B35653

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

February 1, 2010

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

We have reviewed the audit report prepared by Timothy J. Otte, CPA, PC, Independent Public Accountant, for the period January 1, 2008 to December 31, 2008. 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 the Aurora, Inc., as of December 31, 2008, 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.

STATE BOARD OF ACCOUNTS

Timothy J. Otte CPA, PC

AURORA, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2008

4266 Bell Road, Suite 11 • P.O. Box 308 • Newburgh IN. 47629
Phone: 812.490.8600 • Fax: 812.490.8601

AURORA, INC.

TABLE OF CONTENTS

Timothy J. Otte CPA, PC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Aurora, Inc.

We have audited the accompanying statement of financial position of the Aurora, Inc. (a nonprofit organization) as of December 31, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Organization's management. Our responsibility is to express an opinion on the financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements, and, in our report dated May 6, 2008, we expressed an unqualified opinion on those financial statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Timothy J Otte CPA PC
Newburgh, IN
May 8, 2009

4266 Bell Road, Suite II • P.O. Box 308 • Newburgh IN. 47629
Phone: 812.490.8600 • Fax: 812.490.8601

Member of American Institute of Certified Public Accountants

AURORA, INC.
Statement of Financial Position
December 31, 2008
(With Comparative Totals for 2007)

ASSETS

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
Current Assets					
Cash and cash equivalents	$ 76,374	$ 40,787	$ -	$ 117,161	$ 113,518
Grants Receivable	23,013	-	-	23,013	22,199
Accounts Receivable	2,837	-	-	2,837	-
Certificate of Deposit	-	-	7,445	7,445	7,145
Total current assets	102,225	40,787	7,445	150,457	142,862
Property and Equipment					
Building and Land	207,930	-	-	207,930	207,930
Office Equipment	20,202	-	-	20,202	19,457
Vehicles	30,089	-	-	30,089	30,089
Less accumulated depreciation	(83,521)	-	-	(83,521)	(72,534)
Total property and equipment	174,700	-	-	174,700	184,942
Total Assets	$ 276,925	$ 40,787	7,445	$ 325,157	$ 327,804

LIABILITIES AND NET ASSETS

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
Current Liabilities					
Accrued Expenses	$ 826	$ -	$ -	$ 826	$ -
Line of Credit	19,138	-	-	19,138	21,638
Total Current Liabilities	19,964	-	$ -	19,964	21,638
Net Assets					
Unrestricted	256,960	-	-	256,960	258,361
Temporarily Restricted	-	40,787	-	40,787	47,805
Permanently Restricted	-	-	7,445	7,445	-
Total Net Assets	256,960	40,787	7,445	305,193	306,166
Total Liabilities and Net Assets	$ 276,925	$ 40,787	$ 7,445	$ 325,157	$ 327,804

See notes to financial statements

AURORA, INC.
Statement of Activities
For the Year Ended December 31, 2008
(With Comparative Totals for 2007)

SUPPORT & REVENUE

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
Federal Financial Assistance Grants	$ 214,271	$ -	$ -	$ 214,271	$ 212,664
Non-Federal Financial Assistance Grants	158,980	-	-	158,980	107,372
Contributions	67,521	-	-	67,521	44,063
Special Events	28,914	-	-	28,914	32,882
Rent	7,812	-	-	7,812	6,186
Destination Home Funds	31,225	13,397	-	44,622	64,790
Investment Income	890	-	301	1,190	4,245
Miscellaneous	3,968	-	-	3,968	2,495
Net Assets Released from Restrictions	13,270	(13,270)	-	-	-
Total Support and Revenue	526,850	127	301	527,278	474,697

EXPENSES

	Unrestricted	Temporarily Restricted	Permanently Restricted	2008	2007
Program Services	492,448	-	-	492,448	424,097
Supporting Services:			-		
Management & General	28,216	-	-	28,216	45,306
Fundraising	7,586	-	-	7,586	9,058
Total Expenses	528,251	-	-	528,251	478,460
Change in Net Assets	(1,400)	127	301	(973)	(3,763)
Net Assets as of Beginning of Year	258,361	40,660	7,145	306,166	309,929
Net Assets as of End of Year	$ 256,961	$ 40,787	$ 7,445	$ 305,193	$ 306,166

