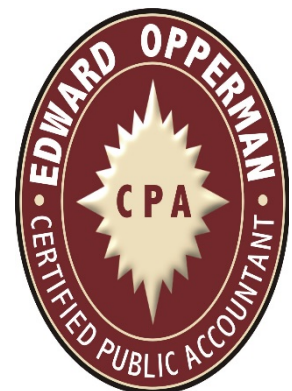


LAFAYETTE URBAN MINISTRY, INC.

REPORT ON AUDIT OF  
FINANCIAL STATEMENTS

DECEMBER 31, 2017 and 2016



**EDWARD OPPERMAN, CPA**  
CERTIFIED PUBLIC ACCOUNTANT

*"NOT JUST YOUR ACCOUNTANT, YOUR PARTNER IN SUCCESS"*

---

**LAFAYETTE URBAN MINISTRY, INC.**  
**TABLE OF CONTENTS**

---

Independent Auditor's Report

Financial Statements:

Statements of Financial Position

Statements of Activities and Net Assets

Statements of Functional Program Expenses

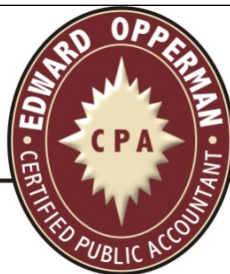
Statements of Functional Support Expenses

Statements of Cash Flows

Notes to the Financial Statements

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 AUDITOR'S REPORT

To the Board of Directors  
Lafayette Urban Ministry, Inc.

We have audited the accompanying financial statements of Lafayette Urban Ministry, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and 2016, and the related statements of activities and net assets, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, 2017, and 2016, 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.

SHEDJAMA, INC.  
dba Edward Opperman, CPA  
Lafayette, Indiana  
May 31, 2018

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

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 661,880	\$ 1,176,698
<b>TOTAL CURRENT ASSETS</b>	<u>661,880</u>	<u>1,176,698</u>
<b>PROPERTY PLANT AND EQUIPMENT, At Cost</b>		
Buildings	1,906,133	1,896,120
Furniture and equipment	62,699	58,035
Vehicles	165,025	114,800
	<u>2,133,857</u>	<u>2,068,955</u>
Less: Accumulated depreciation	(982,803)	(925,365)
	<u>1,151,054</u>	<u>1,143,590</u>
Land	392,737	392,737
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT, Net</b>	<u>1,543,791</u>	<u>1,536,327</u>
<b>OTHER ASSETS</b>		
Trust investments held by others	1,264,050	1,160,190
Properties held for investment, net of depreciation	458,583	-
<b>TOTAL OTHER ASSETS</b>	<u>1,722,633</u>	<u>1,160,190</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,928,304</u>	<u>\$ 3,873,215</u>

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

---

	<u>2017</u>	<u>2016</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 16,104	\$ 3,715
Accrued salaries and wages	-	10,900
<b>TOTAL LIABILITIES</b>	<u>16,104</u>	<u>14,615</u>
<b>NET ASSETS</b>		
Unrestricted	1,947,395	2,176,431
Temporarily restricted	1,964,805	1,682,169
<b>TOTAL NET ASSETS</b>	<u>3,912,200</u>	<u>3,858,600</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,928,304</u>	<u>\$ 3,873,215</u>

