



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 28, 2016

Board of Directors
Aurora, Inc.
1100 Lincoln Avenue
Evansville, IN 47714

We have reviewed the audit report prepared by Timothy J. Otte CPA, PC, for the period January 1, 2015 to December 31, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Aurora, Inc., as of December 31, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

Timothy J.  Otte CPA, PC

AURORA, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 and 2014

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Member of American Institute of Certified Public Accountants and Indiana CPA Society

AURORA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Aurora, Inc.

Report on the Financial Statements

We have audited the accompanying statement of financial position of Aurora, Inc. (a nonprofit organization) as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 Aurora, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Aurora, Inc.'s Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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 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 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 September 19, 2016, on our consideration of Aurora, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 and opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aurora, Inc.'s internal control over financial reporting and compliance.

Timothy J. Otte, C.P.A., P.C.



Newburgh, Indiana
September 19, 2016

AURORA, INC.
Statement of Financial Position
December 31, 2015
(With Comparative Totals for 2014)

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015</u>	<u>2014</u>
Current Assets					
Cash and cash equivalents	\$ 59,880	\$ 196,754	\$ -	\$ 256,634	\$ 245,790
Grants Receivable	126,419	-	-	126,419	110,456
Accounts Receivable- Misc	1,812	-	-	1,812	6,500
Promises to Give	10,000	-	-	10,000	15,000
Investments	-	-	8,036	8,036	38,126
Total current assets	<u>198,111</u>	<u>196,754</u>	<u>8,036</u>	<u>402,902</u>	<u>415,872</u>
Property and Equipment					
Building and Land	214,110	-	-	214,110	214,110
Office Equipment	23,862	-	-	23,862	25,222
Vehicles	43,590	-	-	43,590	42,840
Less accumulated depreciation	<u>(146,733)</u>	<u>-</u>	<u>-</u>	<u>(146,733)</u>	<u>(136,807)</u>
Total property and equipment	<u>134,830</u>	<u>-</u>	<u>-</u>	<u>134,830</u>	<u>145,366</u>
Total Assets	<u>\$ 332,941</u>	<u>\$ 196,754</u>	<u>\$ 8,036</u>	<u>\$ 537,732</u>	<u>\$ 561,238</u>

LIABILITIES AND NET ASSETS

Current Liabilities					
Accrued Expenses	\$ 22,172	\$ -	\$ -	\$ 22,172	\$ 27,431
Line of Credit	-	-	-	-	-
Total Current Liabilities	<u>22,172</u>	<u>-</u>	<u>-</u>	<u>22,172</u>	<u>27,431</u>
Net Assets					
Unrestricted	310,769	-	-	310,769	321,845
Temporarily Restricted	-	196,754	-	196,754	204,006
Permanently Restricted	-	-	8,036	8,036	7,956
Total Net Assets	<u>310,769</u>	<u>196,754</u>	<u>8,036</u>	<u>515,560</u>	<u>533,807</u>
Total Liabilities and Net Assets	<u>\$ 332,941</u>	<u>\$ 196,754</u>	<u>\$ 8,036</u>	<u>\$ 537,732</u>	<u>\$ 561,238</u>

See notes to financial statements

AURORA, INC.
Statement of Activities
For the Year Ended December 31, 2015
(With Comparative Totals for 2014)

SUPPORT & REVENUE

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015</u>	<u>2014</u>
Federal Financial Assistance Grants	\$ 1,071,629	\$ -	\$ -	\$ 1,071,629	\$ 1,159,922
Non-Federal Financial Assistance Grants	15,317	-	-	15,317	28,936
Committed/Designated Funds	3,419	-	-	3,419	978
Contracted Positions	9,661	-	-	9,661	43,759
Contributions	380,804	-	-	380,804	371,260
Special Events	59,558	-	-	59,558	78,428
Fiscal Agent Funds	-	8,230	-	8,230	12,864
Investment Income	447	-	80	527	470
Gain or (Loss) on Assets Sold	(510)	-	-	(510)	(346)
Miscellaneous	4,095	-	-	4,095	2,603
Net Assets Released from Restrictions	15,481	(15,481)	-	-	-
Total Support and Revenue	<u>1,559,901</u>	<u>(7,251)</u>	<u>80</u>	<u>1,552,729</u>	<u>1,698,874</u>
EXPENSES					
Program Services	1,381,417	-	-	1,381,417	1,485,560
Supporting Services:					
Management & General	151,205	-	-	151,205	145,464
Fundraising	38,355	-	-	38,355	31,165
Total Expenses	<u>1,570,976</u>	<u>-</u>	<u>-</u>	<u>1,570,976</u>	<u>1,662,190</u>
Change in Net Assets	(11,076)	(7,251)	80	(18,247)	36,684
Net Assets as of Beginning of Year	<u>321,845</u>	<u>204,006</u>	<u>7,956</u>	<u>533,807</u>	<u>497,123</u>
Net Assets as of End of Year	<u>\$ 310,769</u>	<u>\$ 196,754</u>	<u>\$ 8,036</u>	<u>\$ 515,560</u>	<u>\$ 533,807</u>

