



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B56597

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

April 16, 2021

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, 2019 to December 31, 2019. 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, 2019 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 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 blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner

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

**Consolidated Financial Statements
For the Years Ended
December 31, 2019 and 2018
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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.....	7
Notes to Consolidated Financial Statements.....	8
SUPPLEMENTARY INFORMATION	
Independent Auditor’s Report on Supplementary Information	18
Consolidating Statements of Financial Position	19
Consolidating Statements of Activities.....	21
Consolidating Statements of Cash Flows	23
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	25
Notes to Schedule of Expenditures of Federal Awards	26
Schedule of Expenditures of State and Local Awards.....	27
Summary Schedule of Prior Audit Findings.....	28
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>	29
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	31
Schedule of Findings and Questioned Costs.....	33



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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, 2019 and 2018, 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 \$1,919,097 and \$1,993,776 as of December 31, 2019 and 2018, respectively, and total support and revenues of \$193,124 and \$187,694 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 \$1,254,184 and \$1,284,921 as of December 31, 2019 and 2018, respectively, and total support and revenue of \$158,808 and \$131,007 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, 2019 and 2018, 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 July 21, 2020 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
July 21, 2020

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash operating	\$ 194,738	\$ 45,524
Cash security deposits	19,809	16,920
Cash reserve for replacement and escrows	84,550	107,797
Cash operating reserve	51,211	41,693
Grants receivable	165,144	307,333
Accounts receivable	38,237	22,065
Inventory	1,157	1,157
Prepaid expenses	37,151	30,184
	591,997	572,673
LONG-TERM ASSETS		
Property and equipment, net of accumulated depreciation	5,346,068	5,571,071
	\$ 5,938,065	\$ 6,143,744

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 21,117	\$ 40,783
Accrued salaries and wages	75,334	72,215
Accrued vacation payable	75,924	71,954
Accrued interest payable	2,619	168
Accrued real estate taxes	13,456	17,968
Security deposits	19,420	17,143
Prepaid rent	12	37
Other accrued liabilities	47,373	36,447
Current portion of long-term debt	54,859	58,735
	310,114	315,450
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	1,226,171	1,275,299
	1,226,171	1,275,299
	1,536,285	1,590,749
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Non-controlling interest in net assets	323,999	421,714
Controlling interest in net assets	4,077,781	4,131,281
	4,401,780	4,552,995
	\$ 5,938,065	\$ 6,143,744

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
REVENUE AND SUPPORT		
Grant revenue	\$ 6,883,311	\$ 7,464,928
Food supply revenue	140,475	133,566
Local support	116,490	118,680
In-kind revenue	354,355	376,283
Rental income	352,283	328,444
Donations	48,638	27,647
Other income	19,845	12,051
Interest income	34,077	34,075
	<hr/>	<hr/>
Total revenue and support	7,949,474	8,495,674
OPERATING EXPENSES		
Headstart	2,585,697	2,736,122
Section 8 Housing	1,727,717	1,576,669
Apple Blossom Court Apartments	14,801	14,061
Casa Amiga	28,170	20,432
Weatherzation	894,785	936,846
Energy Assistance	2,199,364	2,236,220
Subsidiaries	479,919	436,025
Other programs	79,728	53,297
Management and general	90,508	217,122
	<hr/>	<hr/>
Total operating expenses	8,100,689	8,226,794
Increase (decrease) in net assets	(151,215)	268,880
NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR		
	<hr/>	<hr/>
	4,552,995	4,284,115
Non-controlling interest in subsidiary's earnings	(97,705)	(90,889)
Controlling interest in subsidiary's earnings	(53,510)	359,769
	<hr/>	<hr/>
NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR	<u>\$ 4,401,780</u>	<u>\$ 4,552,995</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, 2019

