Men of Valor and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015 and 2014

CRI CARR RIGGS & INGRAM
CPAs and Advisors
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Table of Contents

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Men of Valor
Nashville, Tennessee

We have audited the accompanying consolidated financial statements of Men of Valor (a nonprofit corporation) and subsidiary, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Men of Valor and Subsidiary 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Nashville, Tennessee
September 30, 2016

Consolidated Statements of Financial Position

December 31,	**2015**	2014
ASSETS		
Cash and cash equivalents	**$ 2,052,323**	$ 515,969
Investments	**174,401**	174,302
Pledges receivable, net	**1,416,715**	22,500
Prepaid expenses and other current assets	**7,637**	304
Property held for sale	**-**	675,157
Property and equipment, net	**466,116**	354,031
Other assets	**-**	1,428
TOTAL ASSETS	**$ 4,117,192**	$ 1,743,691
LIABILITIES		
Accounts payable and accrued expenses	**$ 62,182**	$ 15,127
Payroll liabilities	**-**	44,486
TOTAL LIABILITIES	**62,182**	59,613
NET ASSETS		
Unrestricted	**1,485,606**	719,759
Temporarily restricted	**2,569,404**	964,319
TOTAL NET ASSETS	**4,055,010**	1,684,078
TOTAL LIABILITIES AND NET ASSETS	**$ 4,117,192**	$ 1,743,691

The accompanying notes are an integral part of these consolidated financial statements.

For the Years Ended December 31,			**2015**
	Unrestricted	**Temporarily Restricted**	**Total**
SUPPORT, GAINS, AND OTHER REVENUES			
Contributions - general	$ 592,173	$ 1,967,119	$ 2,559,292
Contributions - foundations	299,427	-	299,427
Contributions - churches	105,779	-	105,779
Contributions - breakfast event	645,986	-	645,986
In-kind support	76,534	-	76,534
Gain on assets held for sale	119,267	-	119,267
Other income	13,508	-	13,508
Rental income	5,285	-	5,285
Released from restrictions	362,034	(362,034)	-
TOTAL SUPPORT, GAINS, AND OTHER REVENUES	2,219,993	1,605,085	3,825,078
EXPENSES			
Program services	1,163,049	-	1,163,049
Supporting services			
Management and general	185,698	-	185,698
Fundraising	118,031	-	118,031
TOTAL EXPENSES	1,466,778	-	1,466,778
IMPAIRMENT LOSS	-	-	-
CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS	753,215	1,605,085	2,358,300
GAIN FROM DISCONTINUED OPERATIONS	12,632	-	12,632
CHANGE IN NET ASSETS	765,847	1,605,085	2,370,932
NET ASSETS - BEGINNING OF YEAR	719,759	964,319	1,684,078
NET ASSETS - END OF YEAR	$ 1,485,606	$ 2,569,404	$ 4,055,010

The accompanying notes are an integral part of these consolidated financial statements.

For the Years Ended December 31,			2014
	Unrestricted	Temporarily Restricted	Total
SUPPORT, GAINS, AND OTHER REVENUES			
Contributions - general	$ 320,363	$ 75,373	$ 395,736
Contributions - foundations	277,937	-	277,937
Contributions - churches	101,429	-	101,429
Contributions - breakfast event	599,060	-	599,060
In-kind support	93,587	-	93,587
Gain on assets held for sale	-	-	-
Other income	1,786	-	1,786
Rental income	-	-	-
Released from restrictions	116,303	(116,303)	-
TOTAL SUPPORT, GAINS, AND OTHER REVENUES	1,510,465	(40,930)	1,469,535
EXPENSES			
Program services	1,197,510	-	1,197,510
Supporting services			
Management and general	206,643	-	206,643
Fundraising	59,081	-	59,081
TOTAL EXPENSES	1,463,234	-	1,463,234
IMPAIRMENT LOSS	(18,500)	-	(18,500)
CHANGE IN NET ASSETS FROM CONTINUING OPERATIONS	28,731	(40,930)	(12,199)
GAIN FROM DISCONTINUED OPERATIONS	111	-	111
CHANGE IN NET ASSETS	28,842	(40,930)	(12,088)
NET ASSETS - BEGINNING OF YEAR	690,917	1,005,249	1,696,166
NET ASSETS - END OF YEAR	$ 719,759	$ 964,319	$ 1,684,078

The accompanying notes are an integral part of these consolidated financial statements.

