Financial Statements

LAFAYETTE URBAN MINISTRY, INC.

DECEMBER 31, 2025 AND 2024

LAFAYETTE URBAN MINISTRY, INC.

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Huth THOMPSON LLP

LAFAYETTE OFFICE
415 Columbia Street, Suite 2000
PO Box 970
Lafayette, IN 47902-0970
Phone 765.428.5000
Fax 765.428.5700

RENSSELAER OFFICE
311 East Drexel Parkway
PO Box 68
Rensselaer, IN 47978-0068
Phone 219.866.5196
Fax 219.866.5835

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

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, 2025 and 2024, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of Lafayette Urban Ministry, Inc. as of December 31, 2025 and 2024, 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 Qualified Opinion

As more fully described in Note 1J to the financial statements, the Organization has not properly recorded a value for contributions of nonfinancial assets (in-kind contributions). In our opinion, accounting principles generally accepted in the United States of America require that contributions of nonfinancial assets be recorded at fair value as of the date of receipt. The effects on the accompanying financial statements for the failure to record contributions of nonfinancial assets have not been determined.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lafayette Urban Ministry, 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 qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

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 Lafayette Urban Ministry, Inc.'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 the 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 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 the 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, 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 Lafayette Urban Ministry, Inc.'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 Lafayette Urban Ministry, Inc.'s ability to continue as a going concern for a reasonable period of time.**

INDEPENDENT AUDITOR'S REPORT--CONTINUED

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.

Huth Thompson LLP

June 30, 2026
Lafayette, Indiana

LAFAYETTE URBAN MINISTRY, INC.

STATEMENTS OF FINANCIAL POSITION
As of December 31,

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,541,276	$ 923,236
Accounts Receivable	5,680	96,987
Prepaid Expenses	23,754	8,887
Contributions Receivable	6,340	1,113
Grants Receivable	48,475	35,532
Investments	470,980	703,879
TOTAL CURRENT ASSETS	2,096,505	1,769,634
PROPERTY AND EQUIPMENT		
Buildings and Improvements	2,237,794	2,237,794
Vehicles	272,968	188,085
Equipment	141,140	138,891
	2,651,902	2,564,770
Accumulated Depreciation and Amortization	(1,511,175)	(1,468,220)
	1,140,727	1,096,550
Land	392,737	392,737
	1,533,464	1,489,287
OTHER ASSETS		
Beneficial Interest in Assets Held by a Trust	1,447,476	1,338,652
	$ 5,077,445	$ 4,597,573

	2025	2024
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	$ 14,620	$ 15,530
Accrued Wages and Benefits	90,997	63,038
Accrued Property Tax	5,318	4,870
TOTAL CURRENT LIABILITIES/TOTAL LIABILITIES	110,935	83,438
NET ASSETS		
Net Assets Without Donor Restrictions		
Undesignated Net Assets	2,710,334	2,575,248
Board Designated	695,200	556,793
	3,405,534	3,132,041
Net Assets With Donor Restrictions	1,560,976	1,382,094
TOTAL NET ASSETS	4,966,510	4,514,135
	$ 5,077,445	$ 4,597,573

LAFAYETTE URBAN MINISTRY, INC.