	Head Start	Section 8 Housing	Apple Blossom Court Apartments	Casa Amiga	Weatherzation	Energy Assistance	Total Services	Management and General	SVCA, L.P.	Valley Court Apartments of North Vernon	Other	2019 Total
OPERATING EXPENSES												
Salaries and wages	\$ 1,258,650	\$ 112,198	\$ 1,333	\$ 13,050	\$ 211,270	\$ 147,527	\$ 1,744,028	\$ 58,627	\$ 12,801	\$ 43,093	\$ 2,452	\$ 1,861,001
Employee benefits	406,842	38,282	17	1,412	77,506	49,118	573,177	19,833	5,714	1,628	(61)	600,291
Occupancy	90,511	2,519	3,197	4,256	11,023	4,437	115,943	858	31,898	47,801	1,713	198,213
Telephone	22,157	2,823	-	1,351	3,694	4,721	34,746	712	-	-	-	35,458
Postage and office supplies	2,027	3,900	111	-	771	25,194	32,003	100	8,563	-	-	40,666
Contracted services	14,620	39,649	2,563	1,274	527,166	103,316	688,588	772	19,539	5,593	40,165	754,657
Materials and supplies	104,492	4,878	4,965	1,283	19,030	16,719	151,367	3,370	54,899	23,071	214	232,921
Travel and transportation	26,750	1,167	-	65	4,099	600	32,681	79	-	-	-	32,760
Training	28,714	4,820	-	366	11,808	2,408	48,116	734	-	-	476	49,326
Other costs	45,583	3,652	2,615	4,103	12,067	12,793	80,813	886	21,962	20,210	16,518	140,389
Specific assistance	133,582	1,505,145	-	-	-	1,821,113	3,459,840	-	-	-	6	3,459,846
Interest expense	-	-	-	-	-	-	-	-	59,146	13,049	18,055	90,250
Bad Debt	-	-	-	-	-	-	-	-	58	-	-	58
Depreciation	97,414	8,684	-	1,010	16,351	11,418	134,877	4,537	76,259	34,635	190	250,498
In-kind expenses	354,355	-	-	-	-	-	354,355	-	-	-	-	354,355
Total operating expenses	<u>\$ 2,585,697</u>	<u>\$ 1,727,717</u>	<u>\$ 14,801</u>	<u>\$ 28,170</u>	<u>\$ 894,785</u>	<u>\$ 2,199,364</u>	<u>\$ 7,450,534</u>	<u>\$ 90,508</u>	<u>\$ 290,839</u>	<u>\$ 189,080</u>	<u>\$ 79,728</u>	<u>\$ 8,100,689</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, 2018

	Head Start	Section 8 Housing	Apple Blossom Court Apartments	Casa Amiga	Weatherzation	Energy Assistance	Total Services	Management and General	SVCA, L.P.	Valley Court Apartments of North Vernon	Other	2018 Total
OPERATING EXPENSES												
Salaries and wages	\$ 1,250,068	\$ 84,061	\$ 1,218	\$ 10,276	\$ 207,697	\$ 130,919	\$ 1,684,239	\$ 119,150	\$ 11,484	\$ 32,414	\$ 1,802	\$ 1,849,089
Employee benefits	429,222	48,986	12	1,115	84,537	41,006	604,878	17,760	6,136	499	-	629,273
Occupancy	93,466	5,513	3,022	4,524	9,676	3,862	120,063	736	26,776	41,686	7,928	197,189
Telephone	23,007	2,548	-	1,655	3,687	3,355	34,252	699	-	3,198	-	38,149
Postage and office supplies	965	2,330	-	4	489	4,320	8,108	74	-	-	-	8,182
Contracted services	23,748	27,367	2,472	1,488	548,075	5,565	608,715	65,995	17,707	6,372	28,697	727,486
Materials and supplies	140,562	7,204	4,748	478	26,342	11,881	191,215	2,699	50,581	8,451	54	253,000
Travel and transportation	88,755	1,179	-	196	18,548	1,403	110,081	476	-	-	120	110,677
Training	26,156	1,630	-	-	2,706	702	31,194	378	-	-	13	31,585
Other costs	32,739	2,346	2,589	-	19,702	9,330	66,706	801	29,528	16,708	82	113,825
Specific assistance	129,650	1,387,124	-	-	-	2,012,232	3,529,006	-	-	-	-	3,529,006
Interest expense	-	-	-	-	-	-	-	-	60,118	13,470	14,479	88,067
Bad debt	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	121,501	6,381	-	696	15,387	11,645	155,610	8,354	76,262	34,635	122	274,983
In-kind expenses	376,283	-	-	-	-	-	376,283	-	-	-	-	376,283
Total operating expenses	<u>\$ 2,736,122</u>	<u>\$ 1,576,669</u>	<u>\$ 14,061</u>	<u>\$ 20,432</u>	<u>\$ 936,846</u>	<u>\$ 2,236,220</u>	<u>\$ 7,520,350</u>	<u>\$ 217,122</u>	<u>\$ 278,592</u>	<u>\$ 157,433</u>	<u>\$ 53,297</u>	<u>\$ 8,226,794</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, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (151,215)	\$ 268,880
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	250,498	274,983
Increase (decrease) in cash from changes in:		
Operating reserve	(9,518)	(8)
Escrows	-	(1,909)
Grants receivable	142,189	(92,103)
Accounts receivable	(16,172)	(5,756)
Security deposits - asset	(2,889)	(3,269)
Prepaid expenses	(6,967)	(624)
Accounts payable and accrued expenses	(12,566)	(13,305)
Security deposits - liability	2,277	1,817
Prepaid rent	(25)	(398)
Other accrued liabilities	8,854	17,391
Net cash provided by (used in) operating activities	<u>204,466</u>	<u>445,699</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	(25,495)	(431,716)
Withdrawal from replacement reserve	40,466	1,557
Deposits and interest retained in reserve for replacement	(17,219)	(9,240)
Net cash provided by (used in) investing activities	<u>(2,248)</u>	<u>(439,399)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments against mortgage	(44,190)	(45,278)
Principal payments on long-term debt	(8,814)	(7,795)
Net cash provided by (used in) financing activities	<u>(53,004)</u>	<u>(53,073)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>149,214</u>	<u>(46,773)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>45,524</u>	<u>92,297</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 194,738</u>	<u>\$ 45,524</u>
Supplemental disclosures of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 59,663</u>	<u>\$ 61,650</u>
Cash paid during the year for interest subsidy	<u>\$ 33,189</u>	<u>\$ 34,222</u>

See accompanying notes to consolidated financial statements.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

**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, 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.

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, 2019 AND 2018

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, 2019 and 2018.