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

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND SUPPORT</b>						
Contributions	\$ 735,090	\$ 10,000	\$ 745,090	\$ 645,764	\$ 10,000	\$ 655,764
Grants	-	37,350	37,350	-	35,050	35,050
Fundraising	124,908	-	124,908	119,128	-	119,128
Investment revenue (net)	-	20,301	20,301	-	13,751	13,751
Investment unrealized gains (losses)	-	138,590	138,590	-	30,177	30,177
Miscellaneous	40,581	9,262	49,843	47,636	1,814	49,450
Total Revenue and Support	900,579	215,503	1,116,082	812,528	90,792	903,320
Net assets released from restrictions	(76,395)	76,395	-	217,966	(217,966)	-
Total Revenue and Support	824,184	291,898	1,116,082	1,030,494	(127,174)	903,320
<b>EXPENSES</b>						
Program	444,516	9,262	453,778	376,593	8,406	384,999
Administration and facility	355,227	-	355,227	329,244	-	329,244
Central Emergency Fund	117,059	-	117,059	114,494	-	114,494
Fundraising	78,980	-	78,980	87,619	-	87,619
Depreciation	57,438	-	57,438	65,013	-	65,013
Uncollectible pledge write-off	-	-	-	-	105,224	105,224
Total Expenses	1,053,220	9,262	1,062,482	972,963	113,630	1,086,593
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(229,036)	282,636	53,600	57,531	(240,804)	(183,273)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	2,176,431	1,682,169	3,858,600	2,118,900	1,922,973	4,041,873
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,947,395</u>	<u>\$ 1,964,805</u>	<u>\$ 3,912,200</u>	<u>\$ 2,176,431</u>	<u>\$ 1,682,169</u>	<u>\$ 3,858,600</u>

**LAFAYETTE URBAN MINISTRY, INC.**  
**STATEMENTS OF FUNCTIONAL PROGRAM EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31,**

	2017												2016	
	Shelter	After School	Jubilee	Camp	Good Samaritan	Community Thanksgiving	Tax Assistance	Social Justice	Achieve	5th Quarter	Seed	Other	Total	Total
Salaries	\$ 36,175	\$ 47,046	\$ -	\$ 2,102	\$ 19,773	\$ 2,802	\$ 7,124	\$ 26,321	\$ -	\$ 26,680	\$ -	\$ -	\$ 168,023	\$ 148,152
Benefits	9,616	12,997	-	-	5,881	-	-	7,895	-	1,879	-	-	38,268	42,840
Supplies	1,434	-	-	1,947	-	-	-	-	-	-	-	-	3,381	1,255
Telephone	-	858	-	-	-	-	-	-	-	-	-	-	858	1,416
Postage	-	301	-	519	-	-	-	-	-	-	-	-	820	1,163
Insurance	5,657	4,426	-	175	-	-	-	-	-	-	-	-	10,258	9,435
Utilities	77,713	-	-	-	-	-	-	-	-	-	-	-	77,713	61,999
Repairs	626	-	-	-	-	-	-	-	-	-	-	-	626	-
Travel	-	7,215	-	1,765	-	-	-	-	-	229	-	-	9,209	3,256
Office	7	-	-	-	-	-	-	-	-	-	-	-	7	116
Program	127	8,968	27,139	4,054	19	502	584	4,460	-	811	3,201	11,000	60,865	49,931
Hanging Rock	-	-	-	19,845	-	-	-	-	-	-	-	-	19,845	16,550
Other	-	558	-	-	-	-	-	-	-	5,023	-	9,311	14,892	1,218
Unbudgeted	12,911	-	-	-	-	-	-	-	3,278	-	-	32,824	49,013	47,668
	<u>\$ 144,266</u>	<u>\$ 82,369</u>	<u>\$ 27,139</u>	<u>\$ 30,407</u>	<u>\$ 25,673</u>	<u>\$ 3,304</u>	<u>\$ 7,708</u>	<u>\$ 38,676</u>	<u>\$ 3,278</u>	<u>\$ 34,622</u>	<u>\$ 3,201</u>	<u>\$ 53,135</u>	<u>\$ 453,778</u>	<u>\$ 384,999</u>

