

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2010 or other tax year beginning , 2010, and ending ,

2010

Department of the Treasury Internal Revenue Service

See separate instructions.

Open to Public Inspection for 501(c)(3) Organizations Only

Form header section including: A Check box if address changed; B Exempt under section 501(c)(3); C Book value of all assets at end of year; D Employer identification number; E Unrelated business activity codes; F Group exemption number; G Check organization type.

H Describe the organization's primary unrelated business activity. Rent

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? No

J The books are in care of Aurora, Inc. Telephone number (812) 428-3246

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Cost of goods sold, Rent income, etc.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Line number, Description, Amount, Total. Rows include Compensation of officers, Salaries and wages, Repairs and maintenance, etc.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.
 Controlled group members (sections 1561 and 1563) check here . **See instructions** and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____
c Income tax on the amount on line 34 **35c** 203.

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: Tax rate schedule or Schedule D (Form 1041) **36**

37 Proxy tax. See instructions **37**

38 Alternative minimum tax **38**

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies **39** 203.

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a**

b Other credits (see instructions) **40b**

c General business credit. Attach Form 3800 **40c**

d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d**

e Total credits. Add lines 40a through 40d **40e**

41 Subtract line 40e from line 39 **41** 203.

42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866
 Other (attach schedule) **42**

43 Total tax. Add lines 41 and 42 **43** 203.

44 a Payments: A 2009 overpayment credited to 2010 **44a**

b 2010 estimated tax payments **44b**

c Tax deposited with Form 8868 **44c** 0.

d Foreign organizations: Tax paid or withheld at source (see instructions) **44d**

e Backup withholding (see instructions) **44e**

f Credit for small employer health insurance premiums (Attach Form 8941) **44f** 2,750.

g Other credits and payments: Form 2439 Form 4136 Other **44g** Total ...

45 Total payments. Add lines 44a through 44g **45** 2,750.

46 Estimated tax penalty (see instructions). Check if Form 2220 is attached **46**

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47**

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 2,547.

49 Enter the amount of line 48 you want: **Credited to 2011 estimated tax** 0. **Refunded** **49** 2,547.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here **Yes** **No**

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. **Yes** **No**

3 Enter the amount of tax-exempt interest received or accrued during the tax year. \$ **Yes** **No**

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1	6 Inventory at end of year 6
2 Purchases 2	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7
3 Cost of labor 3	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4a Additional section 263A costs (attach schedule) 4a	
b Other costs (attach sch) 4b	
5 Total. Add lines 1 through 4b 5	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer _____ Date _____ Title _____
 May the IRS discuss this return with the preparer shown below (see instructions)? **Yes** **No**

Paid Preparer Use Only
 Print/Type preparer's name: Timothy J. Otte
 Preparer's signature: *Timothy J. Otte CPA* Date: 09/19/11
 Check if self-employed PTIN: P00395799
 Firm's name: TIMOTHY J. OTTE, C.P.A. P.C. Firm's EIN: 26-0723973
 Firm's address: NEWBURGH IN 47629-0308 Phone no. _____

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1 Description of property

(1) 2nd Floor of Building being leased
(2)
(3)
(4)

2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)	7,730.	5,380.
(2)		
(3)		
(4)		
Total	Total 7,730.	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶
		5,380.

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals		Enter here and on page 1, Part I, line 7, column (A).		Enter here and on page 1, Part I, line 7, column (B).
Total dividends-received deductions included in column 8				

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations				
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	Enter here and on page 1, Part I, line 10, column (A)	Enter here and on page 1, Part I, line 10, column (B).				Enter here and on page 1, Part II, line 26.

Schedule J – Advertising Income (See instructions.)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, column (A).	Enter here and on page 1, Part I, line 11, column (B).				Enter here and on page 1, Part II, line 27.

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		⌘	
		⌘	
		⌘	
		⌘	
Total. Enter here and on page 1, Part II, line 14			

Credit for Small Employer Health Insurance Premiums

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to your tax return.

2010

Attachment
Sequence No. **63**

Name(s) shown on return

Identifying number

Aurora, Inc.