See notes to financial statements

AURORA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2015
(With Comparative Totals for 2014)

	<u>Supporting Services</u>				
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- Raising</u>	<u>Total 2015</u>	<u>Total 2014</u>
Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ 1,546
Case Management	106,513	-	-	106,513	118,538
Client Expenses	2,536	-	-	2,536	3,295
Committed/Designation Funds	7,291	-	-	7,291	21,832
Depreciation	-	12,026	-	12,026	13,418
Fees & Charges	-	2,772	-	2,772	2,932
Fiscal Agent Expenses	10,581	-	-	10,581	12,959
In-Kind Donations	161,301	-	-	161,301	111,162
Inspections	5,325	-	-	5,325	5,100
Insurance	10,445	-	-	10,445	8,266
Interest	-	441	-	441	1,178
Membership Fees	-	889	-	889	1,000
Miscellaneous	284	2,356	-	2,640	3,188
Office Expenses	-	6,334	-	6,334	6,962
Professional Fees	-	10,258	-	10,258	7,500
Public Relations	-	3,071	-	3,071	1,842
Rental Assistance Payments	293,280	-	-	293,280	291,510
Repairs & Maintenance	21,973	-	-	21,973	11,327
Security/Utility Deposits	33,921	-	-	33,921	29,853
Special Events	-	-	26,575	26,575	31,165
Staffing Costs	12,544	-	-	12,544	7,107
Supervision	58,661	-	-	58,661	46,083
Telephone	8,503	-	-	8,503	8,726
Travel/Training	18,209	-	-	18,209	19,138
Utilities	17,797	5,688	-	23,485	25,748
Vision 1505 Program Expenses	211,441	-	-	211,441	285,211
Wages, Taxes, and Fringe Benefits	392,521	107,370	11,780	511,671	578,380
Why Try/Financial Empowerment	8,291	-	-	8,291	7,224
	<u>\$ 1,381,417</u>	<u>\$ 151,205</u>	<u>\$ 38,355</u>	<u>\$ 1,570,976</u>	<u>\$ 1,662,190</u>

See notes to financial statements

AURORA, INC.
Statement of Cash Flows
For the Year Ended December 31, 2015
(With Comparative Totals for 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ (18,247)	\$ 36,684
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	12,026	13,418
Realized (Gain) Loss on Sale of Assets	-	-
(Increase) Decrease in Receivables	(6,275)	(35,748)
(Increase) Decrease in Other Current Assets	30,170	8,452
(Gains) or Losses on Assets	-	346
In-kind Donations	(750)	(8,151)
Increase (Decrease) in Liabilities	(5,259)	8,197
Total Adjustments	<u>29,912</u>	<u>(13,485)</u>
 Net Cash Provided (Used) by Operating Activities	 <u>11,664</u>	 <u>23,199</u>
 Cash Flows From Investing Activities:		
Investments	(80)	(24)
Capital Expenditures	(740)	-
Net Cash Provided (Used) by Investing Activities	<u>(820)</u>	<u>(24)</u>
 Cash Flows From Financing Activities:		
Net borrowings on line of credit	-	(10,000)
	<u>-</u>	<u>(10,000)</u>
 Net Increase (Decrease) in Cash and Equivalents	 10,845	 13,175
 Cash and Equivalents, beginning of year	 <u>245,790</u>	 <u>232,615</u>
 Cash and Equivalents, end of year	 <u>\$ 256,634</u>	 <u>\$ 245,790</u>
 Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest expense	\$ 441	\$ 1,178
 Noncash Investing Activities:		
Contribution of Vehicle	\$ 750	\$ 8,151

See notes to financial statements

Aurora, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission

To prevent and end homelessness in our community.

