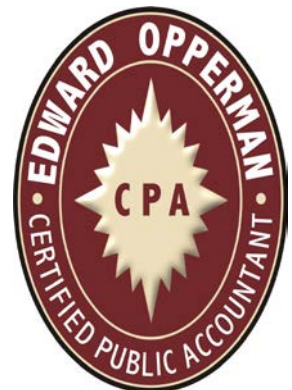


**LAFAYETTE URBAN MINISTRY, INC.
REPORT ON AUDITED
FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**



EDWARD OPPERMAN, CPA
CERTIFIED PUBLIC ACCOUNTANT

"NOT JUST YOUR ACCOUNTANT, YOUR PARTNER IN SUCCESS"

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 and Net Assets	4
Statements of Functional Program Expenses	5
Statements of Functional Support Expenses	6
Statements of Cash Flows	7
Notes to the Financial Statements	8-13

CERTIFIED PUBLIC ACCOUNTANT & BUSINESS CONSULTANT

1901 Kossuth Street | Lafayette, IN 47905 | 765-588-4335



"NOT JUST YOUR ACCOUNTANT, YOUR PARTNERS IN SUCCESS"

e@edwardoppermancpa.com | www.edwardoppermancpa.com

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, 2015 and 2014, and the related statements of activities and net assets, functional program expenses, functional support expenses, and statements 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 audits. We conducted our audits 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, 2015 and 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
APRIL 15, 2016

LAFAYETTE URBAN MINISTRY, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 1,191,339	\$ 1,159,206
Grants receivable	-	17,795
Prepaid expenses	2,976	1,350
Pledges receivable	110,468	113,210
less allowance for uncollectible receivables	(4,776)	(6,776)
Property, plant and equipment	2,455,348	2,500,589
less accumulated depreciation	(860,352)	(852,813)
Trust investments held by others	1,125,555	1,107,426
Market valuation of investments	48,173	130,423
Total Current Assets	<u>\$ 4,068,731</u>	<u>\$ 4,170,410</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 6,454</u>	<u>\$ 9,921</u>
Total Liabilities	<u>6,454</u>	<u>9,921</u>
NET ASSETS		
Unrestricted	3,951,809	3,916,045
Temporarily restricted	110,468	244,444
Total Net Assets	<u>4,062,277</u>	<u>4,160,489</u>
Total Liabilities and Net Assets	<u>\$ 4,068,731</u>	<u>\$ 4,170,410</u>

LAFAYETTE URBAN MINISTRIES, INC
STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	2015			2014		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
REVENUE AND SUPPORT						
Contributions	\$ 683,571	\$ -	\$ 683,571	\$ 611,730	\$ 90,000	\$ 701,730
Grants	-	39,089	39,089	-	45,218	45,218
Fundraising	97,782	-	97,782	95,092	-	95,092
Investment income	13,259	-	13,259	7,176	-	7,176
Net investment gains (losses)	(36,782)	-	(36,782)	68,677	-	68,677
Miscellaneous	555	-	555	-	-	-
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfied program restriction	173,065	(173,065)	-	189,662	(189,662)	-
Total Revenue and Support	931,450	(133,976)	797,474	972,337	(54,444)	917,893
EXPENSES						
Program	\$ 398,648	\$ -	\$ 398,648	\$ 409,051	\$ -	\$ 409,051
Administration and facility	286,926	-	286,926	270,422	-	270,422
Central Emergency Fund	129,331	-	129,331	128,805	-	128,805
Fundraising	74,643	-	74,643	75,241	-	75,241
Depreciation and amortization	56,710	-	56,710	59,129	-	59,129
Total expenses	946,258	-	946,258	942,648	-	942,648
Increase (Decrease) in Net Assets	(14,808)	(133,976)	(148,784)	29,689	(54,444)	(24,755)
Net Assets Beginning of Year	3,916,045	244,444	4,160,489	3,886,356	298,888	4,185,244
Prior Period Adjustment	50,572	-	50,572	-	-	-
Net Assets End of Year	\$ 3,951,809	\$ 110,468	\$ 4,062,277	\$ 3,916,045	\$ 244,444	\$ 4,160,489

