



STATE OF INDIANA
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January 4, 2023

Board of Directors
Aurora, Inc.
1001 Mary Street
Evansville, IN 47710

We have reviewed the audit report of Aurora, Inc. which was opined upon by Kemper CPA Group, LLP, 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 Aurora, 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, Kemper CPA Group, LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

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

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

AURORA, INC.
EVANSVILLE, INDIANA
FINANCIAL STATEMENTS
December 31, 2020 and 2019



AURORA INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Aurora, Inc.
1001 Mary Street
Evansville, Indiana 47710

Report on the Financial Statements

We have audited the accompanying financial statements of Aurora, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Board of Directors
Aurora, Inc.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aurora, Inc. as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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, 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. 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.

Board of Directors
Aurora, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2021, on our consideration of Aurora, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Aurora, Inc.'s 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.

Handwritten signature in blue ink that reads "Krumpke CPA Group, LLP".

August 11, 2021
Evansville, Indiana

Certified Public Accountants and Consultants

AURORA, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS	2020	Restated 2019
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and cash equivalents	\$ 564,632	\$ 379,050
Grants receivable	356,250	197,687
Accounts receivable - miscellaneous	0	3,500
	<u>920,882</u>	<u>580,237</u>
Property and equipment	407,369	359,952
Office equipment	19,224	17,615
Vehicles	91,732	56,228
Storage building - Mary Street	56,044	56,044
	<u>574,369</u>	<u>489,839</u>
Less accumulated depreciation	<u>(116,553)</u>	<u>(84,750)</u>
Net Property and Equipment	457,816	405,089
Beneficial interest in assets held by Community Foundation	10,593	9,589
	<u>\$ 1,389,291</u>	<u>\$ 994,915</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,910	\$ 36,856
Accrued expenses	37,477	20,173
Recoverable grant	250,000	0
	<u>308,387</u>	<u>57,029</u>
Net Assets		
Without Donor Restriction - Undesignated	976,745	749,251
With Donor Restriction	104,159	188,635
	<u>1,080,904</u>	<u>937,886</u>
	<u>\$ 1,389,291</u>	<u>\$ 994,915</u>

See accompanying notes.

AURORA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	2020
Revenues, Support and Gains			
Government grants	\$ 1,741,125	\$ 0	\$ 1,741,125
Non-federal financial assistance grants	503,162	0	503,162
Other grant revenues	147,600	0	147,600
Contributions	129,233	702	129,935
Contributions - United Way	109,890	0	109,890
Interest income	275	0	275
Change in value of agency fund	1,005	0	1,005
Miscellaneous income	2,958	0	2,958
Contracted positions	1,400	0	1,400
Committed funds	1,533	0	1,533
Workshop registration fees	0	0	0
In-kind donation	135,817	0	135,817
Gross special events revenue	43,429	0	43,429
Less cost of direct benefit to donors	(557)	0	(557)
	42,872	0	42,872
Net Assets Released from Restrictions	85,178	(85,178)	0
Total Revenues, Support and Gains	2,902,048	(84,476)	2,817,572
Expenses			
Program services	2,443,821	0	2,443,821
Management and general	176,890	0	176,890
Fundraising	53,843	0	53,843
Total Program Expenses	2,674,554	0	2,674,554
INCREASE (DECREASE) IN NET ASSETS	227,494	(84,476)	143,018
Net Assets at Beginning of Year	749,251	188,635	937,886
NET ASSETS AT END OF YEAR	\$ 976,745	\$ 104,159	\$ 1,080,904

See accompanying notes.

