,843	600	30,443
Cash - operating reserve	-	-	-	-
Grants receivable	230,257	-	-	230,257
Accounts receivable	23,065	4,469	-	27,534
Inventory	1,157	-	-	1,157
Prepaid expenses	-	-	-	-
Total current assets	<u>274,565</u>	<u>41,652</u>	<u>2,072</u>	<u>318,289</u>
LONG-TERM ASSETS				
Property plant and equipment - net	2,340,689	1,315,833	-	3,656,522
Interest receivable, net	382,347	-	-	382,347
Investment in related parties	83	-	-	83
Notes receivable	680,000	-	-	680,000
Development fee receivable	106,425	-	-	106,425
Total long-term assets	<u>3,509,544</u>	<u>1,315,833</u>	<u>-</u>	<u>4,825,377</u>
Total assets	<u>\$ 3,784,109</u>	<u>\$ 1,357,485</u>	<u>\$ 2,072</u>	<u>\$ 5,143,666</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 35,719	\$ 9,009	\$ 461	\$ 45,189
Accrued salaries and wages	63,466	-	-	63,466
Accrued vacation payable	55,419	-	-	55,419
Accrued interest payable	-	1,362	-	1,362
Accrued real estate taxes	-	-	-	-
Security deposits	1,675	5,800	-	7,475
Prepaid rent	-	4	-	4
Developer fees payable	-	-	-	-
Other current liabilities	13,522	-	-	13,522
Current portion of long-term liabilities	39,903	4,990	-	44,893
Total current liabilities	<u>209,704</u>	<u>21,165</u>	<u>461</u>	<u>231,330</u>
LONG-TERM LIABILITIES				
Long-term debt net of current portion	<u>375,175</u>	<u>690,155</u>	<u>-</u>	<u>1,065,330</u>
Total liabilities	<u>584,879</u>	<u>711,320</u>	<u>461</u>	<u>1,296,660</u>
NET ASSETS				
Non-controlling interest in net assets - unrestricted	-	-	-	-
Controlling interest in net assets - unrestricted	<u>3,199,230</u>	<u>646,165</u>	<u>1,611</u>	<u>3,847,006</u>
Total net assets	<u>3,199,230</u>	<u>646,165</u>	<u>1,611</u>	<u>3,847,006</u>
Total liabilities and net assets	<u>\$ 3,784,109</u>	<u>\$ 1,357,485</u>	<u>\$ 2,072</u>	<u>\$ 5,143,666</u>

See independent auditor's report on supplementary information.

<u>Subsidiaries</u>			<u>2016</u>	
<u>SVC</u>	<u>SVC</u>		<u>Consolidated</u>	
<u>Apartments, Inc.</u>	<u>Apartments, L.P</u>	<u>Eliminations</u>	<u>Total</u>	
\$ -	\$ 51,405	\$ -	\$ 74,403	
-	6,600	-	12,500	
-	78,540	-	108,983	
-	26,608	-	26,608	
-	-	-	230,257	
-	1,535	-	29,069	
-	-	-	1,157	
-	-	-	-	
-	164,688	-	482,977	
-	2,005,439	-	5,661,961	
-	-	(382,347)	-	
83	-	(166)	-	
-	-	(680,000)	-	
-	-	(106,425)	-	
83	2,005,439	(1,168,938)	5,661,961	
\$ 83	\$ 2,170,127	\$ (1,168,938)	\$ 6,144,938	
\$ -	\$ 47,844	\$ -	\$ 93,033	
-	-	-	63,466	
-	-	-	55,419	
-	383,666	(382,347)	2,681	
-	20,872	-	20,872	
-	6,600	-	14,075	
-	360	-	364	
-	106,425	(106,425)	-	
-	-	-	13,522	
-	6,031	-	50,924	
-	571,798	(488,772)	314,356	
-	1,002,140	(680,000)	1,387,470	
-	1,573,938	(1,168,772)	1,701,826	
-	596,106	-	596,106	
83	83	(166)	3,847,006	
83	596,189	(166)	4,443,112	
\$ 83	\$ 2,170,127	\$ (1,168,938)	\$ 6,144,938	