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

	2017			2016		
	Admin	Facility	Total	Admin	Facility	Total
Salaries	\$ 206,838	\$ -	\$ 206,838	\$ 194,408	\$ -	\$ 194,408
Benefits	45,094	-	45,094	46,651	-	46,651
FICA	38,938	-	38,938	36,621	-	36,621
Professional fees	6,900	-	6,900	6,800	-	6,800
Supplies	2,838	-	2,838	2,851	-	2,851
Telephone	2,347	-	2,347	2,233	-	2,233
Postage	5,571	-	5,571	3,706	-	3,706
Insurance	11,906	-	11,906	8,085	-	8,085
Utilities	-	8,158	8,158	-	7,881	7,881
Repairs and service contracts	-	20,556	20,556	-	14,418	14,418
Staff development	1,224	-	1,224	1,137	-	1,137
Transportation and travel	425	-	425	603	-	603
Board committees	458	-	458	522	-	522
Credit card fees	3,138	-	3,138	1,948	-	1,948
Miscellaneous	836	-	836	1,380	-	1,380
	<u>\$ 326,513</u>	<u>\$ 28,714</u>	<u>\$ 355,227</u>	<u>\$ 306,945</u>	<u>\$ 22,299</u>	<u>\$ 329,244</u>



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

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ 53,600	\$ (183,273)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities:		
Depreciation expense	61,448	65,013
Investment unrealized (gains) losses	(138,590)	(30,177)
(Increase) decrease in operating assets:		
Pledges receivable	-	105,692
Prepaid insurance	-	2,976
Increase (decrease) in operating liabilities:		
Accounts payable	12,389	(2,739)
Accrued salaries and wages	(10,900)	10,900
Net cash provided by (used in) operating activities	<u>(22,053)</u>	<u>(31,608)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(64,902)	(6,344)
Purchases of properties held for investment	(462,593)	-
Proceeds from sale of trust investments held by others, net	34,730	43,715
Net cash provided by (used in) investing activities	<u>(492,765)</u>	<u>37,371</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(514,818)	5,763
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,176,698</u>	<u>1,170,935</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 661,880</u></u>	<u><u>\$ 1,176,698</u></u>

**LAFAYETTE URBAN MINISTRY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2017 AND 2016**

---

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

- a. Nature of Operations—The 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.
- b. 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").
- c. Cash Equivalents—For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less when purchased to be cash equivalents.
- d. Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- e. 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.

- f. Property, Plant and Equipment—Property, plant and equipment directly owned by the Organization is recorded at cost or, for donations, at fair market value at the date of donation. 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.

Depreciation is computed over the estimated useful lives of the property and equipment, generally over five to thirty-nine years, using the straight-line method.

- g. Income Taxes—The Organization has been granted an exemption from income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code; therefore, no expense or liability for income taxes has been recognized in the accompanying financial statements. Contributions to the Organization are tax deductible within the limitations prescribed by the code. The Organization is not considered a private foundation within the meaning of Section 509(a)(1) of the code.

**LAFAYETTE URBAN MINISTRY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2017 AND 2016**

---

**NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

- h. Functional Allocation—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 supportive services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- i. Net Assets—Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the net assets of the Organization are reported in each of the following three classes:
- *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 the passage of time.
  - *Permanently Restricted Net Assets*—Net assets subject to donor-imposed stipulations that the assets 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 any 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.

- j. Advertising—The Organization's advertising costs are expensed as incurred. There were no advertising expenses for the years covered by these financial statements.
- k. 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 met the requirements of specialized skills to be recorded.
- l. 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 and cash equivalents: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

Investments: The amount reported is the approximate fair value of those investments for the dates covered by the financial statements.

- m. Accrued Vacation—The Organization has not accrued compensated absences because the amount cannot be reasonably estimated.

**LAFAYETTE URBAN MINISTRY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS DECEMBER 31, 2017 AND 2016**

---

**NOTE 2: CONCENTRATION 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, 2017, the Organization had no cash balance that exceeded this insured limit.