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 2016.

REVENUE RECOGNITION

The Organization receives 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. Revenues under the contracts are recognized as services are provided. The Subsidiary recognizes revenue as it is earned and billed.

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 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 received are reported as support without donor restrictions.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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.

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. For the years ended December 31, 2019 and 2018, 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, 2019 and 2018.

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.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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

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.

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.

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 July 21, 2020, 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, 2019 AND 2018

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

RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. 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, 2019, and interim periods for years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this guidance will have on the financial statements.

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 \$84,550 and \$107,797 at December 31, 2019 and 2018, 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 \$51,211 and \$41,693 at December 31, 2019 and 2018, respectively.

NOTE 3 – GRANTS RECEIVABLE

The Organization's grant receivables consisted of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Federal Programs (Direct and pass-through)	\$ 162,768	\$ 303,261
State and Local Programs	2,376	4,072
Total	<u>\$ 165,144</u>	<u>\$ 307,333</u>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – PROPERTY AND EQUIPMENT

The Organization’s property and equipment for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 603,122	\$ 603,122
Building and improvements	4,949,003	4,943,663
Equipment and vehicles	842,344	822,189
	<u>6,394,469</u>	<u>6,368,974</u>
Accumulated depreciation	<u>(2,825,060)</u>	<u>(2,650,821)</u>
	<u>\$ 3,569,409</u>	<u>\$ 3,718,153</u>

The Subsidiaries’ property and equipment for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 50,129	\$ 50,129
Building and improvements	2,810,064	2,810,064
Equipment and vehicles	89,408	89,408
	<u>2,949,601</u>	<u>2,949,601</u>
Accumulated depreciation	<u>(1,172,942)</u>	<u>(1,096,683)</u>
	<u>\$ 1,776,659</u>	<u>\$ 1,852,918</u>

Depreciation expense was \$250,498 and \$274,983 for the years ended December 31, 2019 and 2018, respectively.

NOTE 5 – NOTES RECEIVABLE FROM RELATED PARTIES

Notes receivable as of December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</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>

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 – NOTES RECEIVABLE FROM RELATED PARTIES – (continued)

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, 2019 and 2018 was \$199,507 and \$185,507, 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, 2019 and 2018 was \$284,840 and \$264,840, 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 \$1,616 and \$0 as of December 31, 2019 and 2018, respectively. The remaining \$94,809 is recorded as a receivable at December 31, 2019. Management believes that the entire amount will be collected and therefore, no allowance has been recorded. This receivable has been eliminated in consolidation.

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.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 – LONG TERM DEBT

As of December 31, 2019 and 2018, the Organization’s long term debt consisted of the following:

	<u>2019</u>	<u>2018</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.	\$ 274,608	\$ 277,028
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.	404,430	407,767
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.	261,232	270,486
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.	35,851	65,029
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.	304,909	313,724
Sub-total	1,281,030	1,334,034
Less: current portion	54,859	58,735
Long-term debt	<u>\$1,226,171</u>	<u>\$1,275,299</u>

Interest expense amounted to \$90,250 and \$88,067 for the years ended December 31, 2019 and 2018, respectively.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 8 – LONG TERM DEBT – (continued)

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

2020	\$ 55,542
2021	31,904
2022	28,798
2023	31,005
2024	22,340
Thereafter	<u>1,111,441</u>
Total	<u>\$ 1,281,030</u>

NOTE 9 – CONCENTRATION OF CREDIT RISK

Approximately 90% of the Organization’s support and revenue for both years ended December 31, 2019 and 2018 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, 2019 and 2018. 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, 2019 and 2018.

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 \$49,457 and \$49,974 for the years ended December 31, 2019 and 2018 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, 2019 AND 2018

NOTE 11 – IN-KIND CONTRIBUTIONS – (continued)

The table below details the in-kind contributions for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Headstart in-kind:		
Professional services	\$ 182,318	\$ 192,274
Facilities	124,426	127,021
Mileage	6,819	4,993
Donations	<u>40,792</u>	<u>51,995</u>
Total in-kind reported in financial statements	354,355	376,283
Headstart volunteer services	<u>145,611</u>	<u>197,552</u>
Total in-kind for all programs	<u>\$ 499,966</u>	<u>\$ 573,835</u>

NOTE 12 – 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, 2019 and 2018, management believes no material loss is anticipated.

