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April 13, 2018

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

We have reviewed the report prepared by Aurora, Inc. and opined upon by Timothy J. Otte, CPA, PC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Aurora, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Timothy J. Otte, CPA, PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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


Paul D. Joyce, CPA
State Examiner

Timothy J.  Otte CPA, PC

AURORA, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

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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, 2016 and 2015, and the related 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2016 and 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.

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 6, 2017, 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.



Evansville, Indiana
September 6, 2017

AURORA, INC.
Statements of Financial Position
December 31, 2016 and 2015

ASSETS

	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 410,662	\$ 256,634
Grants Receivable	172,501	126,419
Accounts Receivable- Misc	4,200	1,812
Promises to Give	5,000	10,000
Prepaid Expenses	5,100	
Investments	-	8,015
Total current assets	<u>597,463</u>	<u>402,880</u>
Property and Equipment		
Building and Land	310,764	214,110
Office Equipment	17,521	23,862
Vehicles	77,548	43,590
Less accumulated depreciation	<u>(59,662)</u>	<u>(146,733)</u>
Total property and equipment	<u>346,172</u>	<u>134,830</u>
Other Assets		
Agency Endowment Fund	<u>8,332</u>	<u>-</u>
Total Assets	<u>\$ 951,966</u>	<u>\$ 537,711</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Expenses	\$ 22,773	\$ 22,172
Line of Credit	-	-
Total Current Liabilities	<u>22,773</u>	<u>22,172</u>
Net Assets		
Unrestricted	734,326	310,770
Temporarily Restricted	186,536	196,754
Permanently Restricted	<u>8,332</u>	<u>8,015</u>
Total Net Assets	<u>929,193</u>	<u>515,539</u>
Total Liabilities and Net Assets	<u>\$ 951,966</u>	<u>\$ 537,711</u>

See notes to financial statements

AURORA, INC.
Statement of Activities
For the Year Ended December 31, 2016

SUPPORT & REVENUE

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016</u>
Federal Financial Assistance Grants	\$ 1,136,229	\$ -	\$ -	\$ 1,136,229
Non-Federal Financial Assistance Grants	30,943	-	-	30,943
Contributions	573,988	-	-	573,988
Contributions- In-kind	151,162	-	-	151,162
Contributions-United Way	72,746	-	-	72,746
Committed/Designated Funds	5,354	-	-	5,354
Contracted Positions	2,743	-	-	2,743
Special Events	66,856	-	-	66,856
Fiscal Agent Funds	150	4,266	-	4,416
Investment Income	456	-	-	456
Gain or (Loss) on Assets Sold	36,254	-	-	36,254
Change in Value of Agency Fund	-	-	317	317
Miscellaneous	5,208	-	-	5,208
Net Assets Released from Restrictions	14,484	(14,484)	-	-
Total Support and Revenue	<u>2,096,573</u>	<u>(10,219)</u>	<u>317</u>	<u>2,086,671</u>
EXPENSES				
Program Services	1,514,958	-	-	1,514,958
Supporting Services:				
Management & General	108,114	-	-	108,114
Fundraising	49,967	-	-	49,967
Total Expenses	<u>1,673,039</u>	<u>-</u>	<u>-</u>	<u>1,673,039</u>
Change in Net Assets	423,535	(10,219)	317	413,633
Net Assets as of Beginning of Year	<u>310,791</u>	<u>196,754</u>	<u>8,015</u>	<u>515,560</u>
Net Assets as of End of Year	<u>\$ 734,326</u>	<u>\$ 186,536</u>	<u>\$ 8,332</u>	<u>\$ 929,193</u>