LAFAYETTE URBAN MINISTRY, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM

FOR THE YEARS ENDED DECEMBER 31,

	2015												2014	
	SHELTER	AFTER SCHOOL	JUBILEE	CAMP	GOOD SAMARITAN	COMMUNITY THANKSGIVING	TAX ASSISTANCE	SOCIAL JUSTICE	ACHIEVE	5th QUARTER	SEED	OTHER	TOTAL	TOTAL
Salaries	\$ 43,121	\$ 26,209	\$ 19,401	\$ 14,058	\$ 25,762	\$ 4,428	\$ 21,503	\$ 16,714	\$ 4,512	\$ 23,518	\$ 3,728	\$ 3,000	\$ 205,954	\$ 231,575
Benefits	6,325	7,863	5,821	4,216	7,729	571	7,830	5,014	1,128	2,184	1,118	900	50,699	57,910
Supplies	1,962	669	-	2,949	-	-	-	-	-	1,115	-	-	6,695	3,544
Telephone	1,295	-	-	-	-	-	-	-	-	-	-	-	1,295	1,040
Postage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	7,747	3,213	-	175	-	-	-	-	-	-	-	-	11,135	13,597
Utilities	28,300	-	-	-	-	-	-	-	-	-	-	-	28,300	13,853
Repairs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	1,204	-	-	-	-	-	51	-	-	1,255	1,977
Office	2,804	-	-	413	-	-	-	-	-	-	-	-	3,217	2,457
Program	9,330	3,165	25,342	3,620	-	1,002	75	3,542	1,457	-	2,857	16,000	66,390	63,322
Hanging Rock	-	-	-	21,005	-	-	-	-	-	-	-	-	21,005	18,500
Other	1,928	34	-	-	434	-	-	-	-	307	-	-	2,703	1,276
	<u>\$ 102,812</u>	<u>\$ 41,153</u>	<u>\$ 50,564</u>	<u>\$ 47,640</u>	<u>\$ 33,925</u>	<u>\$ 6,001</u>	<u>\$ 29,408</u>	<u>\$ 25,270</u>	<u>\$ 7,097</u>	<u>\$ 27,175</u>	<u>\$ 7,703</u>	<u>\$ 19,900</u>	<u>\$ 398,648</u>	<u>\$ 409,051</u>

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

	2015			2014		
	ADMIN	FACILITY	TOTAL	ADMIN	FACILITY	TOTAL
Salaries	\$ 174,873	\$ -	\$ 174,873	\$ 143,245	\$ -	\$ 143,245
Benefits	27,121	-	27,121	33,998	-	33,998
FICA	32,349	-	32,349	32,752	-	32,752
Professional fees	6,750	-	6,750	7,278	300	7,578
Supplies	5,731	-	5,731	5,527	-	5,527
Telephone	1,963	-	1,963	1,505	-	1,505
Postage	3,969	-	3,969	4,174	-	4,174
Insurance	4,370	-	4,370	4,569	-	4,569
Utilities	-	8,593	8,593	-	9,487	9,487
Repairs and service contracts	11,708	5,838	17,546	10,933	11,702	22,635
Staff development	457	-	457	1,622	-	1,622
Transportation and travel	-	-	-	355	-	355
Miscellaneous	-	-	-	1,372	-	1,372
Credit card fees	1,803	-	1,803	1,094	-	1,094
Board committees	1,401	-	1,401	509	-	509
	<u>\$ 272,495</u>	<u>\$ 14,431</u>	<u>\$ 286,926</u>	<u>\$ 248,933</u>	<u>\$ 21,489</u>	<u>\$ 270,422</u>

LAFAYETTE URBAN MINISTRY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Increase (Decrease) In Net Assets	\$ (148,784)	\$ (24,755)
Adjustments to reconcile net increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	56,710	59,129
Net unrealized and realized (gain) loss on investments	36,782	13,915
Loss on disposal of equipment	13,630	-
(Increase) decrease in receivables	17,795	33,100
(Increase) decrease in prepaid expenses	(1,626)	1,749
(Increase) decrease in pledges receivable	742	111,344
Increase (decrease) in accounts payable	(3,467)	7,238
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(28,218)</u>	<u>201,720</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(17,871)	-
Proceeds from sale of equipment	311	-
Purchase of and proceeds from investments - net	27,339	19,764
Increase in Investments - Prior Period Adjustment	50,572	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>60,351</u>	<u>19,764</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,133	221,484
Cash and cash equivalents at beginning of year	<u>1,159,206</u>	<u>937,722</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,191,339</u></u>	<u><u>\$ 1,159,206</u></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, Plant and Equipment

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 DECEMBER 31, 2015 AND 2014

NOTE 3: PRIOR YEAR PRESENTATION AND RECLASSIFICATION

The amounts for the year ended December 31, 2014 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, 2015, the Organization's cash balance that exceeded the insured limit was \$14,838.