NOTE 13 – 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>2019</u>	<u>2018</u>
Cash	\$ 350,308	\$ 211,934
Grants receivable	165,144	307,333
Accounts receivable	<u>38,237</u>	<u>22,065</u>
Total financial assets	553,689	541,332
Less:		
Cash reserve for replacement and escrows	(84,550)	(107,797)
Cash operating reserve	(51,211)	(41,693)
Cash security deposits	<u>(19,809)</u>	<u>(16,920)</u>
Financial assets available for operations within the next year	<u>\$ 398,119</u>	<u>\$ 374,922</u>

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, 2019 and 2018, 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 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 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 \$1,919,097 and \$1,993,776 as of December 31, 2019 and 2018, respectively, and total support and revenues of \$193,124 and \$187,694 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 \$1,254,184 and \$1,284,921 as of December 31, 2019 and 2018, respectively, and total support and revenue of \$158,808 and \$131,007 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 21, 2020

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS	Parent				Subsidiaries			2019 Consolidated Total
	OVO, Inc.	Valley Court	ABC		SVC		Eliminations	
			Apartments	Total	Apartments, Inc.	Apartments, L.P		
CURRENT ASSETS								
Cash operating	\$ 166,302	\$ 798	\$ 8,514	\$ 175,614	\$ -	\$ 19,124	\$ -	\$ 194,738
Cash security deposits	-	9,307	701	10,008	-	9,801	-	19,809
Cash reserve for replacement	-	18,123	4,200	22,323	-	62,227	-	84,550
Cash operating reserve	-	-	-	-	-	51,211	-	51,211
Grants receivable	165,144	-	-	165,144	-	-	-	165,144
Accounts receivable	26,504	11,658	-	38,162	-	75	-	38,237
Inventory	1,157	-	-	1,157	-	-	-	1,157
Prepaid expenses	34,781	2,370	-	37,151	-	-	-	37,151
Total current assets	393,888	42,256	13,415	449,559	-	142,438	-	591,997
LONG-TERM ASSETS								
Property plant and equipment - net	2,357,481	1,211,928	-	3,569,409	-	1,776,659	-	5,346,068
Interest receivable	484,347	-	-	484,347	-	-	(484,347)	-
Investment in related parties	56	-	-	56	56	-	(112)	-
Notes receivable	680,000	-	-	680,000	-	-	(680,000)	-
Development fee receivable	94,809	-	-	94,809	-	-	(94,809)	-
Total long-term assets	3,616,693	1,211,928	-	4,828,621	56	1,776,659	(1,259,268)	5,346,068
Total assets	\$ 4,010,581	\$ 1,254,184	\$ 13,415	\$ 5,278,180	\$ 56	\$ 1,919,097	\$ (1,259,268)	\$ 5,938,065
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	\$ 6,325	\$ 7,625	\$ 787	\$ 14,737	\$ -	\$ 6,380	\$ -	\$ 21,117
Accrued salaries and wages	75,334	-	-	75,334	-	-	-	75,334
Accrued vacation payable	75,924	-	-	75,924	-	-	-	75,924
Accrued interest payable	-	2,619	-	2,619	-	484,347	(484,347)	2,619
Accrued real estate taxes	-	-	-	-	-	13,456	-	13,456
Security deposits	1,675	8,350	345	10,370	-	9,050	-	19,420
Prepaid rent	-	12	-	12	-	-	-	12
Developer fees payable	-	-	-	-	-	94,809	(94,809)	-
Other current liabilities	45,301	-	-	45,301	-	2,072	-	47,373
Current portion of long-term liabilities	40,443	6,183	-	46,626	-	8,233	-	54,859
Total current liabilities	245,002	24,789	1,132	270,923	-	618,347	(579,156)	310,114
LONG-TERM LIABILITIES								
Long-term debt net of current portion	256,640	672,855	-	929,495	-	976,676	(680,000)	1,226,171
Total liabilities	501,642	697,644	1,132	1,200,418	-	1,595,023	(1,259,156)	1,536,285
NET ASSETS WITHOUT DONOR RESTRICTIONS								
Non-controlling interest in net assets	-	-	-	-	-	323,999	-	323,999
Controlling interest in net assets	3,508,939	556,540	12,283	4,077,762	56	75	(112)	4,077,781
Total net assets	3,508,939	556,540	12,283	4,077,762	56	324,074	(112)	4,401,780
Total liabilities and net assets	\$ 4,010,581	\$ 1,254,184	\$ 13,415	\$ 5,278,180	\$ 56	\$ 1,919,097	\$ (1,259,268)	\$ 5,938,065

See independent auditor's report on supplementary information.

OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	Parent				Subsidiaries			2018 Consolidated Total
	OVO, Inc.	Valley Court	ABC		SVC		Eliminations	
			Apartments	Total	Apartments, Inc.	Apartments, L.P		
CURRENT ASSETS								
Cash	\$ 30,504	\$ 2,901	\$ 6,273	\$ 39,678	\$ -	\$ 5,846	\$ -	\$ 45,524
Cash - security deposits	-	7,668	701	8,369	-	8,551	-	16,920
Cash - reserve for replacement and escrows	-	20,029	3,000	23,029	-	84,768	-	107,797
Cash - operating reserve	-	-	-	-	-	41,693	-	41,693
Grants receivable	307,333	-	-	307,333	-	-	-	307,333
Accounts receivable	15,545	6,520	-	22,065	-	-	-	22,065
Inventory	1,157	-	-	1,157	-	-	-	1,157
Prepaid expenses	28,945	1,239	-	30,184	-	-	-	30,184
Total current assets	<u>383,484</u>	<u>38,357</u>	<u>9,974</u>	<u>431,815</u>	<u>-</u>	<u>140,858</u>	<u>-</u>	<u>572,673</u>
LONG-TERM ASSETS								
Property plant and equipment - net	2,471,590	1,246,563	-	3,718,153	-	1,852,918	-	5,571,071
Interest receivable, net	450,347	-	-	450,347	-	-	(450,347)	-
Investment in related parties	66	-	-	66	66	-	(132)	-
Notes receivable	680,000	-	-	680,000	-	-	(680,000)	-
Development fee receivable	96,425	-	-	96,425	-	-	(96,425)	-
Total long-term assets	<u>3,698,428</u>	<u>1,246,563</u>	<u>-</u>	<u>4,944,991</u>	<u>66</u>	<u>1,852,918</u>	<u>(1,226,904)</u>	<u>5,571,071</u>
Total assets	<u>\$ 4,081,912</u>	<u>\$ 1,284,920</u>	<u>\$ 9,974</u>	<u>\$ 5,376,806</u>	<u>\$ 66</u>	<u>\$ 1,993,776</u>	<u>\$ (1,226,904)</u>	<u>\$ 6,143,744</u>
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	\$ 28,272	\$ 5,551	\$ 646	\$ 34,469	\$ -	\$ 6,314	\$ -	\$ 40,783
Accrued salaries and wages	72,215	-	-	72,215	-	-	-	72,215
Accrued vacation payable	71,954	-	-	71,954	-	-	-	71,954
Accrued interest payable	-	1,108	-	1,108	-	449,407	(450,347)	168
Accrued real estate taxes	-	-	-	-	-	17,968	-	17,968
Security deposits	1,675	6,617	701	8,993	-	8,150	-	17,143
Prepaid rent	-	37	-	37	-	-	-	37
Developer fees payable	-	-	-	-	-	96,425	(96,425)	-
Other current liabilities	36,447	-	-	36,447	-	-	-	36,447
Current portion of long-term liabilities	44,745	5,757	-	50,502	-	8,233	-	58,735
Total current liabilities	<u>255,308</u>	<u>19,070</u>	<u>1,347</u>	<u>275,725</u>	<u>-</u>	<u>586,497</u>	<u>(546,772)</u>	<u>315,450</u>
LONG-TERM LIABILITIES								
Long-term debt net of current portion	290,771	679,038	-	969,809	-	985,490	(680,000)	1,275,299
Total liabilities	<u>546,079</u>	<u>698,108</u>	<u>1,347</u>	<u>1,245,534</u>	<u>-</u>	<u>1,571,987</u>	<u>(1,226,772)</u>	<u>1,590,749</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS								
Non-controlling interest in net assets	-	-	-	-	-	421,714	-	421,714
Controlling interest in net assets	3,535,833	586,812	8,627	4,131,272	66	75	(132)	4,131,281
Total net assets	<u>3,535,833</u>	<u>586,812</u>	<u>8,627</u>	<u>4,131,272</u>	<u>66</u>	<u>421,789</u>	<u>(132)</u>	<u>4,552,995</u>
Total liabilities and net assets	<u>\$ 4,081,912</u>	<u>\$ 1,284,920</u>	<u>\$ 9,974</u>	<u>\$ 5,376,806</u>	<u>\$ 66</u>	<u>\$ 1,993,776</u>	<u>\$ (1,226,904)</u>	<u>\$ 6,143,744</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, 2019

