Contents

<table>
<thead>
<tr>
<th>Independent Auditors’ Report</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Audited Financial Statements:</td>
<td></td>
</tr>
<tr>
<td>Statement of Financial Position</td>
<td>2</td>
</tr>
<tr>
<td>Statement of Activities</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Functional Expenses</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>5</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>6 – 11</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report

Board of Directors
Mission Lazarus, Inc.
Nashville, Tennessee

We have audited the accompanying financial statements of Mission Lazarus, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 of 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 of 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 Mission Lazarus, Inc. (a non-profit organization) as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Nashville, Tennessee
July 27, 2015
### MISSION LAZARUS, INC.
### STATEMENT OF FINANCIAL POSITION
### DECEMBER 31, 2014

#### ASSETS

**Current Assets**
- Cash - unrestricted $ 292,895
- Advances to employees 1,715
- Undeposited funds 131,478
- Inventory 86,963
  **Total current assets** 513,051

**Property and Equipment**
- Buildings and improvements 2,161,164
- Land 540,850
- Vehicles 448,387
- Office furniture and equipment 123,905
- Equipment 40,788
  **Total property and equipment, at cost** 3,315,094
  **Less: Accumulated depreciation** (905,439)
  **Total property and equipment, net** 2,409,655

**Other Assets**
- Construction in progress - program facilities 101,945
- Other assets - animals and crops 30,832
- Security deposits 3,600
  **Total other assets** 136,377

  **Total assets** $ 3,059,083

#### LIABILITIES AND NET ASSETS

**Current Liabilities**
- Installment note payable, principal due within one year $ 13,947
- Accounts payable 23,668
- Accrued expenses 3,422
  **Total current liabilities** 41,037

**Long-Term Liabilities**
- Installment note payable, principal due after one year 41,188
  **Total long-term liabilities** 41,188