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 years ended December 31:

	Cost	Beginning Accumulated Unrealized Gain or (Loss)	Current Year Unrealized Gain or (Loss)	Ending Accumulated Unrealized Gain or (Loss)	Fair Value
2015					
Cash equivalents	\$ 76,380	\$ -	\$ -	\$ -	\$ 76,380
Equities	607,534	133,527	(73,697)	59,830	667,364
Other assets	129,812	740	(1,694)	(954)	128,858
Fixed income	311,829	(3,844)	(6,859)	(10,703)	301,126
	<u>\$ 1,125,555</u>	<u>\$ 130,423</u>	<u>\$ (82,250)</u>	<u>\$ 48,173</u>	<u>\$ 1,173,728</u>
2014					
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>

LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS DECEMBER 31, 2015 AND 2014

NOTE 6: RESTRICTED NET ASSETS

Restricted Net Assets as of December 31:

	2015	2014
Future campaign	\$ 110,468	\$ 113,210
Grants receivable	-	17,795
Ebby Glockner Fund for Children	-	90,000
Other	-	23,439
	<u>\$ 110,468</u>	<u>\$ 244,444</u>

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Major classifications of property, plant and equipment and their respective depreciable lives are summarized below at December 31:

	Depreciable Lives	Balance	
		2015	2014
Land		\$ 392,737	\$ 392,737
Buildings	31.5	1,892,177	1,892,177
Furniture & Fixtures	5	55,634	100,875
Vehicles	5	114,800	114,800
		<u>2,455,348</u>	<u>2,500,589</u>
Accumulated Depreciation		860,352	852,813
		<u>\$ 1,594,996</u>	<u>\$ 1,647,776</u>

Depreciation expense was \$56,710 in 2015 and \$59,129 in 2014

NOTE 8: PLEDGES RECEIVABLE

Pledges receivable net of present value rate of 2.26%, and allowance for doubtful accounts are due to be collected as follows as of December 31, 2015:

Gross amounts due in:	
One year	\$ 110,468
One to five years	-
	<u>110,468</u>
Less discounted to present value	(2,497)
	107,971
Less allowance for doubtful accounts	(5,776)
	<u>\$ 102,195</u>

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

2016	\$ 102,195
	<u>\$ 102,195</u>

LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS DECEMBER 31, 2015 AND 2014

NOTE 9: GRANTS

The source and program schedule of grants is as follows:

Source	CFDA NUMBER	PROGRAM	PASS THROUGH AGENCY	2015 GRANT	2014 GRANT
FEDERAL PASSED THROUGH:					
Dept of HUD	14.218	Shelter	Indiana	\$ 4,250	\$ 3,725
Dept of HUD	14.218	Shelter (CDBG)	Lafayette	17,552	11,549
Dept of HUD	14.218	Shelter (CDBG)	West Lafayette	6,455	1,585
ESG	14.218	Emergency Assistance	Local board	10,832	25,963
VITA		Tax Assistance Program		-	2,396
				<u>\$ 39,089</u>	<u>\$ 45,218</u>

NOTE 10: FUNDRAISING EVENT

During the years ended December 31, 2015 and 2014, the Organization held a major fundraising event called Hunger Hike. The following schedule shows the details of the event, which includes distributions paid out to local non-profit organizations.

	2015	2014
Revenues		
Hunger Hike - Entry Fees	\$ 67,467	\$ 72,192
Hunger Hike - Sponsorship Fees	30,315	22,900
Total Revenues	<u>\$ 97,782</u>	<u>\$ 95,092</u>
Expenses		
Hunger Hike - Event Expenses	\$ 6,566	\$ 6,308
Disbribution to Food Finders Food Bank	30,275	29,626
Disbribution to St Thomas Aquinas Center	30,275	29,626
Total Expenses	<u>\$ 67,115</u>	<u>\$ 65,560</u>
Net to Lafayette Urban Ministry	<u>\$ 30,667</u>	<u>\$ 29,532</u>

NOTE 11: PRIOR PERIOD ADJUSTMENT

The financial statements for 2015 have been adjusted by a prior period adjustment of \$50,572. This adjustment is to correct an understatement of assets and net assets on the 2014 balance sheet.

**LAFAYETTE URBAN MINISTRY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS DECEMBER 31, 2015 AND 2014**

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through April 15, 2016 which is the date the financial statements were available to be issued.