	Parent				Subsidiaries			2019 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P	Eliminations	
REVENUES AND OTHER SUPPORT								
Grant revenue	\$ 6,883,311	\$ -	\$ -	\$ 6,883,311	\$ -	\$ -	\$ -	\$ 6,883,311
Food supply revenue	140,475	-	-	140,475	-	-	-	140,475
Local support	116,490	-	-	116,490	-	-	-	116,490
In-kind revenue	354,355	-	-	354,355	-	-	-	354,355
Rental income	-	147,219	17,390	164,609	-	187,674	-	352,283
Earnings (loss) from subsidiary	(10)	-	-	(10)	(10)	-	20	-
Donations	48,638	-	-	48,638	-	-	-	48,638
Other income	1,816	11,571	1,067	14,454	-	5,391	-	19,845
Interest income	34,000	18	-	34,018	-	59	-	34,077
Total revenue and other support	<u>7,579,075</u>	<u>158,808</u>	<u>18,457</u>	<u>7,756,340</u>	<u>(10)</u>	<u>193,124</u>	<u>20</u>	<u>7,949,474</u>
OPERATING EXPENSES								
Headstart	2,585,697	-	-	2,585,697	-	-	-	2,585,697
Section 8 Housing	1,727,717	-	-	1,727,717	-	-	-	1,727,717
Apple Blossom Court Apartments	-	-	14,801	14,801	-	-	-	14,801
Casa Amiga	28,170	-	-	28,170	-	-	-	28,170
Weatherzation	894,785	-	-	894,785	-	-	-	894,785
Energy Assistance	2,199,364	-	-	2,199,364	-	-	-	2,199,364
Management and general	90,508	-	-	90,508	-	-	-	90,508
Subsidiaries	-	189,080	-	189,080	-	290,839	-	479,919
Other Programs	79,728	-	-	79,728	-	-	-	79,728
Total operating expenses	<u>7,605,969</u>	<u>189,080</u>	<u>14,801</u>	<u>7,809,850</u>	<u>-</u>	<u>290,839</u>	<u>-</u>	<u>8,100,689</u>
Net increase (decrease) in net assets	(26,894)	(30,272)	3,656	(53,510)	(10)	(97,715)	20	(151,215)
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	<u>3,535,833</u>	<u>586,812</u>	<u>8,627</u>	<u>4,131,272</u>	<u>66</u>	<u>421,789</u>	<u>(132)</u>	<u>4,552,995</u>
Non-controlling interest in subsidiary's earnings	-	-	-	-	-	(97,705)	-	(97,705)
Controlling interest in subsidiary's earnings	(26,894)	(30,272)	3,656	(53,510)	(10)	(10)	20	(53,510)
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	<u>\$ 3,508,939</u>	<u>\$ 556,540</u>	<u>\$ 12,283</u>	<u>\$ 4,077,762</u>	<u>\$ 56</u>	<u>\$ 324,074</u>	<u>\$ (112)</u>	<u>\$ 4,401,780</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, 2018

	Parent				Subsidiaries			2018 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P	Eliminations	
REVENUES AND OTHER SUPPORT								
Grant revenue	\$ 7,464,928	\$ -	\$ -	\$ 7,464,928	\$ -	\$ -	\$ -	\$ 7,464,928
Food supply revenue	133,566	-	-	133,566	-	-	-	133,566
Local support	118,680	-	-	118,680	-	-	-	118,680
In-kind revenue	376,283	-	-	376,283	-	-	-	376,283
Rental income	-	125,337	17,830	143,167	-	185,277	-	328,444
Earnings (loss) from subsidiary	(9)	-	-	(9)	(9)	-	18	-
Donations	27,647	-	-	27,647	-	-	-	27,647
Other income	3,602	5,653	437	9,692	-	2,359	-	12,051
Interest income	34,000	17	-	34,017	-	58	-	34,075
Total revenue and other support	<u>8,158,697</u>	<u>131,007</u>	<u>18,267</u>	<u>8,307,971</u>	<u>(9)</u>	<u>187,694</u>	<u>\$ 18</u>	<u>8,495,674</u>
OPERATING EXPENSES								
Headstart	2,736,122	-	-	2,736,122	-	-	-	2,736,122
Section 8 Housing	1,576,669	-	-	1,576,669	-	-	-	1,576,669
Apple Blossom Court Apartments	-	-	14,061	14,061	-	-	-	14,061
Casa Amiga	20,432	-	-	20,432	-	-	-	20,432
Weatherzation	936,846	-	-	936,846	-	-	-	936,846
Energy Assistance	2,236,220	-	-	2,236,220	-	-	-	2,236,220
Management and general	217,122	-	-	217,122	-	-	-	217,122
Subsidiaries	-	157,433	-	157,433	-	278,592	-	436,025
Other Programs	53,297	-	-	53,297	-	-	-	53,297
Total operating expenses	<u>7,776,708</u>	<u>157,433</u>	<u>14,061</u>	<u>7,948,202</u>	<u>-</u>	<u>278,592</u>	<u>-</u>	<u>8,226,794</u>
Net increase (decrease) in net assets	381,989	(26,426)	4,206	359,769	(9)	(90,898)	18	268,880
NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR	<u>3,153,844</u>	<u>613,238</u>	<u>4,421</u>	<u>3,771,503</u>	<u>75</u>	<u>512,687</u>	<u>(150)</u>	<u>4,284,115</u>
Non-controlling interest in subsidiary's earnings	-	-	-	-	-	(90,889)	-	(90,889)
Controlling interest in subsidiary's earnings	381,989	(26,426)	4,206	359,769	(9)	(9)	18	359,769
NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR	<u>\$ 3,535,833</u>	<u>\$ 586,812</u>	<u>\$ 8,627</u>	<u>\$ 4,131,272</u>	<u>\$ 66</u>	<u>\$ 421,789</u>	<u>\$ (132)</u>	<u>\$ 4,552,995</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, 2019