STATEMENTS OF ACTIVITIES
For the Years Ended December 31,

	2025			2024		
	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS
SUPPORT AND REVENUE						
Public Support						
Contributions of Financial Assets	$ 1,500,320	$ 895,128	$ 605,192	$ 1,118,643	$ 663,639	$ 455,004
Grants	265,757	152,907	112,850	161,127	104,869	56,258
	1,766,077	1,048,035	718,042	1,279,770	768,508	511,262
Program Services						
Program Service Fees	214,534	214,534	-	247,128	247,128	-
Rental Income	25,494	25,494	-	27,739	27,739	-
	240,028	240,028	-	274,867	274,867	-
Other Income						
Special Events	252,080	252,080	-	246,035	246,035	-
Less: Costs of Direct Benefits to Donors	(130,510)	(130,510)	-	(125,067)	(125,067)	-
Net Special Events	121,570	121,570	-	120,968	120,968	-
Investment Income	74,098	74,098	-	42,536	42,536	-
Change in Beneficial Interest in Assets Held by a Trust	165,732	56,642	109,090	135,547	51,586	83,961
Realized Gain (Loss)	69,015	69,015	-	(8,110)	(8,110)	-
Gain on Asset Disposal	1	1	-	74,798	74,798	-
Miscellaneous Income	75	75	-	76,582	76,582	-
	430,491	321,401	109,090	442,321	358,360	83,961
NET ASSETS RELEASED FROM RESTRICTIONS	-	648,250	(648,250)	-	577,013	(577,013)
TOTAL SUPPORT AND REVENUE	2,436,596	2,257,714	178,882	1,996,958	1,978,748	18,210
EXPENSES						
Program Services	1,349,082	1,349,082	-	1,134,379	1,134,379	-
Management and General	351,633	351,633	-	315,739	315,739	-
Fundraising	240,792	240,792	-	186,005	186,005	-
TOTAL EXPENSES	1,941,507	1,941,507	-	1,636,123	1,636,123	-
INCREASE IN NET ASSETS BEFORE UNREALIZED GAIN (LOSS) ON INVESTMENTS	495,089	316,207	178,882	360,835	342,625	18,210
UNREALIZED GAIN (LOSS) ON INVESTMENTS	(42,714)	(42,714)	-	57,005	57,005	-
INCREASE IN NET ASSETS	452,375	273,493	178,882	417,840	399,630	18,210
NET ASSETS--Beginning of Year	4,514,135	3,132,041	1,382,094	4,096,295	2,732,411	1,363,884
NET ASSETS--End of Year	$ 4,966,510	$ 3,405,534	$ 1,560,976	$ 4,514,135	$ 3,132,041	$ 1,382,094

LAFAYETTE URBAN MINISTRY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31,

	2025				2024			
	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
Salaries and Wages	$ 1,175,138	$ 775,951	$ 213,562	$ 185,625	$ 973,522	$ 656,501	$ 190,249	$ 126,772
Payroll Taxes	87,073	43,551	34,716	8,806	72,101	38,498	28,778	4,825
Employee Benefits/Taxes	4,290	-	4,290	-	-	-	-	-
Legal and Accounting	24,093	-	24,093	-	19,022	-	19,022	-
Repairs and Maintenance	82,521	79,858	1,637	1,026	91,200	88,737	1,377	1,086
Utilities	23,023	21,865	681	477	19,711	19,056	403	252
Telephone	3,973	1,799	1,703	471	4,340	2,033	1,807	500
Insurance	36,162	28,375	5,944	1,843	32,446	24,443	6,656	1,347
Supplies	8,137	3,954	2,791	1,392	9,749	2,330	1,635	5,784
Office Supplies	2,021	-	525	1,496	1,489	100	1,132	257
Printing	10,324	2,262	861	7,201	9,584	2,001	2,138	5,445
Bank Fees	2,330	-	2,330	-	6,050	-	6,050	-
Travel and Mileage	2,807	1,584	896	327	1,603	738	865	-
Training	7,996	1,140	4,950	1,906	8,713	826	4,263	3,624
Dues and Subscriptions	1,400	1,400	-	-	960	960	-	-
Taxes and Penalties	23,357	8,379	11,390	3,588	23,074	8,646	9,620	4,808
Program Expenses	271,838	271,838	-	-	208,893	208,893	-	-
Board Expense	266	-	266	-	1,919	-	1,908	11
Depreciation and Amortization	97,222	89,710	4,599	2,913	76,540	70,639	3,716	2,185
Technology	18,999	1,327	4,478	13,194	19,884	1,608	5,209	13,067
Administrative Expenses	9,371	2,305	3,824	3,242	14,512	3,465	4,917	6,130
Professional Fees	33,886	9,146	24,699	41	25,142	1,317	23,825	-
Miscellaneous	15,280	4,638	3,398	7,244	15,669	3,588	2,169	9,912
TOTAL EXPENSES	$ 1,941,507	$ 1,349,082	$ 351,633	$ 240,792	$ 1,636,123	$ 1,134,379	$ 315,739	$ 186,005

LAFAYETTE URBAN MINISTRY, INC.