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Parent			
	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT				
Grant revenue	\$ 6,323,383	\$ -	\$ -	\$ 6,323,383
Food supply revenue	123,211	-	-	123,211
Local support	63,375	-	-	63,375
In-kind revenue	392,857	-	-	392,857
Rental income	-	122,930	14,888	137,818
Earnings (loss) from subsidiary	(8)	-	-	(8)
Donations	45,390	-	-	45,390
Other income	3,580	6,076	475	10,131
Interest income	34,000	33,591	-	67,591
Total revenue and other support	<u>6,985,788</u>	<u>162,597</u>	<u>15,363</u>	<u>7,163,748</u>
OPERATING EXPENSES				
Headstart	\$ 2,643,517	\$ -	\$ -	\$ 2,643,517
Community Services Block Grant	401,154	-	-	401,154
Section 8 Housing	1,495,992	-	-	1,495,992
Apple Blossom Court Apartments	-	-	12,553	12,553
Casa Amiga	30,266	-	-	30,266
Weatherzation	700,496	-	-	700,496
Energy Assistance	1,699,714	-	-	1,699,714
Subsidiaries	-	195,524	-	195,524
Other Programs	60,035	-	-	60,035
Total operating expenses	<u>7,031,174</u>	<u>195,524</u>	<u>12,553</u>	<u>7,239,251</u>
Net increase (decrease) in net assets	(45,386)	(32,927)	2,810	(75,503)
NET ASSETS, BEGINNING OF YEAR	<u>3,199,230</u>	<u>646,165</u>	<u>1,611</u>	<u>3,847,006</u>
Non-controlling interest in subsidiary's earnings	-	-	-	-
Controlling interest in subsidiary's earnings	(45,386)	(32,927)	2,810	(75,503)
NET ASSETS AT END OF YEAR	<u>\$ 3,153,844</u>	<u>\$ 613,238</u>	<u>\$ 4,421</u>	<u>\$ 3,771,503</u>

See independent auditor's report on supplementary information.

<u>Subsidiaries</u>			<u>Eliminations</u>	2017 <u>Consolidated</u> <u>Total</u>
<u>SVC</u> <u>Apartments, Inc.</u>	<u>SVC</u> <u>Apartments, L.P</u>			
\$ -	\$ -	\$ -	\$ -	\$ 6,323,383
-	-	-	-	123,211
-	-	-	-	63,375
-	-	-	-	392,857
-	176,643	-	-	314,461
(8)	-	16	-	-
-	-	-	-	45,390
-	5,336	-	-	15,467
-	51	-	-	67,642
<u>(8)</u>	<u>182,030</u>	<u>16</u>	<u>-</u>	<u>7,345,786</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,643,517
-	-	-	-	401,154
-	-	-	-	1,495,992
-	-	-	-	12,553
-	-	-	-	30,266
-	-	-	-	700,496
-	-	-	-	1,699,714
-	265,532	-	-	461,056
-	-	-	-	60,035
<u>-</u>	<u>265,532</u>	<u>-</u>	<u>-</u>	<u>7,504,783</u>
(8)	(83,502)	16	-	(158,997)
83	596,189	(166)	-	4,443,112
-	(83,494)	-	-	(83,494)
<u>(8)</u>	<u>(8)</u>	<u>16</u>	<u>-</u>	<u>(75,503)</u>
<u>\$ 75</u>	<u>\$ 512,687</u>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ 4,284,115</u>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Parent			Total
	OVO, Inc.	Valley Court	ABC Apartments	
REVENUES AND OTHER SUPPORT				
Grant revenue	\$ 5,636,409	\$ -	\$ -	\$ 5,636,409
Food supply revenue	111,122	-	-	111,122
Local support	55,296	-	-	55,296
In-kind revenue	294,556	-	-	294,556
Rental income	-	126,525	13,720	140,245
Earnings (loss) from subsidiary	(9)	-	-	(9)
Donations	40,162	-	-	40,162
Other income	1,196	2,408	100	3,704
Interest income	34,000	32,562	-	66,562
Total revenue and other support	<u>6,172,732</u>	<u>161,495</u>	<u>13,820</u>	<u>6,348,047</u>
OPERATING EXPENSES				
Headstart	2,322,483	-	-	2,322,483
Community Services Block Grant	212,115	-	-	212,115
Section 8 Housing	1,361,672	-	-	1,361,672
Apple Blossom Court Apartments	-	-	13,057	13,057
Casa Amiga	22,523	-	-	22,523
Weatherzation	683,737	-	-	683,737
Energy Assistance	1,589,206	-	-	1,589,206
Subsidiaries	-	197,300	-	197,300
Other Programs	50,778	-	-	50,778
Total operating expenses	<u>6,242,514</u>	<u>197,300</u>	<u>13,057</u>	<u>6,452,871</u>
Net increase (decrease) in net assets	(69,782)	(35,805)	763	(104,824)
NET ASSETS AT BEGINNING OF YEAR	<u>3,268,855</u>	<u>681,970</u>	<u>848</u>	<u>3,951,673</u>
Non-controlling interest in subsidiary's earnings	-	-	-	-
Controlling interest in subsidiary's earnings	(69,625)	(35,805)	763	(104,667)
NET ASSETS AT END OF YEAR	<u>\$ 3,199,230</u>	<u>\$ 646,165</u>	<u>\$ 1,611</u>	<u>\$ 3,847,006</u>

