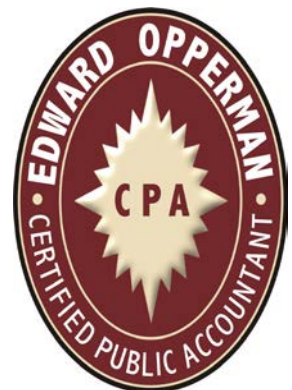


LAFAYETTE URBAN MINISTRY, INC.
REPORT ON AUDITED
FINANCIAL STATEMENTS
DECEMBER 31, 2014



LAFAYETTE URBAN MINISTRY, INC.

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Program Expenses	5
Statements of Functional Support Expenses	6
Statements of Cash Flows	7
Notes to the Financial Statements	8-12

CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lafayette Urban Ministry, Inc.
Lafayette, Indiana

We have audited the accompanying financial statements of LAFAYETTE URBAN MINISTRY, INC. which comprise the statements of financial position as of December 31, 2014, and the related statement of activities and net assets, statements of functional expenses, and statement of 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 LAFAYETTE URBAN MINISTRY, INC. as of December 31, 2014, 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.

EDWARD OPPERMAN, CPA
LAFAYETTE, INDIANA
MAY 12, 2015

LAFAYETTE URBAN MINISTRY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 1,159,206	\$ 937,722
Grants receivable	17,795	50,895
Prepaid expenses	1,350	3,099
Pledges receivable	113,210	224,554
less allowance for uncollectible receivables	(6,776)	(6,776)
Property, plant and equipment	2,500,589	2,500,589
less accumulated depreciation	(852,813)	(793,684)
Trust investments held by others	1,107,426	1,127,190
Market valuation of investments	<u>130,423</u>	<u>144,338</u>
Total Current Assets	<u>\$ 4,170,410</u>	<u>\$ 4,187,927</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 9,921</u>	<u>\$ 2,683</u>
Total Liabilities	<u>9,921</u>	<u>2,683</u>
NET ASSETS		
Unrestricted	3,916,045	3,886,356
Temporarily restricted	<u>244,444</u>	<u>298,888</u>
Total Net Assets	<u>4,160,489</u>	<u>4,185,244</u>
Total Liabilities and Net Assets	<u>\$ 4,170,410</u>	<u>\$ 4,187,927</u>

LAFAYETTE URBAN MINISTRIES, INC
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
REVENUE AND SUPPORT						
Contributions	\$ 611,730	\$ 90,000	\$ 701,730	\$ 415,716	\$ 260,885	\$ 676,601
Grants	-	45,218	45,218	-	85,868	85,868
Fund raisers	95,092	-	95,092	92,685	-	92,685
Investment income	7,176	-	7,176	6,045	-	6,045
Net realized/unrealized gains (losses)	68,677	-	68,677	137,250	-	137,250
Miscellaneous	-	-	-	4,950	-	4,950
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfied program restriction	189,662	(189,662)	-	425,796	(425,796)	-
Total Revenue and Support	972,337	(54,444)	917,893	1,082,442	(79,043)	1,003,399
EXPENSES						
Program	\$ 409,051	\$ -	\$ 409,051	\$ 408,073	\$ -	\$ 408,073
Administration and facility	270,422	-	270,422	264,134	-	264,134
Central Emergency Fund	128,805	-	128,805	117,607	-	117,607
Fundraising	75,241	-	75,241	70,628	-	70,628
Depreciation and amortization	59,129	-	59,129	68,289	-	68,289
Total expenses	942,648	-	942,648	928,731	-	928,731
Increase (Decrease) in Net Assets	29,689	(54,444)	(24,755)	153,711	(79,043)	74,668
Net Assets Beginning of Year	3,886,356	298,888	4,185,244	3,732,645	489,815	4,222,460
Change in Pledge Receivable (Net)	-	-	-	-	(111,884)	(111,884)
Net Assets End of Year	\$ 3,916,045	\$ 244,444	\$ 4,160,489	\$ 3,886,356	\$ 298,888	\$ 4,185,244