See notes to financial statements

AURORA, INC.
Statement of Activities
For the Year Ended December 31, 2015

SUPPORT & REVENUE

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2015</u>
Federal Financial Assistance Grants	\$ 1,071,629	\$ -	\$ -	\$ 1,071,629
Non-Federal Financial Assistance Grants	15,317	-	-	15,317
Contributions	147,522	-	-	147,522
Contributions- In-kind	162,051	-	-	162,051
Contributions-United Way	71,231	-	-	71,231
Committed/Designated Funds	3,419	-	-	3,419
Contracted Positions	9,661	-	-	9,661
Special Events	59,558	-	-	59,558
Fiscal Agent Funds	-	8,230	-	8,230
Investment Income	447	-	58	505
Gain or (Loss) on Assets Sold	(510)	-	-	(510)
Change in Value of Agency Fund	-	-	-	-
Miscellaneous	4,095	-	-	4,095
Net Assets Released from Restrictions	15,481	(15,481)	-	-
Total Support and Revenue	<u>1,559,901</u>	<u>(7,251)</u>	<u>58</u>	<u>1,552,708</u>
EXPENSES				
Program Services	1,391,037	-	-	1,391,037
Supporting Services:				
Management & General	139,623	-	-	139,623
Fundraising	40,316	-	-	40,316
Total Expenses	<u>1,570,976</u>	<u>-</u>	<u>-</u>	<u>1,570,976</u>
Change in Net Assets	(11,075)	(7,251)	58	(18,268)
Net Assets as of Beginning of Year	<u>321,845</u>	<u>204,006</u>	<u>7,956</u>	<u>533,807</u>
Net Assets as of End of Year	<u>\$ 310,770</u>	<u>\$ 196,754</u>	<u>\$ 8,015</u>	<u>\$ 515,539</u>

See notes to financial statements

AURORA, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2016

	<u>Supporting Services</u>			<u>Total 2016</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- Raising</u>	
Case Management	\$ 111,307	\$ -	\$ -	\$ 111,307
Client Expenses	3,734	-	-	3,734
Committed/Designation Funds	867	-	-	867
Depreciation	13,933	3,483	-	17,416
Fees & Charges	-	2,628	4,043	6,671
Fiscal Agent Expenses	6,346	-	-	6,346
Grantwriting	-	-	10,500	10,500
In-Kind Donations	121,162	-	-	121,162
Inspections	3,700	-	-	3,700
Insurance	10,357	-	-	10,357
Interest	-	1,292	-	1,292
Membership Fees	-	559	-	559
Miscellaneous	1,616	6,204	-	7,820
Office Expenses	-	7,497	1,784	9,281
Professional Fees	-	11,721	-	11,721
Public Relations	-	1,031	-	1,031
Refugee Placement Program	12,965	-	-	12,965
Rental Assistance Payments	393,685	-	-	393,685
Repairs & Maintenance	15,208	-	-	15,208
Security/Utility Deposits	31,495	-	-	31,495
Special Events	-	-	11,793	11,793
Staffing Costs	10,065	-	-	10,065
Supervision	59,355	-	-	59,355
Telephone	7,204	-	-	7,204
Travel/Training	17,715	-	-	17,715
Utilities	23,681	5,816	-	29,497
Vision 1505 Program Expenses	248,568	-	-	248,568
Wages, Taxes, and Fringe Benefits	416,399	67,883	21,847	506,128
Why Try/Financial Empowerment	5,598	-	-	5,598
	<u>\$ 1,514,958</u>	<u>\$ 108,114</u>	<u>\$ 49,967</u>	<u>\$ 1,673,039</u>

See notes to financial statements

AURORA, INC.
Statement of Functional Expenses
For the year Ended December 31, 2015

	<u>Supporting Services</u>			<u>Total 2015</u>
	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- Raising</u>	
Case Management	\$ 106,513	\$ -	\$ -	\$ 106,513
Client Expenses	2,536	-	-	2,536
Committed/Designation Funds	7,291	-	-	7,291
Depreciation	9,621	2,405	-	12,026
Fees & Charges	-	836	4,324	5,160
Fiscal Agent Expenses	10,581	-	-	10,581
Grantwriting	-	-	25	25
In-Kind Donations	161,301	-	-	161,301
Inspections	5,325	-	-	5,325
Insurance	10,445	-	-	10,445
Interest	-	441	-	441
Membership Fees	-	889	-	889
Miscellaneous	284	2,331	-	2,615
Office Expenses	-	6,334	3,881	10,214
Professional Fees	-	10,258	-	10,258
Public Relations	-	3,071	-	3,071
Refugee Placement Program	-	-	-	-
Rental Assistance Payments	293,280	-	-	293,280
Repairs & Maintenance	21,973	-	-	21,973
Security/Utility Deposits	33,921	-	-	33,921
Special Events	-	-	20,306	20,306
Staffing Costs	12,544	-	-	12,544
Supervision	58,661	-	-	58,661
Telephone	8,503	-	-	8,503
Travel/Training	18,209	-	-	18,209
Utilities	17,797	5,688	-	23,485
Vision 1505 Program Expenses	211,441	-	-	211,441
Wages, Taxes, and Fringe Benefits	392,521	107,370	11,780	511,671
Why Try/Financial Empowerment	8,291	-	-	8,291
	<u>\$ 1,391,037</u>	<u>\$ 139,623</u>	<u>\$ 40,316</u>	<u>\$ 1,570,976</u>