See independent auditor's report on supplementary information.

<u>Subsidiaries</u>			2016	
<u>SVC</u>	<u>SVC</u>		<u>Consolidated</u>	
<u>Apartments, Inc.</u>	<u>Apartments, L.P</u>	<u>Eliminations</u>	<u>Total</u>	
\$ -	\$ -	\$ -	\$ 5,636,409	
-	-	-	111,122	
-	-	-	55,296	
-	-	-	294,556	
-	176,334	-	316,579	
(9)	-	18	-	
-	-	-	40,162	
-	1,174	-	4,878	
-	32	-	66,594	
(9)	177,540	\$ 18	6,525,596	
-	-	-	2,322,483	
-	-	-	212,115	
-	-	-	1,361,672	
-	-	-	13,057	
-	-	-	22,523	
-	-	-	683,737	
-	-	-	1,589,206	
-	267,975	-	465,275	
-	-	-	50,778	
-	267,975	-	6,720,846	
(9)	(90,435)	18	(195,250)	
92	686,624	(184)	4,638,205	
-	(90,426)	-	(90,426)	
(9)	(9)	18	(104,667)	
\$ 83	\$ 596,189	\$ (166)	\$ 4,443,112	

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Parent			
	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase (decrease) in net assets	\$ (45,386)	\$ (32,927)	\$ 2,810	\$ (75,503)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	159,929	34,635	-	194,564
Bad debt	-	-	-	-
Earnings (loss) from subsidiary	8	-	-	8
Increase (decrease) in cash from changes in:				
Operating reserve	-	-	-	-
Escrows	-	-	-	-
Grants receivable	15,027	-	-	15,027
Interest receivable	(34,000)	-	-	(34,000)
Accounts receivable	14,747	(3,522)	-	11,225
Security deposits - asset	-	700	(601)	99
Prepaid expenses	(29,560)	-	-	(29,560)
Development fee receivable	10,000	-	-	10,000
Accounts payable	2,320	(2,038)	307	589
Accrued expenses	24,599	(222)	-	24,377
Security deposits - liability	-	(700)	701	1
Prepaid rent	-	431	-	431
Other accrued liabilities	5,534	-	-	5,534
Net cash provided by (used in) operating activities	<u>123,218</u>	<u>(3,643)</u>	<u>3,217</u>	<u>122,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of fixed assets	(23,200)	-	-	(23,200)
Withdrawal from replacement reserve	-	8,257	-	8,257
Deposits and interest retained in reserve for replacement	-	-	(1,200)	(1,200)
Net cash provided by (used in) investing activities	<u>(23,200)</u>	<u>8,257</u>	<u>(1,200)</u>	<u>(16,143)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments against mortgage	(39,644)	(4,990)	-	(44,634)
Principal payments on long-term debt	-	-	-	-
Net cash provided by (used in) financing activities	<u>(39,644)</u>	<u>(4,990)</u>	<u>-</u>	<u>(44,634)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>60,374</u>	<u>(376)</u>	<u>2,017</u>	<u>62,015</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,086</u>	<u>1,540</u>	<u>1,372</u>	<u>22,998</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 80,460</u>	<u>\$ 1,164</u>	<u>\$ 3,389</u>	<u>\$ 85,013</u>
Supplemental disclosures of Cash Flow Information				
Cash paid during the year for interest	<u>\$ 20,172</u>	<u>\$ 13,871</u>	<u>\$ -</u>	<u>\$ 34,043</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 33,591</u>	<u>\$ -</u>	<u>\$ 33,591</u>

See independent auditor's report on supplementary information.