AURORA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

	Restated Without Donor Restriction	With Donor Restriction	Restated 2019
	<u> </u>	<u> </u>	<u> </u>
Revenues, Support and Gains			
Government grants	\$ 978,208	\$ 0	\$ 978,208
Non-federal financial assistance grants	333,767	0	333,767
Other grant revenues	0	0	0
Contributions	141,320	87,543	228,863
Contributions - United Way	89,122	0	89,122
Interest income	377	0	377
Change in value of agency fund	1,288	0	1,288
Miscellaneous income	9,351	0	9,351
Contracted positions	1,250	0	1,250
Committed funds	800	0	800
Workshop registration fees	39,756	0	39,756
In-kind donation	83,125	0	83,125
Gross special events revenue	99,939	0	99,939
Less cost of direct benefit to donors	(16,809)	0	(16,809)
	<u>83,130</u>	<u>0</u>	<u>83,130</u>
Net Assets Released from Restrictions	<u>46,212</u>	<u>(46,212)</u>	<u>0</u>
Total Revenues, Support and Gains	<u>1,807,706</u>	<u>41,331</u>	<u>1,849,037</u>
Expenses			
Program Services	1,665,504	0	1,665,504
Management and general	191,281	0	191,281
Fundraising	88,389	0	88,389
Total Program Expenses	<u>1,945,174</u>	<u>0</u>	<u>1,945,174</u>
INCREASE (DECREASE) IN NET ASSETS	(137,468)	41,331	(96,137)
Net Assets at Beginning of Year	886,719	147,304	1,034,023
NET ASSETS AT END OF YEAR	<u>\$ 749,251</u>	<u>\$ 188,635</u>	<u>\$ 937,886</u>

See accompanying notes.

AURORA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

	Program Services	Supporting Services		Total 2020
		Management and General	Fundraising	
Client expenses	\$ 27,034	\$ 0	\$ 0	\$ 27,034
Depreciation	23,853	4,770	3,180	31,803
Fees and charges	0	260	4,992	5,252
Workshop supplies	0	0	0	0
Grant writing	0	0	0	0
In-kind donations	134,002	0	0	134,002
Inspections	7,630	0	0	7,630
Insurance	9,345	1,869	1,246	12,460
Membership fees	0	738	0	738
Miscellaneous	591	1,686	0	2,277
Office expenses	0	28,554	6,743	35,297
Professional fees	11,751	9,458	0	21,209
Public relations	0	15,410	0	15,410
Rental assistance payments	980,164	0	0	980,164
Repairs and maintenance	13,360	0	0	13,360
Security/utility deposits	114,410	0	0	114,410
Staffing costs	0	0	0	0
Telephone	9,853	1,970	1,313	13,136
Travel/training	10,083	0	0	10,083
Utilities	27,132	14,971	3,618	45,721
Property taxes	108	21	14	143
Vision 1505 program management	277,722	0	0	277,722
Wages, taxes and fringe benefits	796,783	97,183	32,737	926,703
	<u>\$ 2,443,821</u>	<u>\$ 176,890</u>	<u>\$ 53,843</u>	<u>\$ 2,674,554</u>

See accompanying notes.

AURORA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Program Services	Supporting Services		Total 2019
		Management and General	Fundraising	
Client expenses	\$ 42,282	\$ 0	\$ 0	\$ 42,282
Depreciation	16,385	3,276	2,184	21,845
Fees and charges	0	50	21,850	21,900
Workshop supplies	2,248	0	0	2,248
Grant writing	0	0	14,086	14,086
In-kind donations	82,843	0	0	82,843
Inspections	4,567	0	0	4,567
Insurance	14,033	1,989	1,326	17,348
Membership fees	0	727	0	727
Miscellaneous	1,200	7,891	0	9,091
Office expenses	262	23,276	724	24,262
Professional fees	745	12,040	0	12,785
Public relations	0	285	0	285
Rental assistance payments	450,877	0	0	450,877
Repairs and maintenance	16,784	0	0	16,784
Security/utility deposits	54,701	0	0	54,701
Staffing costs	0	10,248	0	10,248
Telephone	9,958	1,842	1,228	13,028
Travel/training	24,693	0	0	24,693
Utilities	20,829	14,312	2,686	37,827
Property taxes	294	58	39	391
Vision 1505 program management	277,267	0	0	277,267
Wages, taxes and fringe benefits	645,536	115,287	44,266	805,089
	<u>\$ 1,665,504</u>	<u>\$ 191,281</u>	<u>\$ 88,389</u>	<u>\$ 1,945,174</u>

See accompanying notes.