LAFAYETTE URBAN MINISTRY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014												2013	
	SHELTER	AFTER SCHOOL	JUBILEE	CAMP	GOOD SAMARITAN	COMMUNITY THANKSGIVING	TAX ASSISTANCE	SOCIAL JUSTICE	ACHIEVE	5th QUARTER	SEED	OTHER	TOTAL	TOTAL
Salaries	\$ 47,088	\$ 25,314	\$ 22,391	\$ 18,792	\$ 24,932	\$ 8,757	\$ 30,093	\$ 14,772	\$ 6,000	\$ 23,280	\$ 4,012	\$ 6,144	\$ 231,575	\$ 230,471
Benefits	10,586	7,341	6,496	4,414	7,229	2,539	8,143	4,284	1,740	2,193	1,163	1,782	57,910	57,376
Supplies	1,514	216	-	1,553	-	-	-	-	-	261	-	-	3,544	3,306
Telephone	1,040	-	-	-	-	-	-	-	-	-	-	-	1,040	1,446
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	9,832	3,600	-	165	-	-	-	-	-	-	-	-	13,597	10,707
Utilities	13,853	-	-	-	-	-	-	-	-	-	-	-	13,853	12,745
Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	4,139
Travel	-	-	-	1,268	-	-	-	-	-	709	-	-	1,977	5,949
Office	1,945	6	-	506	-	-	-	-	-	-	-	-	2,457	1,363
Program	4,755	3,901	26,744	3,897	-	805	1,502	2,596	57	-	5,133	13,932	63,322	61,645
Hanging Rock	-	-	-	18,500	-	-	-	-	-	-	-	-	18,500	18,250
Other	561	-	-	-	373	-	-	-	-	342	-	-	1,276	676
	<u>\$ 91,174</u>	<u>\$ 40,378</u>	<u>\$ 55,631</u>	<u>\$ 49,095</u>	<u>\$ 32,534</u>	<u>\$ 12,101</u>	<u>\$ 39,738</u>	<u>\$ 21,652</u>	<u>\$ 7,797</u>	<u>\$ 26,785</u>	<u>\$ 10,308</u>	<u>\$ 21,858</u>	<u>\$ 409,051</u>	<u>\$ 408,073</u>

LAFAYETTE URBAN MINISTRY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - SUPPORT SERVICES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	ADMIN	FACILITY	TOTAL	ADMIN	FACILITY	TOTAL
Salaries	\$ 143,245	\$ -	\$ 143,245	\$ 149,065	\$ -	\$ 149,065
Benefits	33,998	-	33,998	34,777	-	34,777
FICA	32,752	-	32,752	33,735	-	33,735
Professional fees	7,278	300	7,578	6,500	-	6,500
Supplies	5,527	-	5,527	4,456	-	4,456
Telephone	1,505	-	1,505	1,471	-	1,471
Postage	4,174	-	4,174	1,741	-	1,741
Insurance	4,569	-	4,569	7,760	-	7,760
Utilities	-	9,487	9,487	-	7,923	7,923
Repairs and service contracts	10,933	11,702	22,635	7,700	2,363	10,063
Staff development	1,622	-	1,622	1,036	-	1,036
Transportation and travel	355	-	355	890	-	890
Miscellaneous	1,372	-	1,372	2,033	-	2,033
Credit card fees	1,094	-	1,094	1,736	-	1,736
Board committees	509	-	509	948	-	948
	<u>\$ 248,933</u>	<u>\$ 21,489</u>	<u>\$ 270,422</u>	<u>\$ 253,848</u>	<u>\$ 10,286</u>	<u>\$ 264,134</u>

LAFAYETTE URBAN MINISTRY, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
INCREASE (DECREASE) IN NET ASSETS	\$ (24,755)	\$ 74,668
Adjustments to reconcile Increase (Decrease) in net assets to net cash provided by (used in) operations:		
Depreciation and amortization	59,129	68,289
Net unrealized and realized (gain) loss on investments	13,915	(137,250)
(Increase) decrease in receivables	33,100	35,837
(Increase) decrease in prepaid expenses	1,749	(119)
(Increase) decrease in pledges receivable	111,344	148,590
Increase (decrease) in accounts payable	7,238	108
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ 201,720</u>	<u>\$ 190,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property	-	(26,011)
Purchase of and Proceeds from investments - net	19,764	(57,812)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	19,764	(83,823)
NET INCREASE IN CASH AND CASH EQUIVALENTS	221,484	106,300
Cash and cash equivalents at beginning of year	937,722	831,422
Cash and cash equivalents at end of year	<u>\$ 1,159,206</u>	<u>\$ 937,722</u>

NOTE 1: NATURE OF THE ORGANIZATION

Lafayette Urban Ministry, Inc. (the Organization) serves the underprivileged citizens of Tippecanoe County by providing assistance and shelter. The Organization is supported primarily through donor contributions.

The Organization is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles. The financial statements are presented in accordance with the provisions of FASB Statements No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statement of Not-for-Profit Organizations, and the AICPA Audit and Accounting Guide for Not-for-Profit Organizations (the “Guide”).

Under the provision of FASB Statements 116 and 117 and the Guide, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions, accordingly, the net assets of the Ministry and charges therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The cash and cash equivalents held in the Trust are not considered cash and cash equivalents for the purposes of cash flows.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, and short-term unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments. However, this does not include the cash and cash equivalents held and managed by the Trust.

Long-term investments: The fair values of the investments are based on quoted market prices for those instruments.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (cont)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Restricted Contributions

Contributions are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributed Services

Individuals volunteered hours of their time to perform a variety of tasks that assist the Organization in achieving the goals of its programs. None of these services meet the requirements of specialized skills to be recorded.

Property

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Assets with a useful life of more than 5 years are capitalized at cost.