35-1759576

1	Enter the number of individuals you employed during the tax year who are considered employees for purposes of this credit (see instructions)	1	29
2	Enter the number of full-time equivalent employees you had for the tax year (see instructions). If you entered 25 or more, skip lines 3 through 11 and enter -0- on line 12	2	19
3	Average annual wages you paid for the tax year (see instructions). If you entered \$50,000 or more, skip lines 4 through 11 and enter -0- on line 12	3	28,000.
4	Premiums you paid during the tax year for employees included on line 1 for health insurance coverage under a qualifying arrangement (see instructions)	4	43,102.
5	Premiums you would have entered on line 4 if the total premium for each employee equaled the average premium for the small group market in which you offered health insurance coverage (see instructions)	5	39,274.
6	Enter the smaller of line 4 or line 5	6	39,274.
7	Multiply line 6 by the applicable percentage: • Tax-exempt small employers, multiply line 6 by 25% (.25) • All other small employers, multiply line 6 by 35% (.35)	7	9,819.
8	If line 2 is 10 or less, enter the amount from line 7. Otherwise, see instructions	8	3,928.
9	If line 3 is \$25,000 or less, enter the amount from line 8. Otherwise, see instructions	9	2,750.
10	Enter the total amount of any state premium subsidies paid and any state tax credits available to you for premiums included on line 4 (see instructions)	10	
11	Subtract line 10 from line 4. If zero or less, enter -0-	11	43,102.
12	Enter the smaller of line 9 or line 11	12	2,750.
13	If line 12 is zero, skip lines 13 and 14 and go to line 15. Otherwise, enter the number of employees included on line 1 for whom you paid premiums during the tax year for health insurance coverage under a qualifying arrangement (see instructions)	13	16
14	Enter the number of full-time equivalent employees you would have entered on line 2 if you only included employees included on line 13	14	13
15	Credit for small employer health insurance premiums from partnerships, S corporations, cooperatives, estates, and trusts (see instructions)	15	
16	Add lines 12 and 15. Partnerships and S corporations, stop here and report this amount on Schedule K; all others, go to line 17	16	2,750.
17	Credit for small employer health insurance premiums included on line 16 from passive activities (see instructions)	17	
18	Subtract line 17 from line 16	18	2,750.
19	Credit for small employer health insurance premiums allowed for 2010 from a passive activity (see instructions)	19	
20	Carryback of the credit for small employer health insurance premiums from 2011	20	
21	Add lines 18 through 20. Cooperatives, estates, and trusts, go to line 22. Tax-exempt small employers, skip lines 22 and 23 and go to line 24. All others, stop here and report this amount on Form 3800, line 29h	21	2,750.
22	Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions)	22	
23	Cooperatives, estates, and trusts, subtract line 22 from line 21. Stop here and report this amount on Form 3800, line 29h	23	
24	Enter the amount you paid in 2010 for taxes considered payroll taxes for purposes of this credit (see instructions)	24	56,246.
25	Tax-exempt small employers, enter the smaller of line 21 or line 24 here and on Form 990-T, line 44f.	25	2,750.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Part I Worksheet 1. Information Needed to Complete Line 1 and Worksheets 2 and 3

If you need more rows, use a separate sheet and include the additional amounts in the totals below.

(a) Individuals Considered Employees	(b) Employee Hours of Service	(c) Employee Wages Paid
1 Gary Austin	2,080	29,356.
Bethany Brazzell	1,032	11,740.
3 Naila Carnagua	2,080	32,299.
4 Maxine Coleman	2,080	12,204.
5 Jennifer Frantz	1,232	8,355.
6 Wendy Freeman	2,080	28,949.
7 Natasha Goodge	1,152	15,167.
8 Luzada Hayes	2,080	42,461.
9 Marcy Head-Vanpell	1,560	13,155.
10 Kathi Isbell	512	7,765.
11 Luanne Johns	474	7,083.
12 Cynthia Jones	410	7,730.
13 Meghann Kulenkamp	1,120	13,883.
14 Michell Lovelady-Smith	1,720	29,458.
15 Jill Miller	2,080	28,239.
16 Amanda Morrison	1,648	20,716.
17 Taylor Nellis	360	4,445.
18 Melinda Niehaus	2,080	33,574.
19 David Parker	2,080	34,768.
20 Heather Peak	608	6,297.
21 William Pekar	440	5,818.
22 Aaron Pryor	1,320	15,030.
23 Patricia Pyle	1,006	13,115.
24 Jason Richmond	432	5,987.
25 See Form 8941 Worksheets		
Totals:	40,306	542,418.