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	$ 452,375	$ 417,840
Adjustments to Reconcile Increase in Net Assets		
to Net Cash Provided by Operating Activities--		
Depreciation and Amortization	97,222	76,540
Realized (Gain) Loss on Investments	(69,015)	8,110
Unrealized (Gain) Loss on Investments	42,713	(57,005)
Unrealized (Gain) in Beneficial Interest	(108,824)	(83,819)
(Gain) on Disposal of Property and Equipment	(1)	(74,798)
(Increase) Decrease in Assets--		
Accounts Receivable	91,307	(83,896)
Grants Receivable	(12,943)	(2,599)
Contribution Receivable	(5,227)	65,607
Prepaid Expenses	(14,867)	4,357
Increase (Decrease) in Liabilities--		
Accounts Payable	(910)	(41,365)
Accrued Wages and Benefits	27,959	18,481
Accrued Property Tax	448	(2,523)
Refundable Advance	-	(312)
NET CASH PROVIDED BY OPERATING ACTIVITIES	500,237	244,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(560,415)	(202,785)
Proceeds from Sale of Property and Equipment	1	179,962
Proceeds from Sale of Investments	819,616	216,601
Purchases of Property and Equipment	(141,399)	(65,097)
NET CASH PROVIDED BY INVESTING ACTIVITIES	117,803	128,681
INCREASE IN CASH AND CASH EQUIVALENTS	618,040	373,299
CASH AND CASH EQUIVALENTS--Beginning of Year	923,236	549,937
CASH AND CASH EQUIVALENTS--End of Year	$ 1,541,276	$ 923,236

LAFAYETTE URBAN MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Lafayette Urban Ministry, Inc.'s significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

A) Nature of Operations--Lafayette Urban Ministry, Inc. (the Organization) is a non-profit organization incorporated in 1968. The Organization serves the underprivileged citizens of Tippecanoe County by providing assistance and shelter. The Organization is supported primarily through donor contributions.

B) Use of Estimates--The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

C) Cash Equivalents--The Organization considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

D) Receivables--Accounts Receivable consists of fees charged for program related activities. Grants Receivable consists mainly of amounts due from state and local funding agencies. Uncollectible receivables are charged directly to expense when they are determined to be uncollectible. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

E) Contributions and Revenue Recognition--The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) Contributions and Revenue Recognition (Continued)--The Organization has revenue 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 the Organization has 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.

Program service fee revenue is recognized when control of promised services is transferred to clients, in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. Program service fee revenue is derived primarily from youth after school programs. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

F) Property and Equipment--The Organization capitalizes all expenditures over $2,500 for property and equipment which have a useful life of more than one year. Property and equipment are stated at cost. If donated, the cost is the fair value at the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, using the straight-line method. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resulting gain or loss is charged to operations. Depreciation expense was $97,222 and $76,540 for the years then ended December 31, 2025 and 2024, respectively.

G) Basis of Presentation--In accordance with FASB Accounting Standards Codification (Accounting Standards), the net assets of the Organization are reported in each of the following classes:

(1) *Net Assets Without Donor Restrictions*--Net assets that are not subject to donor-imposed stipulations.

(2) *Net Assets With Donor Restrictions*--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, and not subject to appropriation or expenditure; and those that will be maintained in perpetuity.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) **Basis of Presentation (Continued)--Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other assets, including board designated amounts, are unrestricted and are reported as part of net assets without donor restrictions.**

All donor-restricted contributions are recorded as increases in net assets with restrictions, depending on the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

H) **Income Taxes--The Organization is incorporated in the state of Indiana and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code. The Organization is classified as a publicly supported organization rather than a private foundation under Section 509(a)(1). Contributions to the Organization are deductible for income tax purposes. Accounting standards require entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years 2022 through 2025 remain open and are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Organization does not believe that it has any uncertain tax positions with respect to these or other matters, and therefore has not recorded any unrecognized tax benefits or liabilities.**

I) **Advertising--The Organization expenses advertising as incurred. For the years ended December 31, 2025 and 2024, advertising costs totaled $2,021 and $1,489, respectively.**

J) **Contributions of Nonfinancial Assets--The Organization receives various types of nonfinancial assets including property and equipment, professional services, and materials. Property and equipment donated is capitalized on the basis explained in Note 1F.**

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) Contributions of Nonfinancial Assets (Continued)--Contributed professional services are recognized if the services either create or enhance long-lived assets or require specialized skills and would typically need to be purchased if not provided by the donation. Contributions of supplies, space, and materials are recognized at fair market value when received. However, the Organization, as noted in the Qualified Audit Opinion has not recorded substantially all contributed nonfinancial assets for the years ended December 31, 2025 and 2024.

The Organization also receives significant donations of time from volunteers that do not meet the two recognized criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the financial statements.

