

AURORA, INC.
EVANSVILLE, INDIANA
FINANCIAL STATEMENTS
December 31, 2022 and 2021



AURORA, INC.
TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1 – 3
Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5 – 6
Statements of Functional Expenses	7 – 8
Statements of Cash Flows	9
Notes to Financial Statements	10 – 15
Additional Information:	
Schedule of Expenditures of Federal Awards	16 – 17
Notes to Schedule of Expenditures of Federal Awards	18
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 <i>Government Auditing Standards</i>	19 – 20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by The Uniform Guidance	21 – 23
Summary Schedule of Prior Audit Findings	24
Schedule of Findings and Questioned Costs	25 – 26

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aurora, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aurora, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

To the Board of Directors
Aurora, Inc.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Aurora's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Aurora's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Aurora's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
Aurora, Inc.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2023, 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.



September 15, 2023

Certified Public Accountants and Consultants
Evansville, Indiana

AURORA, INC.**STATEMENTS OF FINANCIAL POSITION****December 31, 2022 and 2021**

ASSETS	2022	2021
Current Assets		
Cash and cash equivalents	\$ 391,310	\$ 555,295
Grants receivable	374,936	237,778
Accounts receivable - miscellaneous	7,567	397
	<u>773,813</u>	<u>793,470</u>
Property and equipment	484,335	484,335
Office equipment	30,864	22,135
Vehicles	91,732	91,732
Storage building - Mary Street	56,044	56,044
	<u>662,975</u>	<u>654,246</u>
Less accumulated depreciation	<u>(174,980)</u>	<u>(145,473)</u>
Net Property and Equipment	487,995	508,773
Beneficial interest in assets held by Community Foundation	8,911	11,566
	<u>\$ 1,270,719</u>	<u>\$ 1,313,809</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 27,700	\$ 26,203
Accrued expenses	38,693	36,685
	<u>66,393</u>	<u>62,888</u>
Net Assets		
Without Donor Restriction - Undesignated	1,196,020	1,147,926
With Donor Restriction	8,306	102,995
	<u>1,204,326</u>	<u>1,250,921</u>
	<u>\$ 1,270,719</u>	<u>\$ 1,313,809</u>

See accompanying notes.

AURORA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2022

	Without Donor Restriction	With Donor Restriction	2022
Revenues, Support and Gains			
Government grants	\$ 2,084,815	\$ 0	\$ 2,084,815
Non-federal financial assistance grants	530,431	0	530,431
Contributions	148,698	8,438	157,136
Contributions - United Way	58,721	0	58,721
Interest income	397	0	397
Change in value of agency fund	(2,655)	0	(2,655)
Miscellaneous income	12,496	0	12,496
Contracted positions	0	0	0
Committed funds	13,352	0	13,352
Workshop registration fees	0	0	0
In-kind donation	161,972	0	161,972
Gross special events revenue	140,691	0	140,691
Less cost of direct benefit to donors	(55,805)	0	(55,805)
	84,886	0	84,886
Net Assets Released from Restrictions	103,127	(103,127)	0
Total Revenues, Support and Gains	3,196,240	(94,689)	3,101,551
Expenses			
Program services	2,934,672	0	2,934,672
Management and general	103,843	0	103,843
Fundraising	109,632	0	109,632
Total Program Expenses	3,148,146	0	3,148,146
INCREASE (DECREASE) IN NET ASSETS	48,094	(94,689)	(46,595)
Net Assets at Beginning of Year	1,147,926	102,995	1,250,921
NET ASSETS AT END OF YEAR	\$ 1,196,020	\$ 8,306	\$ 1,204,326

See accompanying notes.