See notes to financial statements

AURORA, INC.
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 413,633	\$ (18,268)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	17,416	12,026
(Increase) Decrease in Receivables	(43,470)	(6,275)
(Increase) Decrease in Other Current Assets	(5,100)	30,170
(Gains) or Losses on Assets	(35,198)	-
In-kind Donations	(30,000)	(750)
Increase (Decrease) in Liabilities	601	(5,259)
Total Adjustments	<u>(95,750)</u>	<u>29,912</u>
Net Cash Provided (Used) by Operating Activities	<u>317,883</u>	<u>11,644</u>
Cash Flows From Investing Activities:		
Investments	(294)	(60)
Proceeds from Sale of Assets	153,603	
Capital Expenditures	<u>(317,163)</u>	<u>(740)</u>
Net Cash Provided (Used) by Investing Activities	<u>(163,854)</u>	<u>(800)</u>
Cash Flows From Financing Activities:		
Net borrowings on line of credit	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Equivalents	154,028	10,844
Cash and Equivalents, beginning of year	<u>256,634</u>	<u>245,790</u>
Cash and Equivalents, end of year	<u>\$ 410,662</u>	<u>\$ 256,634</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest expense	\$ 1,292	\$ 441
Noncash Investing Activities:		
Contribution of Vehicle	\$ 30,000	\$ 750

See notes to financial statements

Aurora, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015

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.

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.

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, 2016 and 2015, the values of those contributions were \$151,162 and \$162,051, respectively.

Reclassifications

Certain amounts in the December 31, 2015 financial statements have been reclassified for comparative purposes to conform to the presentation in the December 31, 2016 financial statements.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2016 and 2015 there were no amounts that were believed to be uncollectible

Auroar, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

Fair Value Measurement

FASB ASC 820, Fair Value Measurements, which defines fair value, establishes guidelines of measuring fair values 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 a 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- FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2016 and 2015 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
December 31, 2016				
Agency Endowment Fund	\$ 8,332	\$ -	\$ -	\$ 8,332

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
December 31, 2015				
Agency Endowment Fund	\$ 8,015	\$ -	\$ -	\$ 8,015

Aurora, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Checking/Petty Cash	\$ 240,662	\$ 24,406
Money Market/Savings	<u>170,000</u>	<u>232,228</u>
	<u>\$ 410,662</u>	<u>\$ 256,634</u>

NOTE 4 - 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 56% of its support from governmental funding sources in 2016 and 70% in 2015. The majority of the Organization's public support is contributed by business organizations located in Southwestern Indiana.

NOTE 5 - 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 6 – 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 7- LINE OF CREDIT

The Organization has a \$100,000 revolving line of credit and has a maturity date of October 1, 2017, of which none was outstanding at December 31, 2016. 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.

Aurora, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 8- INVESTMENTS

Investments of the Organization are stated at fair value summarized as follows at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Certificate of Deposit	\$ 0	\$ 8,036

Stock received in a donation per donated stock policy is to be liquidated and converted into cash. In 2016, stock valued at \$29,529 was donated to the Organization and was subsequently liquidated on December 19, 2016.

NOTE 9- AGENCY ENDOWMENT FUND- PERMANENTLY RESTRICTED

The Organization established an Endowment Fund with the Community Foundation Alliance, Inc. \$8,015 was initially contributed with an additional \$2,500 matched by the Vanderburgh Community Foundation. The Organization has granted the Foundation variance power which gives the Foundation's Board of Directors the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies. The Organization reports the fair value of the Fund as Beneficial Interest in Assets Held at the Community Foundation Alliance, Inc. in the statement of financial position and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities.

