



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B57551

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](http://www.in.gov/sboa)


October 26, 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, 2020 to December 31, 2020. 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, 2020 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.

  
Paul D. Joyce, CPA  
State Examiner

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

---

---

**Consolidated Financial Statements  
For the Years Ended  
December 31, 2020 and 2019  
(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**

	<b>Page</b>
<b>INDEPENDENT AUDITOR’S REPORT</b> .....	1
<b>FINANCIAL STATEMENTS</b>	
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
<b>SUPPLEMENTARY INFORMATION</b>	
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
<b>SINGLE AUDIT SECTION</b>	
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, 2020 and 2019, 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 consolidated financial statements based on our audits. We did not audit the financial statements of SVC Apartments, L.P., which statements reflect total assets of \$1,826,630 and \$1,919,097 as of December 31, 2020 and 2019, respectively, and total support and revenues of \$198,797 and \$193,124 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 \$1,260,321 and \$1,254,184 as of December 31, 2020 and 2019, respectively, and total support and revenue of \$178,582 and \$158,808 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ohio Valley Opportunities, Inc. and Subsidiaries as of December 31, 2020 and 2019, and the consolidated 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 consolidated 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 June 28, 2021 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  
June 28, 2021

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2020 AND 2019**

**ASSETS**

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash operating	\$ 322,112	\$ 194,738
Cash security deposits	19,136	19,809
Cash reserve for replacement and escrows	68,782	84,550
Cash operating reserve	36,116	51,211
Grants receivable	141,244	165,144
Accounts receivable	27,907	38,237
Inventory	1,157	1,157
Prepaid expenses	53,743	37,151
	<u>670,197</u>	<u>591,997</u>
<b>LONG-TERM ASSETS</b>		
Property and equipment, net of accumulated depreciation	5,149,790	5,346,068
	<u>\$ 5,819,987</u>	<u>\$ 5,938,065</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 17,494	\$ 21,117
Accrued salaries and wages	99,555	75,334
Accrued vacation payable	100,567	75,924
Accrued interest payable	95	2,619
Accrued real estate taxes	14,855	13,456
Security deposits	21,160	19,420
Prepaid rent	7	12
Other accrued liabilities	32,918	47,373
Current portion of long-term debt	26,748	54,859
	<u>313,399</u>	<u>310,114</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion	1,194,480	1,226,171
	<u>1,194,480</u>	<u>1,226,171</u>
Total liabilities	<u>1,507,879</u>	<u>1,536,285</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Non-controlling interest in net assets	-	323,999
Controlling interest in net assets	4,312,108	4,077,781
	<u>4,312,108</u>	<u>4,401,780</u>
Total liabilities and net assets	<u>\$ 5,819,987</u>	<u>\$ 5,938,065</u>

See accompanying notes to consolidated financial statements.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUE AND SUPPORT</b>		
Grant revenue	\$ 7,136,324	\$ 6,883,311
Food supply revenue	89,889	140,475
Local support	59,760	116,490
In-kind revenue	265,243	354,355
Rental income	382,747	352,283
Donations	20,900	48,638
Other income	16,601	19,845
Interest income	34,047	34,077
	<u>8,005,511</u>	<u>7,949,474</u>
<b>OPERATING EXPENSES</b>		
Head Start	2,883,647	2,585,697
Section 8 Housing	1,708,665	1,727,717
Apple Blossom Court Apartments	24,601	14,801
Casa Amiga	22,637	28,170
Weatherization	531,233	894,785
Energy Assistance	2,280,101	2,199,364
Subsidiaries	427,270	479,919
Other programs	50,374	79,728
Management and general	144,943	90,508
	<u>8,073,471</u>	<u>8,100,689</u>
Increase (decrease) in net assets	(67,960)	(151,215)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, BEGINNING OF YEAR</b>		
	<u>4,401,780</u>	<u>4,552,995</u>
Non-controlling interest in subsidiary's earnings	-	(97,705)
Controlling interest in subsidiary's earnings	(67,960)	(53,510)
Distributions	(21,712)	-
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS, END OF YEAR</b>		
	<u>\$ 4,312,108</u>	<u>\$ 4,401,780</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, 2020**