Basis of Accounting

The financial statements are 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 U.S. generally accepted accounting principles promulgated by the FASB *Accounting Standards Codification*. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Taxes

The Organization is a not-for-profit corporation exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code; although it is liable for both federal and state income taxes on certain activities. The Organization's federal Exempt From Income Tax Returns (Form 990) are subject to examination by the IRS, generally for three years after they were filed.

Contributions

Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. Restrictions on temporarily restricted net assets are considered to expire when payments are made for goods or services relating to the restricted purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Aurora, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Property and Equipment

Property and equipment are valued at cost less accumulated depreciation. Expenditures in excess of \$500 for fixed assets are capitalized and the replaced items are retired. Maintenance and repairs are charged to operations as incurred. Provisions for depreciation of property and equipment have been computed on the straight-line method based on their estimated useful lives, which range from 5 to 7 years. Upon disposition, the cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in the total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded as estimated net realizable value as they are expected to be collected within the next year. Unconditional promises expected to be collected in more than one year are recorded under the fair value option in conformity with FASB ASC 825-10.

Investments

Investments in equity securities with readily determined fair values are reported at their fair value based on quoted market prices in the statement of financial position. Realized and unrealized gains or losses are included in the investment return, along with interest and dividends, in the statement of activities.

Accounts Receivable- Misc.

Accounts Receivables- Misc. consists of amounts due from contributors other than from Federal, State & the City of Evansville.

In-Kind Contributions

The Organization frequently receives in-kind donations for their various programs. The donations are recorded at fair value. During the years ended December 31, 2015 and 2014, the values of those contributions were \$162,051 and \$119,313, respectively.

Reclassifications

Certain amounts in the December 31, 2014 financial statements have been reclassified for comparative purposes to conform to the presentation in the December 31, 2015 financial statements.

Aurora, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

Fair Value Measurement

FASB ASC 820, *Fair Value Measurements*, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value. FASB ASC 820 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various other accounting pronouncements.

Assets and liabilities measured at fair value are recorded in accordance with FASB ASC 820, which clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 Inputs- Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2 Inputs- Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs- Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Checking/Petty Cash	\$ 24,406	\$ 43,139
Money Market	<u>232,228</u>	<u>202,651</u>
	<u>\$ 256,634</u>	<u>\$ 245,790</u>

NOTE 3 - CONCENTRATIONS OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. Credit risk with respect to cash and cash equivalents is minimized by using high-credit quality financial institutions.

The Organization received 70% of its support from governmental funding sources in 2015 and 69% in 2014. The majority of the Organization's public support is contributed by business organizations located in Southwestern Indiana.

Aurora, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSE

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 5 – DONATED MATERIALS AND SERVICES

Donated materials and services are recorded as contributions at their estimated fair values at the date of donation; no amounts have been reflected for fundraising or unskilled contributed services, since no objective basis is available to measure the value of such services. Nevertheless, a number of volunteers have given significant amounts of their time to the Organization's fund raising campaigns and various programs.

NOTE 6- LINE OF CREDIT

The Organization has a \$100,000 revolving line of credit and has a maturity date of October 1, 2016, of which none was outstanding at December 31, 2015. Interest is payable monthly and carries a variable interest rate equal to the bank's prime rate. The credit line is secured by real estate.

NOTE 7- GRANTS RECEIVABLE

Grants Receivable at December 31, 2015 and 2014, consist of Government grants that are due within one year.

NOTE 8- INVESTMENTS

Investments of the Organization are stated at fair value summarized as follows at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Certificate of Deposit	\$ 8,036	\$ 7,956
Stock	<u>0</u>	<u>30,170</u>
	<u>\$ 8,036</u>	<u>\$38,126</u>

Stock received in a donation per donated stock policy is to be liquidated and converted into cash. In 2014, stock was donated to the Organization on December 22, 2014 and was subsequently liquidated on January 2, 2015.