Depreciation

Building and equipment are being depreciated over estimated useful lives of five to thirty-one years using a straight-line method, with a half of a year's depreciation recognized in the years of acquisition and disposal.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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.

Estimates

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

LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

NOTE 3: PRIOR YEAR PRESENTATION AND RECLASSIFICATION

The amounts for the year ended December 31, 2013 are presented in this report for comparative purposes only. Certain accounts in the prior year financial statements have been reclassified for comparative purposes and to conform to the presentation of the current year financial statements.

NOTE 4: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at various financial institutions located in Lafayette, Indiana. The Federal Deposit Insurance Corporation insures accounts up to \$250,000 at each institution. At December 31, 2014, the Organization's uninsured cash balance total \$65,049.

The Organization also has significant investments in money market accounts, stocks, bonds, and mutual funds and is therefore subject to concentrations of credit risk. Investments are under the direction of the Organization's executive council and the full board of directors, which establishes the investment policies. Though the investment market value is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of the Organization.

NOTE 5: FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of the Organization's financial instruments, none of which are held for trading purposes, are as follows as of and for the year ended December 31, 2014.

	2014				
	Cost	Beginning Accumulated Unrealized Gain or Loss	Current Year Unrealized Gain or Loss	Total Accumulated Unrealized Gain or Loss	Total Market Value
Cash equivalents	\$ 64,331	\$ -	\$ -	\$ -	\$ 64,331
Equities	575,298	147,753	(14,226)	133,527	708,825
Other assets	182,725	(425)	1,165	740	183,465
Fixed income	285,072	(2,990)	(854)	(3,844)	281,228
	<u>\$ 1,107,426</u>	<u>\$ 144,338</u>	<u>\$ (13,915)</u>	<u>\$ 130,423</u>	<u>\$ 1,237,849</u>

NOTE 6: RESTRICTED NET ASSETS

Net assets restricted as of December 31:

	2014	2013
Future campaign	\$ 113,210	\$ 224,554
Grants receivable	17,795	50,895
Ebby Glockner Fund for Children	90,000	-
Other	23,439	23,439
	<u>\$ 244,444</u>	<u>\$ 298,888</u>

LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

NOTE 7: PROPERTY

Major classifications of property and equipment and their respective depreciable lives are summarized below:

	Depreciable	Amount	
	<u>Lives</u>	<u>2014</u>	<u>2013</u>
Land		\$ 392,737	\$ 392,737
Building	31.5	1,892,177	1,892,177
Furniture & Fixtures	5	100,875	100,875
Vehicles	5	114,800	114,800
		2,500,589	2,500,589
Accumulated Depreciation		852,813	793,684
		<u>\$ 1,647,776</u>	<u>\$ 1,706,905</u>

Depreciation expense amounted to \$68,289 in 2013 and \$70,211 in 2012

NOTE 8: PLEDGES RECEIVABLE

Pledges receivable net of a present value rate of 2.26%, and allowance for doubtful accounts are due to be collected as follows:

	<u>2014</u>
Gross amounts due in:	
One year	\$ 113,210
One to five years	-
	113,210
Less discounted to present value	(2,559)
	110,651
Less allowance for doubtful accounts	(6,776)
	<u>\$ 103,875</u>

Future gross amounts due as of the year ended December 31,

2015	\$ 103,875
	<u>\$ 103,875</u>

LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013

NOTE 9: GRANTS

The source and program schedule of grants is as follows:

Source	CFDA NUMBER	PROGRAM	PASS THROUGH AGENCY	2014 GRANT	2013 GRANT
FEDERAL PASSED THROUGH:					
Dept of HUD	14.218	Shelter	Indiana	\$ 3,725	\$ 1,752
Dept of HUD	14.218	Shelter (CDBG)	Lafayette	11,549	15,795
Dept of HUD	14.218	Shelter (CDBG)	West Lafayette	1,585	6,200
ESG	14.218	Emergency Assistance	Local board	25,963	44,671
VITA		Tax Assistance Program		2,396	17,450
Non Federal Grants				-	-
				\$ 45,218	\$ 85,868

NOTE 10: FUNDRAISING

During the years ended December 31, 2014 and 2013, the Organization held a major fundraising event called Hunger Hike. The follow shows the details of the event, which includes distributions paid out to local non-profit organizations.

	2014	2013
Revenues		
Hunger Hike - Entry Fees	\$ 72,192	\$ 62,785
Hunger Hike - Sponsorship Fees	22,900	29,900
Total Revenues	\$ 95,092	\$ 92,685
Expenses		
Hunger Hike - Event Expenses	\$ 6,308	\$ 9,736
Disbribution to Food Finders Food Bank	29,626	27,672
Disbribution to St Thomas Aquinas Center	29,626	27,672
Total Expenses	\$ 65,560	\$ 65,080
Net to Lafayette Urban Ministry	\$ 29,532	\$ 27,605

NOTE 11: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through May 12, 2015 which is the date the financial statements were available to be issued.