K) Lease Accounting--The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of Right of Use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on the discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use the risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term. The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

L) Reclassifications--Certain balances in the prior year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the change in net assets.

NOTE 2: CASH

Cash consisted of the following at December 31:

	2025	2024
Checking	$ 245,675	$ 159,230
Money Market	11,460	11,475
Petty Cash	100	5,293
Cash Equivalents	-	8,548
Savings	1,266,371	720,296
Undeposited Funds	13,624	15,148
Gift Cards	4,046	3,246
	$ 1,541,276	$ 923,236

NOTE 3: CONCENTRATION OF CREDIT RISK

At certain times during the year, the Organization maintained cash deposits with various banks which exceeded the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). The amount of cash over the FDIC limit was $-0- for both years ended December 31, 2025 and 2024.

NOTE 4: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2025	2024
Financial assets at year end--		
Cash	$ 1,541,276	$ 923,236
Accounts Receivable	5,680	96,987
Contribution Receivable	6,340	1,113
Grants Receivable	48,475	35,532
Investments	470,980	703,879
	2,072,751	1,760,747
Less amounts not available to be used within one year--		
Board Designated Funds	695,200	556,793
Financial assets available to meet general expenditures over the next twelve months	$ 1,377,551	$ 1,203,954

NOTE 4: LIQUIDITY AND AVAILABILITY (Continued)

The Organization develops an annual budget which is reviewed and approved by the Board. Monthly financial reports detail revenue and expenses for each program. Overall spending, as well as program spending, is closely monitored on a monthly basis. If spending is higher than anticipated or revenue is lower, then adjustments may be made to avoid a shortfall. Most of the Organization's revenue comes from donations, a good portion of which comes from program solicitation letters sent six times a year. If the amount received from a solicitation is lower than the amount budgeted, then the budget is carefully reviewed and adjusted, if needed, to avoid a shortfall. Income from donor restricted funds is restricted for specific purposes and, therefore, are not available for general expenditure. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily liquidity requirements in money market accounts and short-term and long-term investments. Based on these factors, the Organization believes it has sufficient liquidity to continue operations.

NOTE 5: INVESTMENTS

Investments are carried at fair market value, and realized and unrealized gains and losses are included in the statement of activities. Interest and dividends are accrued as earned. Interest is shown net of any investment fees.

Investments at fair market value consisted of the following for the years ended December 31:

	2025	2024
Equities	$ -	$ 463,459
Fixed Income	470,980	240,420
	$ 470,980	$ 703,879

NOTE 5: INVESTMENTS (Continued)

Investment income consisted of the following for the years ended December 31:

	2025	2024
Interest and Dividends	$ 4,469	$ 19,015
Realized Gain (Loss)	69,015	(8,110)
Unrealized Gain (Loss)	(42,714)	57,005
Investment Fees	(2,330)	(6,050)
	$ 28,440	$ 61,860

NOTE 6: BENEFICIAL INTEREST IN ASSETS HELD BY A TRUST

The Avery Trust (a Private Foundation) was established in March 1989 for the purpose of supporting the Organization's outreach program for those in need of assistance. The Trust is held by a third party, but the Organization is the sole beneficiary of the Trust. The income created by the Trust is without donor restrictions; however, the principal of the Trust has to be held in perpetuity. The Organization receives an annual distribution of income from the Trust. Total assets of the Trust was approximately $1,447,476 and $1,338,652 for the years ended December 31, 2025 and 2024, respectively.

NOTE 7: ACCRUED VACATION

Employees of the Organization are entitled to vacation time depending on length of service and other factors. The value of accumulated vacation accrual is estimated and has been accrued at $26,251 and $12,949 as of December 31, 2025 and 2024.

NOTE 8: LEASE

The Organization leases a copier for general office use in the normal course of business. The copier lease is a month-to-month lease that ended in 2025. Included in lease expense on the statements of functional expenses are short-term payments of $401 and $4,812 for the years ended December 31, 2025 and 2024, respectively.