See notes to financial statements

AURORA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2008
(With Comparative Totals for 2007)

	Program Services	Supporting Services: Management & General	Supporting Services: Fund-Raising	Total 2008	Total 2007
Depreciation	$ -	$ 10,986	$ -	$ 10,986	$ 9,478
Insurance	3,581	-	-	3,581	1,976
Interest	-	1,084	-	1,084	2,113
Membership Fees	-	410	-	410	1,138
Miscellaneous	-	1,095	-	1,095	3,073
Office Expenses	11,620	-	-	11,620	8,109
Program Expenses	48,185	-	-	48,185	58,029
Professional Fees	-	3,303	-	3,303	3,000
Property Taxes	-	752	-	752	737
Public Relations	-	3,750	-	3,750	624
Repairs & Maintenance	7,519	-	-	7,519	3,436
Special Events	-	-	7,586	7,586	9,058
Telephone	6,027	-	-	6,027	6,881
Travel & Training	5,853	-	-	5,853	4,344
Transportation	12,777	-	-	12,777	10,029
Utilities	5,950	-	-	5,950	5,302
Wages, Taxes, and Fringe Benefits	390,935	6,837	-	397,773	351,133
	$ 492,448	$ 28,216	$ 7,586	$ 528,251	$ 478,460

See notes to financial statements

AURORA, INC.
Statement of Cash Flows
For the Year Ended December 31, 2008
(With Comparative Totals for 2007)

	Unrestricted	Temporarily Restricted	2008	2007
Cash Flows from Operating Activities				
Changes in Net Assets	$ (1,099)	$ 127	$ (973)	$ (3,763)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:				
Depreciation	10,986	-	10,986	9,478
Prior Period Adjustment	-	-	-	-
Realized (Gain) Loss on Sale of Assets	-	-	-	(1,718)
Donated Assets	-	-	-	(14,299)
(Increase) Decrease in Receivables	(3,652)	-	(3,652)	(1,642)
(Increase) Decrease in Other Current Assets	826	-	826	1,174
Increase (Decrease) in Liabilities	-	-	-	(2,538)
Total Adjustments	8,161	-	8,161	(9,545)
Net Cash Provided (Used) by Operating Activities	7,061	127	7,188	(13,308)
Cash Flows From Investing Activities:				
Proceeds From Sale of Assets	-	-	-	1,994
Investments	(301)	-	(301)	
Capital Expenditures	(744)	-	(744)	(10,684)
Net Cash Provided (Used) by Investing Activities	(1,045)	-	(1,045)	(8,689)
Cash Flows From Financing Activities:				
Net borrowings on line of credit	(2,500)	-	(2,500)	(2,770)
	(2,500)	-	(2,500)	(2,770)
Net Increase (Decrease) in Cash and Equivalents	3,516	127	3,643	(24,767)
Cash and Equivalents, beginning of year	72,858	40,660	113,518	138,285
Cash and Equivalents, end of year	$ 76,374	$ 40,787	$ 117,161	$ 113,518
Supplemental disclosures of cash flow information:				
Cash paid during the year for:				
Interest expense	$ 1,084	$ -	$ 1,084	$ 2,113
Donated Assets	$ -	$ -	$ -	$ 14,299

See notes to financial statements

Aurora, Inc.
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission

The Aurora, Inc. exists to bring an end to homelessness to the Evansville, Indiana community. To this end, the Organization pledges to provide services that prevent homelessness, educate the community on the issues, facilitates collaboration, and advocate for the social and economic changes necessary to make homelessness a reality.

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 recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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. In addition, the Organization is required to present a statement of cash flows.

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.

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.

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 the cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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, 2007, from which the summarized information was derived.

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

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.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2008 and 2007 consisted of the following:

	2008	2007
Checking/Petty Cash	$ 117,161	$ 113,518

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 35% of its support from one governmental funding source in 2008 and 40% in 2007. 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, 2008 and 2007

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, of which $80,862 was unused at December 31, 2008. 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, 2008 and 2007, consist of Government grants that are due within one year.

NOTE 8- RESTRICTED NET ASSETS

Restricted net assets at December 31, 2008, are comprised of the following:

Temporarily Restricted	
Destination Home Funds	$ 40,787
Permanently Restricted	
Endowment Fund	7,445
	$ 48,232