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 3: TRUST INVESTMENTS HELD BY OTHERS**

The Organization's trust investments held by others, none of which are held for trading purposes are as follows as of December 31:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
	<u>2017</u>		
Cash and Cash Equivalents	\$ 39,616	\$ 39,616	\$ -
Equities	765,802	572,641	193,161
Fixed Income	337,180	349,020	(11,840)
Other Assets	121,452	116,547	4,905
	<u>\$ 1,264,050</u>	<u>\$ 1,077,824</u>	<u>\$ 186,226</u>
	<u>2016</u>		
Cash and Cash Equivalents	\$ 32,054	\$ 32,054	\$ -
Equities	667,995	572,641	95,354
Fixed Income	346,388	349,020	(2,632)
Other Assets	113,753	116,547	(2,794)
	<u>\$ 1,160,190</u>	<u>\$ 1,070,262</u>	<u>\$ 89,928</u>

**LAFAYETTE URBAN MINISTRY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS DECEMBER 31, 2017 AND 2016**

---

**NOTE 3: TRUST INVESTMENTS HELD BY OTHERS (cont.)**

The following is a reconciliation of trust investments held by others for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Balance at beginning of year	\$ 1,160,190	\$ 1,173,728
Investment revenue	29,063	24,226
Investment expenses	(10,747)	(10,475)
Realized gains (losses)	34,036	(11,578)
Increase (decrease) in value	104,554	41,755
Additions (withdrawals), net	(53,046)	(57,466)
Balance at end of year	<u>\$ 1,264,050</u>	<u>\$ 1,160,190</u>

**NOTE 4: PROPERTIES HELD FOR INVESTMENT**

During 2017 the Organization purchased four residential properties in Lafayette, Indiana for \$462,593. These properties are being leased to individuals. Rental income for the year was \$6,940 with expenses of \$4,956.

**NOTE 5: RESTRICTED NET ASSETS**

Restricted Net Asset balances as of December 31:

	<u>2017</u>	<u>2016</u>
Avery Trust	\$ 1,264,050	\$ 1,160,190
Future Campaign	359,312	154,109
Lisack Endowment	190,087	190,087
Cook Endowment	47,458	47,458
Ebby Glockner Fund for Children	62,097	70,000
Winebrenner	41,801	60,325
	<u>\$ 1,964,805</u>	<u>\$ 1,682,169</u>

**LAFAYETTE URBAN MINISTRY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS DECEMBER 31, 2017 AND 2016**

**NOTE 6: GRANTS**

Grant income for the years ended December 31:

Source	CFDA Number	Program	Pass Through Agency	2017	2016
Dept of HUD	14.218	Shelter (EFSP)	Indiana	\$ 17,000	\$ 17,000
Dept of HUD	14.218	Shelter (CDBG)	Lafayette	15,250	11,250
Dept of HUD	14.218	Shelter (CDBG)	West Lafayette	5,100	6,800
				<u>\$ 37,350</u>	<u>\$ 35,050</u>

**NOTE 7: FUNDRAISING SPECIAL EVENT**

During the years ended December 31, 2017 and 2016, the Organization held a major fundraising event called Hunger Hike. The following schedule shows the revenue received and the expenses incurred, including the distributions paid to local non-profit organizations.

	2016	2015
Revenues		
Hunger Hike - Entry Fees	\$ 74,903	\$ 67,467
Hunger Hike - Sponsorship Fees	33,665	30,315
Total Revenues	<u>108,568</u>	<u>97,782</u>
Expenses		
Hunger Hike - Event Expenses	6,479	6,566
Disbribution to Food Finders Food Bank	30,997	30,275
Disbribution to St Thomas Aquinas Center	35,997	30,275
Total Expenses	<u>73,473</u>	<u>67,115</u>
Net to Lafayette Urban Ministry, Inc.	<u>\$ 35,095</u>	<u>\$ 30,667</u>

**NOTE 8: PRIOR YEAR PRESENTATION AND CLASSIFICATION**

The amounts for 2016 are presented in this report for comparative purposes only. Certain amounts 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 9: SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through the date of this report, that date on which the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the related notes to the financial statements.