	Parent				Subsidiaries		Eliminations	2019 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P		
CASH FLOWS FROM OPERATING ACTIVITIES:								
Increase (decrease) in net assets	\$ (26,894)	\$ (30,272)	\$ 3,656	\$ (53,510)	\$ (10)	\$ (97,715)	\$ 20	\$ (151,215)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Depreciation	139,604	34,635	-	174,239	-	76,259	-	250,498
Earnings (loss) from subsidiary	10	-	-	10	10	-	(20)	-
Increase (decrease) in cash from changes in:								
Operating reserve	-	-	-	-	-	(9,518)	-	(9,518)
Grants receivable	142,189	-	-	142,189	-	-	-	142,189
Interest receivable	(34,000)	-	-	(34,000)	-	-	34,000	-
Accounts receivable	(10,959)	(5,138)	-	(16,097)	-	(75)	-	(16,172)
Security deposits - asset	-	(1,639)	-	(1,639)	-	(1,250)	-	(2,889)
Prepaid expenses	(5,836)	(1,131)	-	(6,967)	-	-	-	(6,967)
Development fee receivable	1,616	-	-	1,616	-	-	(1,616)	-
Accounts payable	(21,947)	2,074	141	(19,732)	-	66	-	(19,666)
Accrued expenses	7,089	1,511	-	8,600	-	30,884	(32,384)	7,100
Security deposits - liability	-	1,733	(356)	1,377	-	900	-	2,277
Prepaid rent	-	(25)	-	(25)	-	-	-	(25)
Other accrued liabilities	8,854	-	-	8,854	-	-	-	8,854
Net cash provided by (used in) operating activities	199,726	1,748	3,441	204,915	-	(449)	-	204,466
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition of fixed assets	(25,495)	-	-	(25,495)	-	-	-	(25,495)
Withdrawal from replacement reserve	-	9,925	-	9,925	-	30,541	-	40,466
Deposits and interest retained in reserve for replacement	-	(8,019)	(1,200)	(9,219)	-	(8,000)	-	(17,219)
Net cash provided by (used in) investing activities	(25,495)	1,906	(1,200)	(24,789)	-	22,541	-	(2,248)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Principal payments against mortgage	(38,433)	(5,757)	-	(44,190)	-	-	-	(44,190)
Principal payments on long-term debt	-	-	-	-	-	(8,814)	-	(8,814)
Net cash provided by (used in) financing activities	(38,433)	(5,757)	-	(44,190)	-	(8,814)	-	(53,004)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	135,798	(2,103)	2,241	135,936	-	13,278	-	149,214
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	30,504	2,901	6,273	39,678	-	5,846	-	45,524
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 166,302</u>	<u>\$ 798</u>	<u>\$ 8,514</u>	<u>\$ 175,614</u>	<u>\$ -</u>	<u>\$ 19,124</u>	<u>\$ -</u>	<u>\$ 194,738</u>
Supplemental disclosures of Cash Flow Information								
Cash paid during the year for interest	\$ 21,411	\$ 13,106	\$ -	\$ 34,517	\$ -	\$ 25,146	\$ -	\$ 59,663
Cash paid during the year for interest subsidy	\$ -	\$ 33,189	\$ -	\$ 33,189	\$ -	\$ -	\$ -	\$ 33,189