LAFAYETTE URBAN MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 9: NET ASSETS

Board Designated net assets consisted of the following at December 31:

	2025	2024
Board Strategic Reserve	$ 100,000	$ 200,000
Current Buildings and Equipment	100,000	120,000
Future Buildings and Equipment	400,000	200,000
Housing Retention	20,200	-
Good Samaritan Fund	75,000	21,516
Gibson/Veldman	-	15,277
	$ 695,200	$ 556,793

Net assets with donor restrictions subject to purpose restrictions consisted of the following at December 31:

	2025	2024
Purpose Restriction--		
Good Samaritan Fund - MA Kickstart	$ -	$ 922
Good Samaritan Fund - Housing Retention	10,000	-
Program Specific Donor Funds	13,018	-
Future Projects	23,500	-
Special Project Funds	5,250	-
Other	-	5,681
Dream Team	12,560	12,560
Marshall Bus Passes	565	325
Shelter Funds	800	4,355
Youth Program	2,293	3,438
Jubilee	-	12,337
New Opportunity Fund	909	2,000
Grant Restricted Funds - Miscellaneous	10,901	1,901
Good Samaritan Fund - Donor Contributions	41,389	12,185
Food Pantry	4,311	-
	$ 125,496	$ 55,704

NOTE 9: NET ASSETS (Continued)

Net assets with donor restrictions not subject to appropriation or expenditure, consisted of the following at December 31:

	2025	2024
Avery Trust	$ 1,435,480	$ 1,326,390

Included in cash, fixed assets, and beneficial interest are board designated and donor restricted funds of $2,256,176 and $1,938,887 as of December 31, 2025 and 2024, respectively.

NOTE 10: FUNCTIONAL ALLOCATION OF EXPENSES

The Organization's financial statements report certain categories of expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Allocated expenses have been allocated program, management and general, and fundraising based on management's estimates of time and usage.

NOTE 11: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 820, Fair Value Measurements and Disclosures, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

NOTE 11: FAIR VALUE MEASUREMENTS (Continued)

Level 1 Inputs--Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to access. Valuations of these instruments do not require a high degree of judgment since the valuations are based on quoted prices in active markets.

Level 2 Inputs--Quoted prices from similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 Input--Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements. These inputs require significant management judgement or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgement by management.

As of December 31, 2025 and 2024, the assets noted below are reported at fair value on a recurring and nonrecurring basis. Carrying values of non-derivative financial instruments, including cash, receivables, payables, etc. approximate their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended December 31, 2025.

LAFAYETTE URBAN MINISTRY, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 11: FAIR VALUE MEASUREMENTS (Continued)

2025	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2
Recurring Fair Value Measurements--			
Fixed Income	$ 470,980	$ 470,980	$ -
Beneficial Interest in Assets Held by Trust	1,447,476	-	1,447,476
TOTAL:	$ 1,918,456	$ 470,980	$ 1,447,476
2024			
Recurring Fair Value Measurements--			
Equities	$ 463,459	$ 463,459	$ -
Fixed Income	240,420	240,420	-
Beneficial Interest in Assets Held by Trust	1,338,652	-	1,338,652
Nonrecurring Fair Value Measurements--			
Contributions Receivable	1,113	-	1,113
TOTAL	$ 2,043,644	$ 703,879	$ 1,339,765

NOTE 12: COMMITMENTS AND CONTINGENCIES

The Organization is subject to certain contingencies, such as litigation and claims, arising in the normal conduct of its activities. As of the date of the report, there is a claim for which the outcome is undetermined.

NOTE 13: SUBSEQUENT EVENTS

Subsequent to year end, the Organization was the recipient of a contribution and a grant. The Organization received a capital campaign contribution in the amount of $375,000. On June 25, 2026, the Organization was awarded a grant from the Community Foundation of Greater Lafayette in the amount of $756,531.

The Organization has evaluated subsequent events through June 30, 2026, the date which financial statements were available to be issued.

Huth THOMPSON LLP

LAFAYETTE OFFICE
415 Columbia Street, Suite 2000
PO Box 970
Lafayette, IN 47902-0970
Phone 765.428.5000
Fax 765.428.5700

RENSSELAER OFFICE
311 East Drexel Parkway
PO Box 68
Rensselaer, IN 47978-0068
Phone 219.866.5196
Fax 219.866.5835

June 30, 2026

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

We have audited the financial statements of Lafayette Urban Ministry, Inc. (the Organization) for the year ended December 31, 2025, and we will issue our report thereon dated June 30, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 30, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. No sensitive estimates affecting the financial statements were noted.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 30, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors, Executive Council, and management of Lafayette Urban Ministry, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Huth Thompson LLP

HUTH THOMPSON LLP