<u>Subsidiaries</u>			<u>2017</u>	
<u>SVC</u>	<u>SVC</u>		<u>Consolidated</u>	
<u>Apartments, Inc.</u>	<u>Apartments, L.P</u>	<u>Eliminations</u>	<u>Total</u>	
\$ (8)	\$ (83,502)	\$ 16	\$ (158,997)	
-	76,259	-	270,823	
-	-	-	-	
8	-	(16)	-	
-	(13)	-	(13)	
-	(5,914)	5,914	-	
-	-	-	15,027	
-	-	34,000	-	
-	1,535	-	12,760	
-	-	-	99	
-	-	-	(29,560)	
-	-	(10,000)	-	
-	(42,122)	-	(41,533)	
-	32,077	(34,000)	22,454	
-	1,250	-	1,251	
-	(360)	-	71	
-	-	-	5,534	
-	<u>(20,790)</u>	<u>(4,086)</u>	<u>97,916</u>	
-	-	-	(23,200)	
-	-	-	8,257	
-	<u>(6,679)</u>	<u>(5,914)</u>	<u>(13,793)</u>	
-	<u>(6,679)</u>	<u>(5,914)</u>	<u>(28,736)</u>	
-	-	-	(44,634)	
-	<u>(16,652)</u>	<u>10,000</u>	<u>(6,652)</u>	
-	<u>(16,652)</u>	<u>10,000</u>	<u>(51,286)</u>	
-	(44,121)	-	17,894	
-	<u>51,405</u>	-	<u>74,403</u>	
<u>\$ -</u>	<u>\$ 7,284</u>	<u>\$ -</u>	<u>\$ 92,297</u>	
<u>\$ -</u>	<u>\$ 26,368</u>	<u>\$ -</u>	<u>\$ 60,411</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,591</u>	

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Parent			
	<u>OVO, Inc.</u>	<u>Valley Court</u>	<u>ABC Apartments</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Increase (decrease) in net assets	\$ (69,782)	\$ (35,805)	\$ 763	\$ (104,824)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:				
Depreciation	158,301	34,635	-	192,936
Bad debt	-	298	-	298
Earnings (loss) from subsidiary	9	-	-	9
Increase (decrease) in cash from changes in:				
Operating reserve	-	-	-	-
Escrows	-	-	-	-
Grants receivable	(66,609)	-	-	(66,609)
Interest receivable	(34,000)	-	-	(34,000)
Accounts receivable	(12,852)	(2,904)	-	(15,756)
Security deposits - asset	-	50	(100)	(50)
Prepaid expenses	-	-	-	-
Accounts payable	(545)	5,709	109	5,273
Accrued expenses	5,560	-	-	5,560
Security deposits - liability	-	150	-	150
Prepaid rent	-	(169)	-	(169)
Other accrued liabilities	(5,379)	-	-	(5,379)
Net cash provided by (used in) operating activities	<u>(25,297)</u>	<u>1,964</u>	<u>772</u>	<u>(22,561)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of fixed assets	(21,815)	-	-	(21,815)
Withdrawal from replacement reserve	-	8,280	-	8,280
Deposits and interest retained in reserve for replacement	-	(8,004)	600	(7,404)
Net cash provided by (used in) investing activities	<u>(21,815)</u>	<u>276</u>	<u>600</u>	<u>(20,939)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Principal payments against mortgage	(37,406)	(4,647)	-	(42,053)
Principal payments on long-term debt	-	-	-	-
Net cash provided by (used in) financing activities	<u>(37,406)</u>	<u>(4,647)</u>	<u>-</u>	<u>(42,053)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(84,518)</u>	<u>(2,407)</u>	<u>1,372</u>	<u>(85,553)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>104,604</u>	<u>3,947</u>	<u>-</u>	<u>108,551</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 20,086</u>	<u>\$ 1,540</u>	<u>\$ 1,372</u>	<u>\$ 22,998</u>
Supplemental disclosures of Cash Flow Information				
Cash paid during the year for interest	<u>\$ 14,440</u>	<u>\$ 14,215</u>	<u>\$ -</u>	<u>\$ 28,655</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 32,562</u>	<u>\$ -</u>	<u>\$ 32,562</u>

See independent auditor's report on supplementary information.