Part II Worksheet 2. Full-Time Equivalent Employees (FTEs)

1	Enter the total employee hours of service from Worksheet 1, column (b)	1	<u>40,306</u>
2	Hours of service per FTE	2	<u>2,080.</u>
3	Full-time equivalent employees. Divide line 1 by line 2. If the result is not a whole number (0, 1, 2, etc), generally round the result down to the next lowest whole number. However, if the result is less than one, enter 1. Report this amount on Form 8941, line 2	3	<u>19</u>

Part III Worksheet 3. Average Annual Wages

1	Enter the total employee wages paid from Worksheet 1, column (c)	1	<u>542,418.</u>
2	Enter FTEs from Worksheet 2, line 3	2	<u>19</u>
3	Average annual wages. Divide line 1 by line 2. If the result is not a multiple of \$1,000 (\$1,000, \$2,000, \$3,000, etc), round the result down to the next lowest multiple of \$1,000. Report this amount on Form 8941, line 3	3	<u>28,000.</u>

Part IV Worksheet 4. Information Needed to Complete Lines 4 and 5 and Worksheet 7

If you need more rows, use a separate sheet and include the additional amounts in the totals below.

(a) Enrolled Individuals Considered Employees	(b) Employer Premiums Paid	(b) Employer State Average Premiums	(c) Enrolled Employee Hours of Service
1 Bethany Brazzell	2,088.	1,905.	1,032
2 Naila Carnagua	4,145.	3,734.	2,080
3 Maxine Coleman	4,233.	3,502.	2,080
4 Jennifer Frantz	698.	635.	1,232
5 Wendy Freeman	1,092.	955.	2,080
6 Luzada Hayes	4,233.	4,167.	2,080
7 Kathi Isbell	1,047.	953.	512
8 Michell Lovelady-Smith	2,501.	3,110.	1,720
9 Jill Miller	4,233.	3,814.	2,080
10 Melinda Niehaus	1,092.	955.	2,080
11 David Parker	4,233.	3,424.	2,080
12 Heather Peak	364.	318.	608
13 Aaron Pryer	1,790.	1,590.	1,320
14 Jennifer Smith	4,233.	3,814.	2,080
15 Deb Spanner	2,887.	2,584.	2,080
16 Susan Steinkamp	4,233.	3,814.	2,080
17			
18			
19			
20			
21			
22			
23			
24			
25			
Totals:	43,102.	39,274.	27,224

Part V Worksheet 5. FTE Limitation

1	Enter the amount from Form 8941, line 7	1	<u>9,819.</u>
2	Enter the amount from Form 8941, line 2	2	<u>19.</u>
3	Subtract 10 from line 2	3	<u>9.</u>
4	Divide line 3 by 15. Enter the result as a decimal (rounded to at least 3 places) ..	4	<u>0.600</u>
5	Multiply line 1 by line 4	5	<u>5,891.</u>
6	Subtract line 5 from line 1. Report this amount on Form 8941, line 8.....	6	<u>3,928.</u>

Part VI Worksheet 6. Average Annual Wage Limitation

1	Enter the amount from Form 8941, line 8	1	<u>3,928.</u>
2	Enter the amount from Form 8941, line 7	2	<u>9,819.</u>
3	Enter the amount from Form 8941, line 3	3	<u>28,000.</u>
4	Subtract \$25,000 from line 3	4	<u>3,000.</u>
5	Divide line 4 by \$25,000. Enter the result as a decimal (rounded to at least 3 places)	5	<u>0.120</u>
6	Multiply line 2 by line 5	6	<u>1,178.</u>
7	Subtract line 6 from line 1. Report this amount on Form 8941, line 9.....	7	<u>2,750.</u>

Part VII Worksheet 7. FTEs Enrolled in Coverage

1	Enter the total enrolled employee hours of service from Worksheet 4, column (d)	1	<u>27,224</u>
2	Hours of service per FTE	2	<u>2,080.</u>
3	Divide line 1 by line 2. If the result is not a whole number (0, 1, 2, etc), generally round the result down to the next lowest whole number. However, if the result is less than one, enter 1. Report this amount on Form 8941, line 14	3	<u>13</u>

Form 8941 Worksheets

Form 8941 Worksheets

(a) Individuals Considered Employees	(b) Employee Hours of Service	(c) Employee Wages Paid
Sherry Schapker	2,080	29,712.
Jennifer Smith	2,080	24,886.
Deb Spanner	2,080	24,409.
Susan Steinkamp	2,080	32,442.
Donnie Walters	320	3,375.