Balance at January 1, 2016	\$ 0
Contributions	8,015
Share of appreciation of fund	<u>317</u>
Balance at December 31, 2016	<u>\$ 8,332</u>

NOTE 10- PROMISES TO GIVE

Promises to give as of the year ended December 31, 2016 are as follows:

Due within one year	\$ 5,000
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Aurora, Inc.
Notes to Financial Statements
December 31, 2016 and 2015

NOTE 11- RESTRICTED NET ASSETS

Restricted net assets at December 31, 2016 and 2015 are comprised of the following:

	<u>2016</u>	<u>2015</u>
Temporarily Restricted		
Destination Home Funds	\$ 15,654	\$ 17,859
Vision 1505	165,881	168,895
Promises to Give	5,000	10,000
Permanently Restricted		
Agency Endowment Fund	<u>8,332</u>	<u>8,015</u>
	<u>\$ 194,867</u>	<u>\$ 204,769</u>

NOTE 12- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions through September 6, 2017, 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, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Supportive Housing Program- Homeless Outreach Team	14.235		-	\$ 70,143
Supportive Housing Program- Vision 1505	14.235		-	309,146
Supportive Housing Program- 2011 Vision 1505	14.235		-	28,160
Total Supportive Housing Program				407,449
U.S. Department of Housing and Urban Development				
Pass-through programs from:				
City of Evansville				
CDBG- (TBRA Admin)	14.218	B-16-MC-18-0002	-	5,000
CDBG- (TBRA Admin)	14.218	B-15-MC-18-0002	-	5,000
Total Community Block Grants				10,000
Indiana Housing & Community Development Authority				
Emergency Solutions Grant Program- Street Outreach Program	14.231	ESO-015-001	-	18,613
Emergency Solutions Grant Program- Street Outreach Program	14.231	ESO-016-001	-	15,558
Emergency Solutions Grant Program- RRH	14.231	ESRRHP-15-002	-	249,570
Emergency Solutions Grant Program- RRH	14.231	ESRRHP-16-003	-	25,602
City of Evansville				
Emergency Solutions Grant Program- 2016 (ESG Admin)	14.231	E-15-MC-18-0002	-	13,744
Emergency Solutions Grant Program- 2016 (HOT)	14.231	E-16-MC-18-0002	-	15,713
Emergency Solutions Grant Program- 2014 (Housing Support Team)	14.231	E-14-MC-18-0002	-	29,777
Emergency Solutions Grant Program- 2015 (Rapid Re-Housing Program)	14.231	E-15-MC-18-0002	-	73,260
Emergency Solutions Grant Program- 2016 (Rapid Re-Housing Program)	14.231	E-16-MC-18-0002	-	35,241
Emergency Solutions Grant Program- 2016 (Homeless Prevention)	14.231	E-15-MC-18-0002	-	6,090
Total Emergency Solutions Grant Program				483,168
City of Evansville				
Home Investment Partnerships Program	14.237	M-15-MC-18-0201	-	15,590
Total Home Investment Partnerships Program				15,590
Indiana Housing & Community Development Authority				
Home Investment Partnerships Program	14.239	TB-015-001	-	82,417
Total Home Investment Partnerships Program				82,417
Indiana Housing & Community Development Authority				
Continuum of Care Program	14.267	SC-016-0154	-	17,769
Continuum of Care Program	14.267	SC-015-0154	-	84,850
Total Continuum of Care Program				102,619
Indiana Housing & Community Development Authority				
CSBG	93.565	SC-016-0154	-	624
Total Community Services Block Grant				624
U.S. Department of Health and Human Services				
Pass-through programs from:				
Indiana Housing & Community Development Authority				
Temporary Assistance for Needy Families	93.558	TANFRR-016-003	-	15,623
Total Temporary Assistance for Needy Families				15,623
Indiana Housing & Community Development Authority				
CSBG	93.569	SC-015-0154	-	2,960
CSBG- Point In-Time Count Grant	93.569	CS-016-012CSBG	-	2,114
Total Community Services Block Grant				5,074
Indiana Family and Social Services Administration- DMHA				
Projects for Assistance in Transition from Homelessness (PATH)	93.150	2X06SM016015-15	-	12,598
Total Projects for Assistance in Transition from Homelessness				12,598

AURORA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

U.S. Department of Homeland Security

Pass-through programs from:

Emergency Food and Shelter National Board Program	97.024	LR280000-020	-	1,068
Total Emergency Food and Shelter National Board Program				1,068

Total expenditures of federal awards

\$ 1,136,229

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, 2016. 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 the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C- INDIRECT COST RATE

Aurora, Inc. has elected to not use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

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, 2016, 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 6, 2017.

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.



Evansville, Indiana

September 6, 2017

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, 2016. Aurora, 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 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, 2016.

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.



Evansville, Indiana
September 6, 2017

AURORA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016

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 that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as a major program included:

Supportive Housing Program- CFDA # 14.235
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, 2016

No prior audit findings.