AURORA, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 143,018	\$ (96,137)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	31,803	21,845
(Increase)/decrease in:		
Accounts receivable	3,500	8,323
Grants receivable	(158,563)	74,096
Agency Endowment Fund	(1,004)	(1,290)
Increase/(decrease) in:		
Accounts payable	(15,946)	2,312
Accrued expenses	17,304	20,173
Recoverable grant	250,000	0
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>270,112</u>	<u>29,322</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(84,530)</u>	<u>(18,218)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(84,530)</u>	<u>(18,218)</u>
NET INCREASE IN CASH	185,582	11,104
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	379,050	367,946
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 564,632</u>	<u>\$ 379,050</u>

See accompanying notes.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Aurora, Incorporated (Organization) was formed to prevent and end homelessness in Evansville, Indiana. The Organization operates programs with the primary purpose of placing the homeless into apartments and aiding them with housing expenses.

Basis of Accounting

The Organization prepares the financial statements in accordance with accounting principles generally accepted in the United States of America.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization files income tax returns in the U.S. federal jurisdiction and the state of Indiana.

Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains deposit accounts at local financial institutions. Deposits are insured up to \$250,000 by the FDIC. The amounts on deposit at December 31, 2020 and 2019 exceeded federally insured limits by approximately \$130,500 and \$0, respectively.

Revenue and Revenue Recognition

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. No amounts have been received in advance under our federal and state contracts and grants.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

The Organization records property and equipment additions over \$500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2020 and 2019.

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, 2020 and 2019, the values of those contributions were \$135,817 and \$83,125, respectively.

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. Interest is not charged on outstanding receivables. At December 31, 2020 and 2019, there were no amounts that were believed to be uncollectible.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 1 – Summary of Significant Accounting Policies (Concluded)

Beneficial Interest in Assets Held by Community Foundation

The Organization has established an endowment fund that is perpetual in nature (fund). The Organization granted variance power to the Community Foundation (CF), which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Organization's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Paycheck Protection Program Loan (PPP)

The Organization is accounting for the PPP loan as a grant in accordance with FASB ASC 958-605-15, *Not-for-Profit Entities, Revenue Recognition of Contributions Received*. Grant revenue is recognized as qualifying expenses are incurred and conditions for cancellation of the liability are substantially met. The Organization believes that they have met the conditions for forgiveness and therefore, the PPP loan funds are included in the accompanying Statements of Activities as other grant revenues.

Subsequent Events

Management has evaluated events and transactions that occurred after the balance sheet date up to August 11, 2021, the date the financial statements were issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 564,632
Grants receivable	356,250
	<u>\$ 920,882</u>

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 3 – Fair Value Measurements

We report certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

The fair value of our beneficial interest in assets held by the Community Foundation is based on the fair value of fund investments as reported by the Community Foundation. These are considered to be Level 2 measurements.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 3 – Fair Value Measurements (Concluded)

Fair values of assets measured on a recurring basis at December 31, 2020 and 2019 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, 2020				
Assets held at				
Community Foundation	<u>\$ 10,593</u>	<u>\$ 0</u>	<u>\$ 10,593</u>	<u>\$ 0</u>
December 31, 2019				
Assets held at				
Community Foundation	<u>\$ 9,589</u>	<u>\$ 0</u>	<u>\$ 9,589</u>	<u>\$ 0</u>

Note 4 – Concentration of Credit Risk

The Organization received 62% and 54% of its support from governmental funding in 2020 and 2019, respectively. In addition, 100% and 91% of accounts receivable were due from governmental funding at December 31, 2020 and 2019, respectively. The majority of the Organization's public support is contributed by business organizations 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 using time spent on activities by employees and square footage of the building.