	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	2020 Total
<b>OPERATING EXPENSES</b>												
Salaries and wages	\$ 1,508,455	\$ 107,831	\$ 3,493	\$ 11,450	\$ 144,233	\$ 137,012	\$ 1,912,474	\$ 89,245	\$ 11,628	\$ 29,389	\$ 1,207	\$ 2,043,943
Employee benefits	497,368	35,775	637	1,062	49,679	45,298	629,819	28,342	4,673	1,704	(19)	664,519
Occupancy	116,293	1,697	2,534	4,200	12,265	3,392	140,381	680	26,222	39,600	4,253	211,136
Telephone	19,635	3,122	-	1,367	4,614	6,348	35,086	677	-	-	-	35,763
Postage and office supplies	2,591	3,378	360	-	389	14,098	20,816	87	8,701	-	-	29,604
Contracted services	19,984	33,653	2,440	1,200	274,104	36,066	367,447	8,988	19,847	4,724	23,607	424,613
Materials and supplies	139,730	11,493	12,471	906	13,996	41,782	220,378	6,665	30,479	13,265	451	271,238
Travel and transportation	3,903	224	-	-	2,961	100	7,188	4	-	-	-	7,192
Training	31,866	686	-	-	3,384	767	36,703	549	-	-	28	37,280
Other costs	30,177	4,447	2,666	1,339	11,590	28,630	78,849	1,032	29,874	25,185	3,249	138,189
Specific assistance	101,797	1,495,879	-	-	-	1,953,292	3,550,968	-	-	-	-	3,550,968
Interest expense	-	-	-	-	-	-	-	-	58,554	12,664	17,481	88,699
Depreciation	146,605	10,480	-	1,113	14,018	13,316	185,532	8,674	76,127	34,634	117	305,084
In-kind expenses	265,243	-	-	-	-	-	265,243	-	-	-	-	265,243
Total operating expenses	<u>\$ 2,883,647</u>	<u>\$ 1,708,665</u>	<u>\$ 24,601</u>	<u>\$ 22,637</u>	<u>\$ 531,233</u>	<u>\$ 2,280,101</u>	<u>\$ 7,450,884</u>	<u>\$ 144,943</u>	<u>\$ 266,105</u>	<u>\$ 161,165</u>	<u>\$ 50,374</u>	<u>\$ 8,073,471</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	Weatherization	Energy Assistance	Total Services	Management and General	SVCA, L.P.	Valley Court Apartments of North Vernon	Other	2019 Total
<b>OPERATING EXPENSES</b>												
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 STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (67,960)	\$ (151,215)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	305,083	250,498
Gain on sale of fixed assets	(7,000)	-
Increase (decrease) in cash from changes in:		
Operating reserve	(4)	(9,518)
Grants receivable	23,900	142,189
Accounts receivable	10,330	(16,172)
Security deposits - asset	673	(2,889)
Prepaid expenses	(16,592)	(6,967)
Accounts payable and accrued expenses	42,044	(12,566)
Security deposits - liability	1,740	2,277
Prepaid rent	(5)	(25)
Other accrued liabilities	(12,383)	8,854
	<u>279,826</u>	<u>204,466</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(80,861)	(25,495)
Proceeds from sale of fixed assets	7,000	-
Withdrawal from replacement reserve	29,350	40,466
Deposits and interest retained in reserve for replacement	(25,489)	(17,219)
	<u>(70,000)</u>	<u>(2,248)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments against mortgage	(52,277)	(44,190)
Principal payments on long-term debt	(21,710)	(8,814)
	<u>(82,452)</u>	<u>(53,004)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	127,374	149,214
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>194,738</u>	<u>45,524</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 322,112</u>	<u>\$ 194,738</u>
<b>Supplemental disclosures of Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 56,071</u>	<u>\$ 59,663</u>
Cash paid during the year for interest subsidy	<u>\$ 32,477</u>	<u>\$ 33,189</u>

See accompanying notes to consolidated financial statements.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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. Effective December 31, 2020, Ohio Valley Opportunities, Inc. was assigned 99.99% limited partnership interest from the former limited partner of SVCA L.P. In accordance with generally accepted accounting principles, consolidation is required for each of the previously mentioned entities and all material intercompany transactions have been eliminated in the consolidation.

**NATURE OF OPERATIONS**

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

**BASIS OF ACCOUNTING**

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

**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, 2020 AND 2019**

**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, 2020 and 2019.

**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 2017.

**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, 2020 AND 2019**

**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, 2020 and 2019, 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, 2020 and 2019.