  **Total liabilities** 82,225

**Net Assets**
- Unrestricted 2,976,858
  **Total net assets** 2,976,858

  **Total liabilities and net assets** $ 3,059,083

See accompanying notes to financial statements.
The document is a financial statement for Mission Lazarus, Inc., covering the activities for the year ended December 31, 2014. It details the support and revenue, expenses, change in net assets, and net assets at the beginning and end of the year. There is also a mention of accompanying notes to financial statements.
<table>
<thead>
<tr>
<th>Item</th>
<th>Program</th>
<th>Management</th>
<th>Fund Raising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll</td>
<td>$ 689,500</td>
<td>$ 133,268</td>
<td>$ -</td>
<td>$ 822,768</td>
</tr>
<tr>
<td>Materials</td>
<td>211,859</td>
<td>-</td>
<td>-</td>
<td>211,859</td>
</tr>
<tr>
<td>Depreciation</td>
<td>155,790</td>
<td>46,449</td>
<td>-</td>
<td>202,239</td>
</tr>
<tr>
<td>Food</td>
<td>132,645</td>
<td>-</td>
<td>-</td>
<td>132,645</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>115,799</td>
<td>7,710</td>
<td>-</td>
<td>123,509</td>
</tr>
<tr>
<td>Mission group travel</td>
<td>111,083</td>
<td>-</td>
<td>-</td>
<td>111,083</td>
</tr>
<tr>
<td>Fuel and oil</td>
<td>82,907</td>
<td>-</td>
<td>-</td>
<td>82,907</td>
</tr>
<tr>
<td>Construction supplies</td>
<td>82,003</td>
<td>-</td>
<td>-</td>
<td>82,003</td>
</tr>
<tr>
<td>Medical fees</td>
<td>79,289</td>
<td>-</td>
<td>-</td>
<td>79,289</td>
</tr>
<tr>
<td>Giving</td>
<td>71,524</td>
<td>-</td>
<td>-</td>
<td>71,524</td>
</tr>
<tr>
<td>Utilities</td>
<td>70,583</td>
<td>-</td>
<td>-</td>
<td>70,583</td>
</tr>
<tr>
<td>Rent</td>
<td>37,800</td>
<td>28,078</td>
<td>-</td>
<td>65,878</td>
</tr>
<tr>
<td>Consulting</td>
<td>61,730</td>
<td>-</td>
<td>-</td>
<td>61,730</td>
</tr>
<tr>
<td>Travel</td>
<td>51,341</td>
<td>-</td>
<td>-</td>
<td>51,341</td>
</tr>
<tr>
<td>Other supplies</td>
<td>48,940</td>
<td>-</td>
<td>-</td>
<td>48,940</td>
</tr>
<tr>
<td>Accounting</td>
<td>47,759</td>
<td>-</td>
<td>-</td>
<td>47,759</td>
</tr>
<tr>
<td>Insurance</td>
<td>22,240</td>
<td>13,603</td>
<td>-</td>
<td>35,843</td>
</tr>
<tr>
<td>Other fees</td>
<td>29,578</td>
<td>-</td>
<td>-</td>
<td>29,578</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>19,073</td>
<td>-</td>
<td>9,639</td>
<td>28,712</td>
</tr>
<tr>
<td>Educational supplies</td>
<td>28,018</td>
<td>-</td>
<td>-</td>
<td>28,018</td>
</tr>
<tr>
<td>Taxes</td>
<td>8,523</td>
<td>10,161</td>
<td>-</td>
<td>18,684</td>
</tr>
<tr>
<td>Legal</td>
<td>17,938</td>
<td>-</td>
<td>-</td>
<td>17,938</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>15,577</td>
<td>-</td>
<td>-</td>
<td>15,577</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>13,520</td>
<td>-</td>
<td>-</td>
<td>13,520</td>
</tr>
<tr>
<td>Office supplies</td>
<td>-</td>
<td>10,516</td>
<td>-</td>
<td>10,516</td>
</tr>
<tr>
<td>Interest</td>
<td>7,882</td>
<td>-</td>
<td>-</td>
<td>7,882</td>
</tr>
<tr>
<td>Advertising</td>
<td>-</td>
<td>-</td>
<td>7,763</td>
<td>7,763</td>
</tr>
<tr>
<td>Medicine</td>
<td>6,272</td>
<td>-</td>
<td>-</td>
<td>6,272</td>
</tr>
<tr>
<td>Website development</td>
<td>-</td>
<td>6,160</td>
<td>-</td>
<td>6,160</td>
</tr>
<tr>
<td>Bank fees</td>
<td>4,119</td>
<td>660</td>
<td>-</td>
<td>4,779</td>
</tr>
<tr>
<td>Tools</td>
<td>2,313</td>
<td>-</td>
<td>-</td>
<td>2,313</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>-</td>
<td>-</td>
<td>2,158</td>
<td>2,158</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$ 2,225,605</strong></td>
<td><strong>$ 256,605</strong></td>
<td><strong>$ 19,560</strong></td>
<td><strong>$ 2,501,770</strong></td>
</tr>
<tr>
<td>Percentage of total expense</td>
<td>89.0%</td>
<td>10.2%</td>
<td>0.8%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
MISSION LAZARUS, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

Cash flows from operating activities:
Cash received from contributions $ 1,760,004
Cash received from sales 453,129
Cash received from service fees charged 3,800
Interest and dividends received 3,011
Other income received 25,867
Cash paid for program expenses (2,015,231)
Cash paid for management expenses (256,605)
Cash paid for fund raising expenses (19,560)
Interest paid (7,882)
Net cash used for operating activities (53,467)

Cash flows from investing activities:
Cash paid for purchase of buildings and equipment (286,843)
Transfer of completed construction to fixed assets 235,845
Cash received for sale of other assets 29,745
Refund of security deposit 600
Net cash used for investing activities (20,653)

Cash flows from financing activities
Principal payments on installment note payable (18,230)
Net cash used for financing activities (18,230)

Net decrease in cash (92,350)

Cash at January 1, 2014 385,245
Cash at December 31, 2014 $ 292,895

Reconciliation of change in net assets to net
cash used for operating activities:
Change in net assets $ (165,259)
Adjustments to reconcile change in net assets to net
cash used for operating activities:
Depreciation 202,239
Noncash contribution of truck (5,000)
Effect on cash from changes in
operating assets and liabilities:
Accounts receivable 45,524
Other assets (131,224)
Inventory (3,203)
Accounts payable 6,551
Other liabilities (3,095)
Total adjustments 111,792