AURORA, INC.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	2021
Revenues, Support and Gains			
Government grants	\$ 2,358,166	\$ 0	\$2,358,166
Non-federal financial assistance grants	576,009	0	576,009
Contributions	269,186	2,668	271,854
Contributions - United Way	73,164	0	73,164
Interest income	251	0	251
Change in value of agency fund	973	0	973
Miscellaneous income	8,572	0	8,572
Contracted positions	2,332	0	2,332
Committed funds	26,238	0	26,238
Workshop registration fees	2,530	0	2,530
In-kind donation	137,048	0	137,048
Gross special events revenue	61,132	0	61,132
Less cost of direct benefit to donors	(5,633)	0	(5,633)
	55,499	0	55,499
Net Assets Released from Restrictions	3,832	(3,832)	0
Total Revenues, Support and Gains	3,513,800	(1,164)	3,512,636
Expenses			
Program services	3,121,056	0	3,121,056
Management and general	112,124	0	112,124
Fundraising	109,439	0	109,439
Total Program Expenses	3,342,619	0	3,342,619
INCREASE (DECREASE) IN NET ASSETS	171,181	(1,164)	170,017
Net Assets at Beginning of Year	976,745	104,159	1,080,904
NET ASSETS AT END OF YEAR	\$ 1,147,926	\$ 102,995	\$1,250,921

See accompanying notes.

AURORA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total 2022
		Management and General	Fundraising	
Client expenses	\$ 26,767	\$ 0	\$ 0	\$ 26,767
Depreciation	22,131	4,426	2,950	29,507
Fees and charges	0	1,239	19,198	20,437
In-kind donations	158,568	0	0	158,568
Inspections	8,300	0	0	8,300
Insurance	11,000	2,200	1,466	14,666
Membership fees	0	250	0	250
Miscellaneous	15,228	4,270	0	19,498
Office expenses	0	10,718	5,047	15,765
Professional fees	6,842	12,111	0	18,953
Public relations	0	3,871	0	3,871
Rental assistance payments	1,167,237	0	0	1,167,237
Repairs and maintenance	27,125	0	0	27,125
Security/utility deposits	102,890	0	0	102,890
Telephone	8,700	1,740	1,160	11,600
Travel/training	20,204	0	0	20,204
Utilities	18,748	17,210	2,500	38,457
Property taxes	426	85	56	567
Vision 1505 program management	313,518	0	0	313,518
Wages, taxes and fringe benefits	1,026,988	45,723	77,255	1,149,966
	<u>\$ 2,934,672</u>	<u>\$ 103,843</u>	<u>\$ 109,632</u>	<u>\$ 3,148,146</u>

See accompanying notes.

AURORA, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services	Supporting Services		Total 2021
		Management and General	Fundraising	
Client expenses	\$ 48,068	\$ 0	\$ 0	\$ 48,068
Depreciation	22,695	4,539	3,026	30,260
Fees and charges	0	393	17,187	17,580
In-kind donations	133,088	0	0	133,088
Inspections	8,780	0	0	8,780
Insurance	11,439	2,287	1,525	15,251
Membership fees	0	0	0	0
Miscellaneous	1,709	5,851	0	7,560
Office expenses	0	20,928	9,111	30,039
Professional fees	8,698	11,092	0	19,790
Public relations	0	7,554	0	7,554
Rental assistance payments	1,559,890	0	0	1,559,890
Repairs and maintenance	23,593	0	0	23,593
Security/utility deposits	67,546	0	0	67,546
Telephone	9,861	1,972	1,314	13,147
Travel/training	13,294	0	0	13,294
Utilities	17,832	16,141	2,378	36,351
Property taxes	96	19	12	127
Vision 1505 program management	275,719	0	0	275,719
Wages, taxes and fringe benefits	918,748	41,348	74,886	1,034,982
	<u>\$ 3,121,056</u>	<u>\$ 112,124</u>	<u>\$ 109,439</u>	<u>\$ 3,342,619</u>

See accompanying notes.

AURORA, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (46,595)	\$ 170,017
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	29,507	30,260
(Increase)/decrease in:		
Accounts receivable	(7,170)	(397)
Grants receivable	(137,158)	118,472
Beneficial interest in assets held by Community Foundation	2,655	(973)
Increase/(decrease) in:		
Accounts payable	1,497	5,293
Accrued expenses	2,008	(792)
Recoverable grant	0	(250,000)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(155,256)	71,880
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(8,729)	(81,217)
NET CASH USED IN INVESTING ACTIVITIES	(8,729)	(81,217)
NET DECREASE IN CASH	(163,985)	(9,337)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	555,295	564,632
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 391,310	\$ 555,295

See accompanying notes.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

Aurora, Inc. (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.