**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, 2020 AND 2019**

**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 - 50 years
Equipment and vehicles	5 years

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

**ALLOCATION OF COST**

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

**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.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**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, 2021, and interim periods for years beginning after December 15, 2022. 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.

**SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 28, 2021, 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 \$68,782 and \$84,550 at December 31, 2020 and 2019, 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 \$36,116 and \$51,211 at December 31, 2020 and 2019, respectively.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 3 – GRANTS RECEIVABLE**

The Organization’s grant receivables consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Federal Programs (Direct and pass-through)	\$ 141,244	\$ 162,768
State and Local Programs	-	2,376
Total	<u>\$ 141,244</u>	<u>\$ 165,144</u>

**NOTE 4 – PROPERTY AND EQUIPMENT**

The Organization’s property and equipment for the years ended December 31, 2020 and 2019 (restated) are as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 603,122	\$ 603,122
Building and improvements	5,029,863	4,949,003
Equipment and vehicles	609,211	842,344
	6,242,196	6,394,469
Accumulated depreciation	<u>(2,820,883)</u>	<u>(2,825,060)</u>
	<u>\$ 3,421,313</u>	<u>\$ 3,569,409</u>

The Subsidiaries’ property and equipment for the years ended December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 50,129	\$ 50,129
Building and improvements	2,810,064	2,810,064
Equipment and vehicles	117,353	89,408
	2,977,546	2,949,601
Accumulated depreciation	<u>(1,249,069)</u>	<u>(1,172,942)</u>
	<u>\$ 1,728,477</u>	<u>\$ 1,776,659</u>

In 2020, management changed their estimate of useful lives for certain assets. This change resulted in an increase of \$71,751 in depreciation for the year ended December 31, 2020. Depreciation expense as of December 31, 2020 and 2019 was \$305,083 and \$250,498, respectively.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 5 – NOTES RECEIVABLE FROM RELATED PARTIES**

Notes receivable as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</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, 2020 and 2019 was \$213,507 and \$199,507, 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, 2020 and 2019 was \$304,840 and \$284,840, 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 \$26,508 and \$1,616 as of December 31, 2020 and 2019, respectively. The remaining \$68,301 is recorded as a receivable at December 31, 2020. Management believes that the entire amount will be collected and therefore, no allowance has been recorded. This receivable has been eliminated in consolidation.

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 7 – CONTINGENT OBLIGATION**

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

**NOTE 8 – LONG TERM DEBT**

As of December 31, 2020 and 2019, the Organization’s long term debt consisted of the following:

	<u>2020</u>	<u>2019</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.	\$ 272,016	\$ 274,608
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.	400,839	404,430
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.	250,988	261,232
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
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.	297,385	304,909
Sub-total	1,221,228	1,281,030
Less: current portion	26,748	54,859
Long-term debt	<u>\$1,194,480</u>	<u>\$1,226,171</u>

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020 AND 2019**

**NOTE 8 – LONG TERM DEBT – (continued)**

Interest expense amounted to \$88,699 and \$90,250 for the years ended December 31, 2020 and 2019, respectively.

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

2021	\$	26,748
2022		28,798
2023		31,005
2024		33,380
2025		35,939
Thereafter		<u>1,065,358</u>
Total		<u>\$ 1,221,228</u>

**NOTE 9 – CONCENTRATION OF CREDIT RISK**

Approximately 90% of the Organization’s support and revenue for both years ended December 31, 2020 and 2019 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, 2020 and 2019. At various times throughout the year, the Organization may have maintained balances in excess of the insured limits. The Organization’s uninsured balance was \$62,041 and \$-0- as of December 31, 2020 and 2019, respectively.

**NOTE 10 – PENSION PLAN**

OVO has a defined contribution retirement plan covering all of its employees who meet certain guidelines as to age and years of service. Under the Plan, OVO contributes approximately 5% of the employees’ wages. The amount contributed to the Plan by OVO was \$48,036 and \$49,457 for the years ended December 31, 2020 and 2019 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, 2020 AND 2019**

**NOTE 11 – IN-KIND CONTRIBUTIONS – (continued)**

The table below details the in-kind contributions for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Head Start in-kind:		
Professional services	\$ 113,757	\$ 182,318
Facilities	124,429	124,426
Mileage	3,119	6,819
Donations	<u>23,938</u>	<u>40,792</u>
Total in-kind reported in financial statements	265,243	354,355
Head Start volunteer services	<u>14,842</u>	<u>145,611</u>
Total in-kind for all programs	<u>\$ 280,085</u>	<u>\$ 499,966</u>