Note 6 – Line of Credit

The Organization has a \$100,000 revolving line of credit that has a maturity of October 1, 2021. 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. There was no outstanding balance on this line of credit as of December 31, 2020 and 2019.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<u>2020</u>	<u>2019</u>
Fiscal agent funds	\$ 19,159	\$ 19,981
Vehicle purchase	0	35,000
Blankets	500	0
Vision 1505	84,500	133,654
	<u>\$ 104,159</u>	<u>\$ 188,635</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donor as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions		
Bridges of Poverty, Diversion and Home	\$ 823	\$ 45,664
Vehicles	35,000	0
Mary Street legal expenses, renovations and the storage building for Mary Street	49,355	548
	<u>\$ 85,178</u>	<u>\$ 46,212</u>

Note 8 – Restatement and Prior Period Adjustment

During 2020, it was noted that vacation times should have been accrued as of December 31, 2019. This change had the following effect on net assets without donor restrictions:

Net Assets - January 1, 2020	\$ 962,821
Prior period adjustment:	
Vacation accrual not made in 2019	(20,173)
Account payable not recognized in 2019	(4,762)
Net Assets - January 1, 2020, Restated	<u>\$ 937,886</u>

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

Note 9 – Effect of Covid-19 Pandemic

On March 11, 2020, the World Health Organization (“WHO”) recognized COVID-19 as a global pandemic, prompting many national, regional and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy. The Organization believes the ultimate financial impact of the COVID-19 pandemic is likely to be determined by factors which are uncertain, unpredictable and outside of the control of the Organization. The situation surrounding COVID-19 remains fluid and, if disruptions do arise, they could materially adversely affect future revenues.

Note 10 – Paycheck Protection Program Loan (PPP Loan)

On April 28, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of approximately \$147,600.

The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, have a term of five years, and are unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the companies’ request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the companies. The loan was fully forgiven as of November 19, 2020. The loan has been included as grant revenue on the Statements of Activities.

Note 11 – Recoverable Grant

The Organization received a recoverable grant from the Covid-19 Crisis Response Fund of the Greater Evansville Region (GERF) in an amount not to exceed \$500,000 on July 10, 2020. This grant was issued to achieve the goals of the Emergency Services Grants related to Homeless Prevention. Under the terms of the agreement, the Organization will be required to repay the funds no later than 120 days after the issuance of funds. The repayment period was subsequently extended for two additional 120 day terms. The balance at December 31, 2020 was \$250,000.

----- ADDITIONAL INFORMATION -----

AURORA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2020

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				
Pass-through programs from:				
Indiana Housing and Community Development Authority				
Emergency Solutions Grant, (7/1/2019-6/30/2020)	14.231	ESO-019-001	0	\$ 3,108
Emergency Solutions Grant, (7/1/2020-6/30/2021)	14.231	ESO-020-001	0	8,161
Emergency Solutions Grant, (7/5/19-06/30/20)	14.231	ESRRHP-019-003	0	97,266
Emergency Solutions Grant, (7/1/2020-06/30/2021)	14.231	ESRRHP-020-002	0	109,386
Emergency Solutions Grant Homelessness Prevention CARES, (7/1/2020-06/30/2021)	14.231	ESHP-CV-020-0016	0	130,753
City of Evansville				
Emergency Solutions Grant	14.231	20196358	0	15,356
Emergency Solutions Grant	14.231	20187357	0	4,367
Emergency Solutions Grant	14.231	20187356	0	56,439
Emergency Solutions Grant	14.231	20204417	0	51,309
Emergency Solutions Grant	14.231	20204415	0	164,615
Total Emergency Solutions Grant Program				640,760
City of Evansville				
Department of Metropolitan Development-TBRA-HOME	14.239	20205597	0	42,849
City of Evansville				
Department of Metropolitan Development-Outreach CDBG	14.218	20205588	0	11,959
Department of Metropolitan Development-RE Admin - CDBG	14.218	20196359	0	4,769
Total Community Development Block Grant				16,728
Indiana Housing and Community Development Authority				
Home Investment Partnerships Program (8/1/2018 - 6/30/2020)	14.239	TB-018-001	0	43,726
Home Investment Partnerships Program (7/1/2019 - 6/30/2021)	14.239	TB-019-001	0	193,645
Total Home Investment Partnerships Program				237,371
Indiana Housing and Community Development Authority				
Continuum of Care (12/01/2019-11/30/2020)	14.267	SC-019-0154	0	131,443
Continuum of Care (12/01/2020-12/31/2020)	14.267	SC-020-0154	0	28,099
Continuum of Care (12/1/2019-11/30/20)	14.267	COCCE-019-12	0	25,950
Coninuum of Care (12/1/20-12/31/2020)	14.267	COCCE-020-12	0	1,063
Indiana Coalition Against Domestic Violence, Inc.				
Domestic Violence Permanent Housing Rapid Rehousing Program	14.267	DV-019-0216-1	0	106,215
Domestic Violence Permanent Housing Rapid Rehousing Program	14.267	DV-020-0216-1	0	13,116
U.S. Department of Housing and Urban Development				
Continuum of Care (2/1/2019-1/31/2020)	14.267	IN0151B5H021804	0	32,880
Coninuum of Care (2/1/2020-1/31/2021)	14.267	IN0151B5H021905	0	358,206
Total Continuum of Care Program				696,972