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, 2022 and 2021 exceeded federally insured limits by approximately \$66,000 and \$145,000 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 made 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, 2022 and 2021, there were no amounts that were believed to be uncollectible.

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.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

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, 2022 and 2021.

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.

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 those 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.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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, 2022 and 2021, the values of those contributions were \$161,972 and \$137,048, respectively.

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.

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, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Concluded)

Management’s Review of Subsequent Events

Management has evaluated events and transactions that occurred after the balance sheet date up to September 15, 2023, 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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 391,310	\$ 555,295
Grants receivable	374,936	237,778
Accounts receivable - miscellaneous	7,567	397
	<u>\$ 773,813</u>	<u>\$ 793,470</u>

Note 3 – Fair Value Measurements

Assets recorded at fair value in the statement of position are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 – Observable inputs other than those included in level 1, such as quoted market prices for similar assets to liabilities in active markets, quoted market prices for identical assets or liabilities in inactive markets, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs reflecting management’s own assumptions about the inputs used in determining the fair value.

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 3 – Fair Value Measurements (Concluded)

Fair values of assets measured on a recurring basis at December 31, 2022 and 2021 are as follows:

December 31, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets held at				
Community Foundation	\$ 8,911	\$ 0	\$ 8,911	\$ 0
December 31, 2021				
Assets held at				
Community Foundation	\$ 11,566	\$ 0	\$ 11,566	\$ 0

Note 4 – Line of Credit

The Organization has a \$100,000 revolving line of credit that has a maturity of November 1, 2023. 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, 2022 and 2021.

Note 5 – Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Fiscal agent funds	\$ 0	\$ 18,367
Vision 1505	0	84,628
Technology Purchases	5,000	0
Landscaping, disposal, etc	3,306	0
	<u>\$ 8,306</u>	<u>\$ 102,995</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>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Bridges of Poverty, Diversion and Home Blankets	\$ 18,367	\$ 3,322
Mary Street legal expenses, renovations and the storage building for Mary Street	0	500
	84,760	10
	<u>\$ 103,127</u>	<u>\$ 3,832</u>

AURORA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Note 6 – 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 7 – 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 funds were paid back in full in 2021.

Note 8 – Concentration of Credit Risk

The Organization received 67% and 68% of its support from governmental funding in 2022 and 2021, respectively. In addition, 100% and 100% of accounts receivable were due from governmental funding at December 31, 2022 and 2021, respectively. The majority of the Organization's public support is contributed by business organizations in Southwestern Indiana.

Note 9 – Related Party Transactions

The Organization pays for home inspections that are performed by the family members of two of the Organization's employees. During the years ended December 31, 2022 and 2021, the cost of those home inspections were \$8,787 and \$10,202, respectively.

The Organization also pays rental assistance to Homes for Huffman which is owned by the Organization's board president. During the years ended December 31, 2022 and 2021, payments to Homes for Huffman totaled \$196,448 and \$164,514, respectively.