Net cash used for operating activities $ (53,467)

Supplemental schedule of noncash investing and financing activities
Prior period adjustment to accumulated depreciation $ (12,473)

See accompanying notes to financial statements.
Note 1 – Summary of Significant Accounting Policies

a. Nature of Activities

Mission Lazarus, Inc. (the “Organization”) was organized in 2004 to spread the good news of Jesus Christ in developing nations through development and humanitarian programs that will serve existing and/or new congregations.

This mission has led the Organization to develop many programs within Honduras and Haiti. The following are some of the most significant programs:

The Mission Lazarus Refuge Children’s Homes continues to provide an amazing place of healing for the neglected, orphaned and abandoned children of Honduras. Now with nearly 50 children on site, housed in 7 different homes, the Refuge is shining a bright light in a country of so much pain and suffering.

The Mission Lazarus Hacienda is the 1400 acre working ranch on which the Mission Lazarus Refuge in Honduras is located. This ranch provides invaluable education for the children of the Refuge who are learning about agriculture and agriculture production. With the large herd of cattle, horses and sheep, as well as crop production, there are many opportunities for education and character building activities daily.

The early childhood development centers and vocational schools are educating some of the poorest children in Honduras in some of the roughest communities. The blessing of these schools goes far beyond a secular education, but also provides a place where the children are loved and nourished with two meals a day, for most of these children this is the only time they’ll receive this blessing.

The outreach in Haiti has shifted to primary education. A new school project was begun in 2014, expected completion is 2015 and opening date is set for fall 2015. This school, in a rural village named Gras, will provide quality education, healthy meals, and medical care to the students enrolled. The goal is to provide families with some of the basic services that they cannot afford and often times lead to children in Haiti being sent to children’s homes.

In addition to these valuable programs, Mission Lazarus provides medical assistance to thousands of hurting in marginal, rural, and remote communities in Honduras and Haiti. The Organization has also planted and continues to mentor twenty-seven congregations throughout southern Honduras and has partnered with numerous congregations throughout Haiti, spreading the good news of Jesus Christ across the countries.

b. Method of Accounting and Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Under accounting standards on Financial Statements of Not-for-profit Organizations, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.
Note 1 – Continued

Unrestricted amounts consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Unrestricted net assets also include amounts designated for certain purposes by the Board of Directors.

Temporarily restricted amounts are those which are restricted by donors for specific operating purposes and are not currently available for use in the organization’s operations until commitments regarding their use have been fulfilled. At December 31, 2014, there were no temporarily restricted net assets.

Permanently restricted amounts are those which are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by the actions of the Organization. At December 31, 2014, there were no permanently restricted net assets.

c. Combined Financial Statements

The financial statements include the accounts of the Organization and its branches in Honduras and Haiti. All significant inter-branch transactions and accounts are eliminated. Foreign currency may be held in foreign banks in Haiti and Honduras. All foreign bank accounts are converted to the United States dollar. All accounting records are maintained in United States currency.

d. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

e. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2014, the Organization had no accounts receivable requiring a valuation allowance.

f. Inventory

Inventory consists primarily of merchandise sold in the Organization’s memorabilia stores and is valued at the lower of cost or market determined by the first-in, first-out method.
Note 1 – Continued

g. Depreciation

Property and equipment is stated at acquisition cost or, if donated, at the approximate fair value at the date of donation less accumulated depreciation. Depreciation is computed using various accelerated methods over the estimated useful lives of the assets. Expenditures for maintenance and repairs are not capitalized, whereas expenditures for renewals and betterments that materially prolong the useful lives of assets are generally capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

The estimated useful life of depreciable property and equipment is as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>15 and 39 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
<tr>
<td>Office furniture and equipment</td>
<td>3 to 7 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>3 to 5 years</td>
</tr>
</tbody>
</table>

Depreciation expense for the year ended December 31, 2014 amounted to $202,239.

h. Support and Revenue Recognition

Support and revenue is recognized when earned, which may be when cash is received, unconditional promises made, in-kind donations received or when products are sold.