AURORA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Indiana Housing and Community Development Authority Emergency Solutions Grant Homelessness Prevention CARES, (7/1/20-6/30/21)	93.569	ESG-CV-020-0016CSBG	0	10,000
U.S. Department of Health and Human Services Pass-through programs from:				
Indiana Housing and Community Development Authority Temporary Assistance for Needy Families, (01/01/2020-12/31/2020)	93.558	TANFRR-020-003	0	27,762
Indiana Family and Social Services Administration- DMHA Project for Assistance in Transistions from Homelessness- (9/1/19-8/31/20)	93.150	2X06SM016015-19	0	40,007
Project for Assistance in Transistions from Homelessness- (9/1/19-8/31/20)	93.150	1X06SM083725-01	0	22,294
Total Projects for Assistance in Transition from Homelessness				<u>62,301</u>
U.S. Department of Homeland Security Emergency Food and Shelter National Board Program	97.024	LR280000-020	0	<u>6,382</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 1,741,125</u></u>

AURORA, 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 the Organization for the year ended December 31, 2020. Expenditures reported in the Schedule are reported on the same basis of accounting as the financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented on this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2 – Summary of Significant Accounting Policies

Summary of Significant Accounting Policies Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the Organization’s financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, 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 - Description of Major Federal Program

Emergency Solutions Grant Program – This program provides federal monies for 1) the rehabilitation or conversion of buildings for use as emergency shelter for the homeless, 2) the payment of certain expenses related to operating emergency, 3) essential services related to emergency shelters and street outreach for the homeless, and 4) homelessness prevention and rapid re-housing assistance.

Note 4 - Non-Cash Assistance

None

Note 5 - Amount of Insurance

None

AURORA, INC.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)**

For the Year Ended December 31, 2020

Note 6 - Loans or Loan Guarantees Outstanding

None

Note 7 – Indirect Cost Rate

The Organization 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

Board of Directors
Aurora, Inc.
1001 Mary Street
Evansville, Indiana 47710

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 Aurora, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, 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 August 11, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aurora, Inc.'s (Organization) 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 the Organization'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 with governance.

Board of Directors
Aurora, Inc.

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.

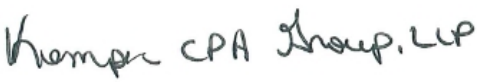
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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.

August 11, 2021
Evansville, Indiana


Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

Board of Directors
Aurora, Inc.
1001 Mary Street
Evansville, Indiana 47710

Report on Compliance for Each Major Federal Program

We have audited Aurora, Inc.'s (Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization'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 the Organization'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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Board of Directors
Aurora, Inc.

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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization 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 the Organization 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 the Organization'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 the Organization'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.

Board of Directors
Aurora, Inc.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kemper CPA Group, LLP

August 11, 2021
Evansville, Indiana

Certified Public Accountants and Consultants

AURORA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2020

<u>Finding No.</u>	<u>Condition</u>	<u>Current Status</u>
No prior year findings.		

AURORA, 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 weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
• Noncompliance material to financial statements noted?	No

Federal Awards

1) Internal control over major program:	
a) Material weaknesses identified?	No
b) Significant deficiencies identified that are not considered to be material weaknesses?	No
2) Type of auditor’s report issued on compliance for major programs:	Unmodified
3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
4) Identification of major program:	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.231	Emergency Solutions Grant
5) Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
6) Auditee qualified as a low-risk auditee?	Yes

AURORA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2020

No current year findings.