----- **ADDITIONAL INFORMATION** -----

AURORA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2022

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, Street Outreach (7/1/2021 - 6/30/2022)	14.231	ESO-021-001	0	\$ 10,397
Emergency Solutions Grant, Street Outreach (7/1/2022 - 6/30/2023)	14.231	ESO-022-001	0	13,367
Emergency Solutions Grant, RRH (7/1/2021 - 06/30/2022)	14.231	ESRRHP-021-002	0	81,472
Emergency Solutions Grant, RRH (7/1/2022 - 6/30/2023)	14.231	ESRRHP-022-001	0	70,150
Emergency Solutions Grant Homelessness Prevention CARES, (7/1/2020 - 12/31/2022)	14.231	ESHP-CV-020-0016	0	75,603
Emergency Solutions Grant Homelessness Prevention CARES, (7/1/2021 - 09/30/2023)	14.231	ESRR-CV-020-0012	0	282,666
City of Evansville				
Coordinated Entry Assessment Team (CEAT)	14.231	20221715	0	7,466
Emergency Solutions Grant	14.231	20220599	0	81,172
Emergency Solutions Grant	14.231	20226281	0	35,448
Emergency Solutions Grant	14.231	20204416	0	62,746
Emergency Solutions Grant	14.231	20225194	0	64,460
Emergency Solutions Grant	14.231	20206037	0	176,260
Emergency Solutions Grant	14.231	20206041	0	94,109
Total Emergency Solutions Grant Program				1,055,316
City of Evansville				
Department of Metropolitan Development-TBRA-HOME	14.239	20214349	0	63,277
Total TBRA-HOME Block Grant				63,277
City of Evansville				
Department of Metropolitan Development-Outreach CDBG	14.218	20221716	0	19,300
Department of Metropolitan Development-Outreach CDBG	14.218	20226283	0	5,000
Total Community Development Block Grant				24,300
Indiana Housing and Community Development Authority				
Home Investment Partnerships Program (11/1/2020 - 1/31/2023)	14.239	TB-020-001	0	233,018
Home Investment Partnerships Program (11/1/2021 - 10/31/2023)	14.239	TB-21-002	0	11,252
Total Home Investment Partnerships Program				244,270
Indiana Housing and Community Development Authority				
CoC Permanent Supportive Housing (11/1/2021-10/31/2022)	14.267	SC-021-0154	0	140,446
CoC Permanent Supportive Housing (11/1/2022-10/31/2023)	14.267	SC-022-0154	0	34,630
Continuum of Care Coordinated Entry (12/1/2021-11/30/2022)	14.267	COCCE-021-12	0	13,092
Indiana Housing and Community Development Authority				
Point-In-Time Count (12/01/2021 - 04/30/2022)	93.569	PITCSBG-01	0	2,396
U.S. Department of Housing and Urban Development				
Supportive Housing Program - 2011 (2/1/2021 - 1/31/2022)	14.267	IN0151B5H022006	0	18,149
Supportive Housing Program - 2011 (2/1/2022 - 1/31/2023)	14.267	IN0151B5H022107	0	410,881
Total Supportive Housing Program				619,594

AURORA, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Indiana Family and Social Services Administration- DMHA				
Project for Assistance in Transitions from Homelessness- (9/1/21-8/31/22)	93.150	X06SM085822	0	43,060
Project for Assistance in Transitions from Homelessness- (9/1/22-8/31/23)	93.150	1X06SM085822-01	0	32,000
Total Projects for Assistance in Transition from Homelessness				<u>75,060</u>
U.S. Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024	Phase 38	0	1,500
Emergency Food and Shelter National Board Program	97.024	Phase 39		1,500
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u><u>\$ 2,084,817</u></u>

AURORA, INC.

**NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2022

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, 2022. 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 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.

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

To the 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, 2022, 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 15, 2023.

Report on 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) as a basis for designing 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.

To the 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.

Report on 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.

September 15, 2023



Certified Public Accountants and Consultants
Evansville, Indiana



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
Aurora, Inc.
1001 Mary Street
Evansville, Indiana 47710

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Aurora, Inc.’s (Organization) compliance with the types of compliance requirements identified as subject to the audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization’s compliance with the compliance requirements referred to above.

To the Board of Directors
Aurora, Inc.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Directors
Aurora, Inc.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



September 15, 2023

Certified Public Accountants and Consultants
Evansville, Indiana

AURORA, INC.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2022

Finding No.

Condition

Current Status

No prior year findings.

AURORA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2022

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

Internal control over major program:

- Material weaknesses identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? No

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? No

Identification of major program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.231	Emergency Solutions Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low risk auditee? Yes

AURORA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)

For the Year Ended December 31, 2022

No current year findings.