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, 2018

	Parent				Subsidiaries			2018 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P	Eliminations	
CASH FLOWS FROM OPERATING ACTIVITIES:								
Increase (decrease) in net assets	\$ 381,989	\$ (26,426)	\$ 4,206	\$ 359,769	\$ (9)	\$ (90,898)	\$ 18	\$ 268,880
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Prior period adjustment	-	-	-	-	-	-	-	-
Depreciation	164,086	34,635	-	198,721	-	76,262	-	274,983
Earnings (loss) from subsidiary	9	-	-	9	9	-	(18)	-
Increase (decrease) in cash from changes in:								
Operating reserve	-	-	-	-	-	(8)	-	(8)
Escrows	-	-	-	-	-	(1,909)	-	(1,909)
Grants receivable	(92,103)	-	-	(92,103)	-	-	-	(92,103)
Interest receivable	(34,000)	-	-	(34,000)	-	-	34,000	-
Accounts receivable	(7,227)	1,471	-	(5,756)	-	-	-	(5,756)
Accrued interest receivable	-	-	-	-	-	-	-	-
Security deposits - asset	-	(2,568)	-	(2,568)	-	(701)	-	(3,269)
Prepaid expenses	615	(1,239)	-	(624)	-	-	-	(624)
Development fee receivable	-	-	-	-	-	-	-	-
Accrued vacation payable	-	-	-	-	-	-	-	-
Accounts payable	(9,767)	(1,420)	(122)	(11,309)	-	592	-	(10,717)
Accrued expenses	685	(32)	-	653	-	30,759	(34,000)	(2,588)
Security deposits - liability	-	1,517	-	1,517	-	300	-	1,817
Prepaid rent	-	(398)	-	(398)	-	-	-	(398)
Other accrued liabilities	17,391	-	-	17,391	-	-	-	17,391
Net cash provided by (used in) operating activities	<u>421,678</u>	<u>5,540</u>	<u>4,084</u>	<u>431,302</u>	<u>-</u>	<u>14,397</u>	<u>-</u>	<u>445,699</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Acquisition of fixed assets	(431,716)	-	-	(431,716)	-	-	-	(431,716)
Withdrawal from replacement reserve	-	1,557	-	1,557	-	-	-	1,557
Deposits and interest retained in reserve for replacement	-	-	(1,200)	(1,200)	-	(8,040)	-	(9,240)
Net cash provided by (used in) investing activities	<u>(431,716)</u>	<u>1,557</u>	<u>(1,200)</u>	<u>(431,359)</u>	<u>-</u>	<u>(8,040)</u>	<u>-</u>	<u>(439,399)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:								
Principal payments against mortgage	(39,918)	(5,360)	-	(45,278)	-	-	-	(45,278)
Principal payments on long-term debt	-	-	-	-	-	(7,795)	-	(7,795)
Net cash provided by (used in) financing activities	<u>(39,918)</u>	<u>(5,360)</u>	<u>-</u>	<u>(45,278)</u>	<u>-</u>	<u>(7,795)</u>	<u>-</u>	<u>(53,073)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(49,956)</u>	<u>1,737</u>	<u>2,884</u>	<u>(45,335)</u>	<u>-</u>	<u>(1,438)</u>	<u>-</u>	<u>(46,773)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>80,460</u>	<u>1,164</u>	<u>3,389</u>	<u>85,013</u>	<u>-</u>	<u>7,284</u>	<u>-</u>	<u>92,297</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 30,504</u>	<u>\$ 2,901</u>	<u>\$ 6,273</u>	<u>\$ 39,678</u>	<u>\$ -</u>	<u>\$ 5,846</u>	<u>\$ -</u>	<u>\$ 45,524</u>
Supplemental disclosures of Cash Flow Information								
Cash paid during the year for interest	<u>\$ 20,172</u>	<u>\$ 13,502</u>	<u>\$ -</u>	<u>\$ 33,674</u>	<u>\$ -</u>	<u>\$ 27,976</u>	<u>\$ -</u>	<u>\$ 61,650</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 34,222</u>	<u>\$ -</u>	<u>\$ 34,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,222</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, 2019

<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	05CH10102-05	2,115,968	\$ 1,685,987
Head Start	93.600	05CH10102-06	1,652,555	313,071
				<u>1,999,058</u>
Passed through the Indiana Housing and Community Development Authority:				
Community Services Block Grant	93.569	CS-2018-019-CO	11,687	11,687
Community Services Block Grant	93.569	CS-2019-019	221,670	160,674
Energy Assistance Program	93.568	LI-019-019	1,960,324	884,618
Energy Assistance Program	93.568	LI-019-019R	119,264	85,940
Energy Assistance Program	93.568	LI-020-019	1,906,817	1,160,274
LIHEAP Weatherization	93.568	WL-019-019	418,472	345,819
LIHEAP Weatherization	93.568	WL-020-019	260,437	57,635
				<u>2,706,647</u>
Total Department of Health and Human Services				<u>4,705,705</u>
U.S. Department of Energy				
Passed through the Indiana Housing and Community Development Authority:				
Weatherization Assistance for Low-Income Persons	81.042	WX-018-019	283,298	148,736
Weatherization Assistance for Low-Income Persons	81.042	WX-019-019	331,147	214,815
				<u>363,551</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	<u>140,475</u>
U.S. Department of Housing and Urban Development				
Passed through the Indiana Housing and Community Development Authority:				
Section 8 Housing	14.871	HCV-018-015	n/a	<u>1,693,205</u>
Total Expenditures of Federal Awards				<u>\$ 6,902,936</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, 2019

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 \$1,729,244 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, 2019.

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.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

<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-019-019	125,154	\$ 53,768
LIHEAP Weatherization	WS-019-019	67,660	58,335
LIHEAP Weatherization	WS-020-019	32,771	<u>9,066</u>
Total Expenditures of State and Local Awards			<u><u>\$ 121,169</u></u>

**OHIO VALLEY OPPORTUNITIES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section II –Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2018.

Section III –Federal Awards Findings and Questioned Costs

There were no federal awards findings for the year ended December 31, 2018.



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, 2019, 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 July 21, 2020.

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

July 21, 2020



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, 2019. 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, 2019.

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
July 21, 2020

**OHIO VALLEY OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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:

CFDA Number

Name of Federal Program or Cluster

93.600

U.S. Dept. of Health and Human Services– Head
Start

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, 2019**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2019.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2019.