**NOTE 12 – INFORMATION ABOUT LIQUIDITY**

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

	<u>2020</u>	<u>2019</u>
Cash	\$ 446,146	\$ 350,308
Grants receivable	141,244	165,144
Accounts receivable	<u>27,907</u>	<u>38,237</u>
Total financial assets	615,297	553,689
Less:		
Cash reserve for replacement and escrows	(68,782)	(84,550)
Cash operating reserve	(36,116)	(51,211)
Cash security deposits	<u>(19,136)</u>	<u>(19,809)</u>
Financial assets available for operations within the next year	<u>\$ 491,263</u>	<u>\$ 398,119</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, 2020 and 2019, 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 \$1,826,630 and \$1,919,097 as of December 31, 2020 and 2019, respectively, and total support and revenues of \$198,797 and \$193,124 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 \$1,260,321 and \$1,254,184 as of December 31, 2020 and 2019, respectively, and total support and revenue of \$178,582 and \$158,808 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.  
June 28, 2021

**OHIO VALLEY OPPORTUNITIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2020**

ASSETS	Parent				Subsidiaries		Eliminations	2020
	OVO, Inc.	Valley Court	ABC		Apartments, Inc.	Apartments, L.P		Consolidated
			Apartments	Total				
<b>CURRENT ASSETS</b>								
Cash operating	\$ 277,899	\$ 28,984	\$ 4,693	\$ 311,576	\$ -	\$ 10,536	\$ -	\$ 322,112
Cash security deposits	-	9,240	695	9,935	-	9,201	-	19,136
Cash reserve for replacement	-	25,082	1,400	26,482	-	42,300	-	68,782
Cash operating reserve	-	-	-	-	-	36,116	-	36,116
Grants receivable	141,244	-	-	141,244	-	-	-	141,244
Accounts receivable	15,017	12,359	531	27,907	-	-	-	27,907
Inventory	1,157	-	-	1,157	-	-	-	1,157
Prepaid expenses	46,381	7,362	-	53,743	-	-	-	53,743
Total current assets	481,698	83,027	7,319	572,044	-	98,153	-	670,197
<b>LONG-TERM ASSETS</b>								
Property plant and equipment - net	2,244,019	1,177,294	-	3,421,313	-	1,728,477	-	5,149,790
Interest receivable	518,347	-	-	518,347	-	-	(518,347)	-
Investment in related parties	234,992	-	-	234,992	(62)	-	(234,930)	-
Notes receivable	680,000	-	-	680,000	-	-	(680,000)	-
Development fee receivable	68,301	-	-	68,301	-	-	(68,301)	-
Total long-term assets	3,745,659	1,177,294	-	4,922,953	(62)	1,728,477	(1,501,578)	5,149,790
Total assets	\$ 4,227,357	\$ 1,260,321	\$ 7,319	\$ 5,494,997	\$ (62)	\$ 1,826,630	\$ (1,501,578)	\$ 5,819,987
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 9,199	\$ 3,226	\$ 640	\$ 13,065	\$ -	\$ 4,429	\$ -	\$ 17,494
Accrued salaries and wages	99,555	-	-	99,555	-	-	-	99,555
Accrued vacation payable	100,567	-	-	100,567	-	-	-	100,567
Accrued interest payable	-	1,036	-	1,036	-	517,406	(518,347)	95
Accrued real estate taxes	-	-	-	-	-	14,855	-	14,855
Security deposits	1,675	9,240	1,045	11,960	-	9,200	-	21,160
Prepaid rent	-	7	-	7	-	-	-	7
Developer fees payable	-	-	-	-	-	68,301	(68,301)	-
Other current liabilities	32,918	-	-	32,918	-	-	-	32,918
Current portion of long-term liabilities	10,451	6,641	-	17,092	-	9,656	-	26,748
Total current liabilities	254,365	20,150	1,685	276,200	-	623,847	(586,648)	313,399
<b>LONG-TERM LIABILITIES</b>								
Long-term debt net of current portion	240,537	666,214	-	906,751	-	967,729	(680,000)	1,194,480
Total liabilities	494,902	686,364	1,685	1,182,951	-	1,591,576	(1,266,648)	1,507,879
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>								
Non-controlling interest in net assets	-	-	-	-	-	-	-	-
Controlling interest in net assets	3,732,455	573,957	5,634	4,312,046	(62)	235,054	(234,930)	4,312,108
Total net assets	3,732,455	573,957	5,634	4,312,046	(62)	235,054	(234,930)	4,312,108
Total liabilities and net assets	\$ 4,227,357	\$ 1,260,321	\$ 7,319	\$ 5,494,997	\$ (62)	\$ 1,826,630	\$ (1,501,578)	\$ 5,819,987

See independent auditor's report on supplementary information.