All contributions are considered available for the Organization’s general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

i. Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization receives a variety of services from volunteers supporting the Organization’s mission. The Organization receives more than 22,200 volunteer hours per year.

j. Advertising

The Organization expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2014 amounted to $7,763.
Note 1 – Continued

k. Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3) as a charitable organization. Since the Organization does not have any unrelated income, it is not required to pay any applicable tax. Therefore, no provision has been made for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

l. Open Tax Years

The Organization’s Forms 990 Return of Organization Exempt from Income Tax, for the years ending 2011 through 2014 are subject to examination by the IRS, generally for 3 years after their filing date.

m. Use of Estimates

The preparation of financial statements requires the use of management’s estimates that affect the reported amounts of assets and liabilities and reported revenues and expenses. These estimates may require revision in future periods.

n. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Activities. Accordingly, these costs have been allocated between program, management and fundraising expenses.

Note 2 – Other Assets

Construction in progress, program facilities includes construction costs directly related to the Organization’s exempt purposes, such as constructing childhood development centers. Other assets include investments in animals and crops for Mission Lazarus Hacienda, the working ranch.

Note 3 – Lease Commitments

The Organization leases certain office space, equipment, and program related facilities on a month-to-month basis as the need arises. Total rent expense for the year ended December 31, 2014 was $15,478.

The Company leases certain office space under an executed lease agreement expiring November 2018. The lease requires monthly payments of $4,200 through November 2016, increasing to $4,350 through November 2018. Total rent expense associated with this activity was $50,400 for the year ended December 31, 2014.
Note 3 – Continued

Future minimum payments required under the lease agreement are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 50,400</td>
</tr>
<tr>
<td>2016</td>
<td>50,550</td>
</tr>
<tr>
<td>2017</td>
<td>52,200</td>
</tr>
<tr>
<td>2018</td>
<td>47,850</td>
</tr>
<tr>
<td></td>
<td><strong>$ 201,000</strong></td>
</tr>
</tbody>
</table>

Note 4 – Installment Note Payable

The installment note payable at December 31, 2014 consisted of $55,135 due to Banco Davivienda Honduras. The note requires monthly payments of $1,890 and accrues interest at 14%. The note is secured by various vehicles owned by the Company.

Included in the accompanying balance sheet as follows:

<table>
<thead>
<tr>
<th>Installment note payable, principal due within one year</th>
<th>$ 13,947</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installment note payable, principal due after one year</td>
<td>41,188</td>
</tr>
<tr>
<td></td>
<td><strong>$ 55,135</strong></td>
</tr>
</tbody>
</table>

Future minimum principal payments are summarized as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$ 13,947</td>
</tr>
<tr>
<td>2016</td>
<td>16,030</td>
</tr>
<tr>
<td>2017</td>
<td>18,424</td>
</tr>
<tr>
<td>2018</td>
<td>6,734</td>
</tr>
<tr>
<td></td>
<td><strong>$ 55,135</strong></td>
</tr>
</tbody>
</table>

Note 5 - Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash on deposit. The Organization maintains cash balances at several financial institutions located in Tennessee, Honduras and Haiti. Accounts located in Tennessee institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Accounts located in Honduras institutions are insured by the Fondo de Seguro de Depósitos (FOSEDE) which guarantees repayment of a certain percentage of deposits. Accounts located in Haiti financial institutions are not insured, therefore the Organization maintains low account balances to minimize their risk.
Note 6 – Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization’s policy is to recognize these expenses when actually paid.

Note 7 – Prior Period Adjustment

During the audit of the financial statements for the year ended December 31, 2014 it was determined a portion of depreciation expense had not been properly recorded in the December 31, 2013 financial statements. As a result, accumulated depreciation was not accurately reflected on the balance sheet at December 31, 2013. The net effect of this prior period adjustment was a decrease in retained earnings of $12,473.

Note 8 – Subsequent Events

The Organization has evaluated subsequent events through July 27, 2015, the date which the financial statements were available to be issued, for the year ended December 31, 2014.