Subsidiaries			2016	
SVC	SVC		Consolidated	
<u>Apartments, Inc.</u>	<u>Apartments, L.P</u>	<u>Eliminations</u>	<u>Total</u>	
\$ (9)	\$ (90,435)	\$ 18	\$ (195,250)	
-	76,261	-	269,197	
-	-	-	298	
9	-	(18)	-	
-	(8)	-	(8)	
-	(5,914)	5,914	-	
-	-	-	(66,609)	
-	-	34,000	-	
-	(940)	-	(16,696)	
-	-	-	(50)	
-	-	-	-	
-	41,831	-	47,104	
-	31,761	(34,000)	3,321	
-	-	-	150	
-	(4,124)	-	(4,293)	
-	-	-	(5,379)	
-	48,432	5,914	31,785	
-	-	-	(21,815)	
-	-	-	8,280	
-	(8,022)	(5,914)	(21,340)	
-	(8,022)	(5,914)	(34,875)	
-	-	-	(42,053)	
-	(6,062)	-	(6,062)	
-	(6,062)	-	(48,115)	
-	34,348	-	(51,205)	
-	17,057	-	125,608	
\$ -	\$ 51,405	\$ -	\$ 74,403	
\$ -	\$ 26,957	\$ -	\$ 55,612	
\$ -	\$ -	\$ -	\$ 32,562	

SINGLE AUDIT SECTION

OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</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	05CH10103	2,529,916	\$ 1,698,906
Head Start	93.600	05CH10104	797,598	431,678
				<u>2,130,584</u>
Passed through the Indiana Housing and Community Development Authority:				
Community Services Block Grant	93.569	CS-017-019	249,729	247,078
Community Services Block Grant	93.569	CS-CO-016-019	341,772	131,654
Energy Assistance Program	93.568	LI-017-019	1,369,801	784,325
Energy Assistance Program	93.568	LI-018-019	999,785	835,752
LIHEAP Weatherization	93.568	WL-017-019	364,246	301,311
LIHEAP Weatherization	93.568	WL-018-019	498,676	42,562
				<u>2,342,682</u>
Total Department of Health and Human Services				<u>4,473,266</u>
U.S. Department of Energy				
Passed through the Indiana Housing and Community Development Authority:				
Weatherization Assistance for Low-Income Persons	81.042	WX-016-019	190,602	112,825
Weatherization Assistance for Low-Income Persons	81.042	WX-017-019	292,700	127,009
				<u>239,834</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	123,211
U.S. Department of Housing and Urban Development				
Passed through the Indiana Department of Education				
Section 8 Housing	14.871	HCV-016-0XX	n/a	1,459,879
Total Expenditures of Federal Awards				<u>\$ 6,296,190</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, 2017

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 CFDA Number 93.568 include \$1,432,627 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, 2017.

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.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant or Identifying Number</u>	<u>Grant Awards (in dollars \$)</u>	<u>State and Local Expenditures</u>
Passed through the Indiana Housing and Community Development Authority:			
Energy Assistance Program	IR-017-019	61,997	33,484
Energy Assistance Program	IR-018-019	64,246	41,149
LIHEAP Weatherization	WS-017-019	82,031	68,063
LIHEAP Weatherization	WS-018-019	30,232	<u>10,948</u>
Total Expenditures of State and Local Awards			<u><u>\$ 153,644</u></u>

**OHIO VALLEY OPPORTUNITIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Section II –Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2016.

Section III –Federal Awards Findings and Questioned Costs

There were no federal awards findings for the year ended December 31, 2016.



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

**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 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 Ohio Valley Opportunities, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 6, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ohio Valley 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 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 a 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
August 6, 2018



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

We have audited Ohio Valley Opportunities, Inc.'s compliance with the types of compliance requirements described 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, 2017. 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.

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 Ohio Valley 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* (CFR) 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 Ohio Valley Opportunities, Inc.'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 Ohio Valley Opportunities, Inc.'s compliance.

Opinion on Each Major Federal Program

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, 2017.

Report on Internal Control over Compliance

Management of Ohio Valley 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 Ohio Valley Opportunities, Inc.'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 Ohio Valley Opportunities, Inc.'s internal control over compliance.

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

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

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
August 6, 2018

**OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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>
93.568	U.S. Dept. of Health and Human Services – Low- Income Home Energy Assistance
81.042	U.S. Dept. of Health and Human Services – Weatherization Assistance for Low-Income Persons

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, 2017

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2017.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2017.