**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		
<b>CURRENT ASSETS</b>								
Cash	\$ 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 and escrows	-	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
<b>LONG-TERM ASSETS</b>								
Property plant and equipment - net	2,357,481	1,211,928	-	3,569,409	-	1,776,659	-	5,346,068
Interest receivable, net	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
<b>LIABILITIES AND NET ASSETS</b>								
<b>CURRENT LIABILITIES</b>								
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
<b>LONG-TERM LIABILITIES</b>								
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
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>								
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 ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Parent				Subsidiaries			2020
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P	Eliminations	Consolidated Total
<b>REVENUES AND OTHER SUPPORT</b>								
Grant revenue	\$ 7,136,324	\$ -	\$ -	\$ 7,136,324	\$ -	\$ -	\$ -	\$ 7,136,324
Food supply revenue	89,889	-	-	89,889	-	-	-	89,889
Local support	59,760	-	-	59,760	-	-	-	59,760
In-kind revenue	265,243	-	-	265,243	-	-	-	265,243
Rental income	-	170,418	17,452	187,870	-	194,877	-	382,747
Earnings (loss) from subsidiary	(118)	-	-	(118)	(118)	-	236	-
Donations	255,954	-	-	255,954	-	-	(235,054)	20,900
Other income	4,064	8,150	500	12,714	-	3,887	-	16,601
Interest income	34,000	14	-	34,014	-	33	-	34,047
Total revenue and other support	<u>7,845,116</u>	<u>178,582</u>	<u>17,952</u>	<u>8,041,650</u>	<u>(118)</u>	<u>198,797</u>	<u>(234,818)</u>	<u>8,005,511</u>
<b>OPERATING EXPENSES</b>								
Headstart	2,883,647	-	-	2,883,647	-	-	-	2,883,647
Section 8 Housing	1,708,665	-	-	1,708,665	-	-	-	1,708,665
Apple Blossom Court Apartments	-	-	24,601	24,601	-	-	-	24,601
Casa Amiga	22,637	-	-	22,637	-	-	-	22,637
Weatherization	531,233	-	-	531,233	-	-	-	531,233
Energy Assistance	2,280,101	-	-	2,280,101	-	-	-	2,280,101
Management and general	144,943	-	-	144,943	-	-	-	144,943
Subsidiaries	-	161,165	-	161,165	-	266,105	-	427,270
Other Programs	50,374	-	-	50,374	-	-	-	50,374
Total operating expenses	<u>7,621,600</u>	<u>161,165</u>	<u>24,601</u>	<u>7,807,366</u>	<u>-</u>	<u>266,105</u>	<u>-</u>	<u>8,073,471</u>
Net increase (decrease) in net assets	223,516	17,417	(6,649)	234,284	(118)	(67,308)	(234,818)	(67,960)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR</b>	3,508,939	556,540	12,283	4,077,762	56	324,074	(112)	4,401,780
Non-controlling interest in subsidiary's earnings	-	-	-	-	-	-	-	-
Controlling interest in earnings	223,516	17,417	(6,649)	234,284	(118)	(67,308)	(234,818)	(67,960)
Distributions	-	-	-	-	-	(21,712)	-	(21,712)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR</b>	<u>\$ 3,732,455</u>	<u>\$ 573,957</u>	<u>\$ 5,634</u>	<u>\$ 4,312,046</u>	<u>\$ (62)</u>	<u>\$ 235,054</u>	<u>\$ (234,930)</u>	<u>\$ 4,312,108</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		Eliminations	2019
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P		Consolidated Total
<b>REVENUES AND OTHER SUPPORT</b>								
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>
<b>OPERATING EXPENSES</b>								
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
Weatherization	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)
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT BEGINNING OF YEAR</b>	3,535,833	586,812	8,627	4,131,272	66	421,789	(132)	4,552,995
Non-controlling interest in subsidiary's earnings	-	-	-	-	-	(97,705)	-	(97,705)
Controlling interest in earnings	(26,894)	(30,272)	3,656	(53,510)	(10)	(10)	20	(53,510)
Distributions	-	-	-	-	-	-	-	-
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR</b>	<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 CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Parent			Subsidiaries			Eliminations	2020 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
Increase (decrease) in net assets	\$ 223,516	\$ 17,417	\$ (6,649)	\$ 234,284	\$ (118)	\$ (67,308)	\$ (234,818)	\$ (67,960)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:								
Depreciation	194,322	34,634	-	228,956	-	76,127	-	305,083