Aurora, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 9- PROMISES TO GIVE

Promises to give as of the year ended December 31, 2015 are as follows:

Due within one year	\$ 5,000
Due in one to five years	<u>5,000</u>
	<u>\$ 10,000</u>

NOTE 10- RESTRICTED NET ASSETS

Restricted net assets at December 31, 2015 and 2014 are comprised of the following:

	<u>2015</u>	<u>2014</u>
Temporarily Restricted		
Destination Home Funds	\$ 17,859	\$ 20,111
Vision 1505	168,895	168,895
Promises to Give	10,000	15,000
Permanently Restricted		
Designated Endowment Fund	<u>8,036</u>	<u>7,956</u>
	<u>\$ 204,790</u>	<u>\$ 211,962</u>

In 2008, a restricted donation was received from a donor to be used for the establishment of an endowment fund in the future to support the operations of the Organization. The only increases for the years ending December 31, 2015 and 2014 are from investment income of \$80 and \$24, respectively.

NOTE 11- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions through September 19, 2016, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.

SUPPLEMENTARY INFORMATION

AURORA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Supportive Housing Program- 2012	14.235		\$ 96,023
Supportive Housing Program- 2012	14.235		70,134
Supportive Housing Program- 2011 Vision 1505	14.235		303,992

U.S. Department of Housing and Urban Development
Pass-through programs from:

Indiana Housing & Community Development Authority			
Shelter Plus Care	14.267	SC-015-0154	17,679
Shelter Plus Care	14.267	SC-014-0154	79,053
CSBG	93.565	SC-015-0154	640
CSBG	93.565	SC-014-0154	3,088
Emergency Solutions Grant- Street Outreach Program	14.231	ES-014-001	20,796
Emergency Solutions Grant- Street Outreach Program	14.231	ES-015-001	19,937
Emergency Solutions Grant- RRH	14.231	ESRRHP-14-002	204,496
Emergency Solutions Grant- RRH	14.231	ESRRHP-13-002	66,781
Home Investment Partnerships Program- TBRA	14.239	TB-015-001	37,028
Home Investment Partnerships Program- TBRA	14.239	TB-011-002	57,059

City of Evansville			
Department of Metropolitan Development- ESG-2015 RRH	14.231	E-15-MC-18-0002	69,797
Department of Metropolitan Development- ESG-2015 Re-Entry	14.231	E-15-MC-18-0002	8,753
Department of Metropolitan Development- ESG-2015 HOT	14.231	E-15-MC-18-0002	15,713

U.S. Department of Health and Human Services
Pass-through programs from:

Indiana Housing & Community Development			
CSBG- Point-in-Time Count	93.569	CGF-14-013CSBG	659

\$ 1,071,629

NOTE A- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Aurora, Inc. under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Aurora, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Aurora, Inc.

NOTE B- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance and/or OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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 of
Aurora, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Aurora, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 19, 2016.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Aurora, Inc.'s internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Aurora, 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 entity'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 for governance.

Our consideration of the 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 deficiencies or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control reporting 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 Aurora, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the 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 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 the 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.

Timothy J. Otte, C.P.A., P.C.



Newburgh, Indiana
September 19, 2016

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 of
Aurora, Inc.

Report on Compliance for Each Major Federal Program

We have audited Aurora, 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 Aurora, Inc.'s major federal programs for the year ended December 31, 2015. Aurora, Inc.'s major federal program 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Aurora, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Aurora, 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 program. However, our audit does not provide a legal determination of Aurora, Inc.'s compliance

Opinion on Each Major Program

In our opinion, Aurora, 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, 2015.

Report on Internal Control Over Compliance

Management of Aurora, 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 Aurora, 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 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 Aurora, Inc.'s internal control over compliance.

A deficiency in internal control over compliance 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 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 of compliance requirement of a federal program that is less severe than a material weakness internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 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.

Timothy J. Otte, C.P.A., P.C.



Newburgh, Indiana
September 19, 2016

AURORA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2015

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Aurora, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses in internal control were identified in the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Aurora Inc. were disclosed during the audit.
3. No significant deficiencies or material weaknesses over major federal award programs were identified during the audit.
5. The auditor's report on compliance for the major federal award programs for Aurora Inc. expresses an unmodified opinion on all major federal programs.
6. No audit findings were identified relating to major federal award programs for Aurora, Inc.
7. The programs tested as a major program included:
Emergency Solutions Grant- CFDA # 14.231
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Aurora, Inc. was determined to be a low-risk auditee.

B. FINDINGS- FINANCIAL STATEMENT AUDIT

No matters were reported.

C. FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

No matters were reported.

AURORA, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2015

No prior audit findings.