Gain on sale of fixed assets	(7,000)	-	-	(7,000)	-	-	-	(7,000)
Donation of limited partner interest	(235,054)	-	-	(235,054)	-	-	235,054	-
Earnings (loss) from subsidiary	118	-	-	118	118	-	(236)	-
Increase (decrease) in cash from changes in:								
Operating reserve	-	-	-	-	-	(4)	-	(4)
Grants receivable	23,900	-	-	23,900	-	-	-	23,900
Interest receivable	(34,000)	-	-	(34,000)	-	-	34,000	-
Accounts receivable	11,487	(701)	(531)	10,255	-	75	-	10,330
Security deposits - asset	-	67	6	73	-	600	-	673
Prepaid expenses	(11,600)	(4,992)	-	(16,592)	-	-	-	(16,592)
Development fee receivable	26,508	-	-	26,508	-	-	(26,508)	-
Accounts payable	2,874	(4,399)	(147)	(1,672)	-	(1,951)	-	(3,623)
Accrued expenses	48,864	(1,583)	-	47,281	-	5,878	(7,492)	45,667
Security deposits - liability	-	890	700	1,590	-	150	-	1,740
Prepaid rent	-	(5)	-	(5)	-	-	-	(5)
Other accrued liabilities	(12,383)	-	-	(12,383)	-	-	-	(12,383)
Net cash provided by (used in) operating activities	<u>231,552</u>	<u>41,328</u>	<u>(6,621)</u>	<u>266,259</u>	<u>-</u>	<u>13,567</u>	<u>-</u>	<u>279,826</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Acquisition of fixed assets	(80,861)	-	-	(80,861)	-	-	-	(80,861)
Proceeds from sale of fixed assets	7,000	-	-	7,000	-	-	-	7,000
Withdrawal from replacement reserve	-	1,405	-	1,405	-	27,945	-	29,350
Deposits and interest retained in reserve for replacement	-	(8,364)	2,800	(5,564)	-	(19,925)	-	(25,489)
Net cash provided by (used in) investing activities	<u>(73,861)</u>	<u>(6,959)</u>	<u>2,800</u>	<u>(78,020)</u>	<u>-</u>	<u>8,020</u>	<u>-</u>	<u>(70,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
Principal payments against mortgage	(46,094)	(6,183)	-	(52,277)	-	-	-	(52,277)
Principal payments on long-term debt	-	-	-	-	-	(8,465)	-	(8,465)
Distributions	-	-	-	-	-	(21,710)	-	(21,710)
Net cash provided by (used in) financing activities	<u>(46,094)</u>	<u>(6,183)</u>	<u>-</u>	<u>(52,277)</u>	<u>-</u>	<u>(30,175)</u>	<u>-</u>	<u>(82,452)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>111,597</u>	<u>28,186</u>	<u>(3,821)</u>	<u>135,962</u>	<u>-</u>	<u>(8,588)</u>	<u>-</u>	<u>127,374</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<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>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 277,899</u>	<u>\$ 28,984</u>	<u>\$ 4,693</u>	<u>\$ 311,576</u>	<u>\$ -</u>	<u>\$ 10,536</u>	<u>\$ -</u>	<u>\$ 322,112</u>
<b>Supplemental disclosures of Cash Flow Information</b>								
Cash paid during the year for interest	<u>\$ 18,838</u>	<u>\$ 12,679</u>	<u>\$ -</u>	<u>\$ 31,517</u>	<u>\$ -</u>	<u>\$ 24,554</u>	<u>\$ -</u>	<u>\$ 56,071</u>
Cash paid during the year for interest subsidy	<u>\$ -</u>	<u>\$ 32,477</u>	<u>\$ -</u>	<u>\$ 32,477</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,477</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			2019 Consolidated Total
	OVO, Inc.	Valley Court	ABC Apartments	Total	SVC Apartments, Inc.	SVC Apartments, L.P.	Eliminations	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>								
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:								
Prior period adjustment	-	-	-	-	-	-	-	-
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	<u>199,726</u>	<u>1,748</u>	<u>3,441</u>	<u>204,915</u>	<u>-</u>	<u>(449)</u>	<u>-</u>	<u>204,466</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
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	<u>(25,495)</u>	<u>1,906</u>	<u>(1,200)</u>	<u>(24,789)</u>	<u>-</u>	<u>22,541</u>	<u>-</u>	<u>(2,248)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>								
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	<u>(38,433)</u>	<u>(5,757)</u>	<u>-</u>	<u>(44,190)</u>	<u>-</u>	<u>(8,814)</u>	<u>-</u>	<u>(53,004)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>135,798</u>	<u>(2,103)</u>	<u>2,241</u>	<u>135,936</u>	<u>-</u>	<u>13,278</u>	<u>-</u>	<u>149,214</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<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>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<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>
<b>Supplemental disclosures of Cash Flow Information</b>								
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.

**SINGLE AUDIT SECTION**

**OHIO VALLEY OPPORTUNITIES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<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>
<b>U.S. Department of Health and Human Services</b>				
Direct Program:				
Head Start	93.600	05CH10102-06-04	2,232,300	\$ 1,919,168
Head Start CARES Act Spending Plan	93.600	05CH10102-06-03	168,731	168,731
Head Start	93.600	05CH011855-01	1,116,151	397,143
				<u>2,485,042</u>
Passed through the Indiana Housing and Community Development Authority:				
Community Services Block Grant	93.569	CS-2019-019-CO	60,996	60,996
Community Services Block Grant	93.569	CS-2020-019	220,803	102,344
Community Services Block Grant CARES Act	93.569	CS-CV-2020-019	294,419	167,646
Energy Assistance Program	93.568	LI-020-019	2,093,951	1,082,900
Energy Assistance Program	93.568	LI-021-019	1,814,930	1,002,271
Energy Assistance Program	93.568	LI-CV-020-019	264,179	59,198
LIHEAP Weatherization	93.568	WL-020-019	260,437	203,012
LIHEAP Weatherization	93.568	WL-021-019	253,475	22,989
				<u>2,701,356</u>
<b>Total Department of Health and Human Services</b>				<u>5,186,398</u>
<b>U.S. Department of Energy</b>				
Passed through the Indiana Housing and Community Development Authority:				
Weatherization Assistance for Low-Income Persons	81.042	WX-019-019	331,147	97,537
Weatherization Assistance for Low-Income Persons	81.042	WX-020-019	282,007	139,059
				<u>236,596</u>
<b>U.S. Department of Agriculture</b>				
Passed through the Indiana Department of Education				
Child and Adult Care Food Program	10.558	139-0058	n/a	<u>89,889</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed through the Indiana Housing and Community Development Authority:				
Section 8 Housing	14.871	HCV-0200-012	n/a	<u>1,678,985</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 7,191,868</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, 2020**

**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 \$1,829,721 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, 2020.

**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, 2020**

<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: LIHEAP Weatherization	WS-020-019	32,771	\$ <u>23,705</u>
<b>Total Expenditures of State and Local Awards</b>			<b>\$ <u><u>23,705</u></u></b>

**OHIO VALLEY OPPORTUNITIES, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section II –Financial Statement Findings**

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

**Section III –Federal Awards Findings and Questioned Costs**

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



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, 2020, 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 June 28, 2021.

**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  
June 28, 2021



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, 2020. 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, 2020.

### **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  
June 28, 2021

**OHIO VALLEY OPPORTUNITIES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**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>
93.569	U.S. Dept. of Health and Human Services– Community Services Block Grant
93.568	U.S. Dept. of Health and Human Services– Low- Income Home Energy Assistance

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

Auditee qualified as low risk auditee? Yes  No

**OHIO VALLEY OPPORTUNITIES, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section II – Financial Statement Findings**

There were no financial statement findings for the year ended December 31, 2020.

**Section III – Federal Award Findings and Questioned Costs**

There were no federal award findings for the year ended December 31, 2020.