Men of Valor and Subsidiary
Consolidated Statements of Functional Expenses

For the Years Ended December 31,				**2015**
	Program Services	**Supporting Services**		
	Jericho Project	**Management and General**	**Fundraising**	**Total**
Automobile	$ 15,242	$ -	$ -	$ 15,242
Bank service charges	-	4,783	-	4,783
Board meeting expense	-	209	-	209
Book expense	3,951	-	-	3,951
Contingency fund	-	-	-	-
Contract labor	-	22,214	-	22,214
Depreciation expense	17,769	-	-	17,769
Dues and subscriptions	-	4,915	-	4,915
Employee benefits	104,490	10,700	9,416	124,606
Family assistance	58,076	-	-	58,076
Fundraising	-	-	25,839	25,839
Insurance	20,986	1,508	-	22,494
Interest expense	97	-	-	97
Licenses and permits	-	147	-	147
Miscellaneous expense	42,236	-	-	42,236
Ministry materials	3,535	-	-	3,535
Payroll taxes	46,511	4,795	4,006	55,312
Postage and delivery	841	560	-	1,401
Printing and reproduction	1,269	317	-	1,586
Prison expense	3,295	-	-	3,295
Professional fees	-	27,431	-	27,431
Rent	96,735	14,421	-	111,156
Repairs and maintenance	8,618	2,155	-	10,773
Retirement	59,861	3,150	6,775	69,786
Salaries and wages	624,934	76,270	71,995	773,199
Special projects	1,325	-	-	1,325
Supplies	7,739	1,935	-	9,674
Taxes	32,193	-	-	32,193
Telephone	4,224	1,811	-	6,035
Training and staff retreat	4,557	-	-	4,557
Utilities	4,565	8,377	-	12,942
	$ 1,163,049	$ 185,698	$ 118,031	$ 1,466,778

The accompanying footnotes are an integral part of these consolidated financial statements.

For the Years Ended December 31,				2014
	Program Services	Supporting Services		
	Jericho Project	Management and General	Fundraising	Total
Automobile	$ 10,828	$ -	$ -	$ 10,828
Bank service charges	-	1,654	-	1,654
Board meeting expense	-	20	-	20
Book expense	-	-	-	-
Contingency fund	79	-	-	79
Contract labor	2,490	2,417	2,417	7,324
Depreciation expense	10,603	-	-	10,603
Dues and subscriptions	-	400	-	400
Employee benefits	90,014	6,088	6,089	102,191
Family assistance	93,560	-	-	93,560
Fundraising	-	-	7,766	7,766
Insurance	7,188	2,268	-	9,456
Interest expense	187	-	-	187
Licenses and permits	-	480	-	480
Miscellaneous expense	7,144	-	-	7,144
Ministry materials	3,618	-	-	3,618
Payroll taxes	49,080	4,147	2,834	56,061
Postage and delivery	1,119	746	-	1,865
Printing and reproduction	4,096	1,024	-	5,120
Prison expense	3,955	-	-	3,955
Professional fees	-	24,000	-	24,000
Rent	92,857	10,336	-	103,193
Repairs and maintenance	8,138	2,035	-	10,173
Retirement	46,468	5,725	4,225	56,418
Salaries and wages	718,796	128,640	35,750	883,186
Special projects	120	-	-	120
Supplies	22,693	5,673	-	28,366
Taxes	3,336	-	-	3,336
Telephone	7,836	3,359	-	11,195
Training and staff retreat	5,116	-	-	5,116
Utilities	8,189	7,631	-	15,820
	$ 1,197,510	$ 206,643	$ 59,081	$ 1,463,234

The accompanying footnotes are an integral part of these consolidated financial statements.

Men of Valor and Subsidiary
Consolidated Statements of Cash Flows

For the Years Ended December 31,	**2015**	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
CONTINUING OPERATIONS		
Change in net assets	**$ 2,358,300**	$ (12,199)
Adjustments to reconcile change in net assets to net cash provide by continuing operations		
Depreciation	**17,769**	10,603
Loss on disposal of equipment	**1,344**	
Gain on assets held for sale	**(119,267)**	-
Impairment loss	**-**	18,500
Loss (gain) on sale of investments	**263**	(15)
Donated investments	**(29,774)**	-
Changes in assets and liabilities:		
Pledges receivable	**(1,394,215)**	246,857
Prepaid expenses and other current assets	**(7,333)**	250
Other assets	**1,428**	5,000
Accounts payable and accrued expenses	**26,303**	(2,722)
Payroll liabilities	**(44,486)**	21,263
NET CASH PROVIDED BY CONTINUING OPERATIONS	**810,332**	287,537
DISCONTINUED OPERATIONS		
Change in net assets	**12,632**	111
Adjustments to reconcile change in net assets to net cash provided by discontinued operations		
Depreciation	**3,635**	15,994
Loss on disposal of equipment	**7,013**	-
NET CASH PROVIDED BY DISCONTINUED OPERATIONS	**23,280**	16,105
NET CASH PROVIDED BY OPERATING ACTIVITIES	**833,612**	303,642
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(240,670)**	(318,656)
Purchases of investments	**(155)**	-
Proceeds from sale of property	**914,000**	
Proceeds from sale of investments	**29,567**	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**702,742**	(318,656)

For the Years Ended December 31,	**2015**	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	**-**	300,000
Principal payments on note payable	**-**	(300,000)
NET CASH USED BY FINANCING ACTIVITIES	**-**	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,536,354**	(15,014)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	**515,969**	530,983
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 2,052,323**	$ 515,969
SUPPLEMENTAL DISCLOSURES		
Interest paid	**$ 97**	$ 187

The accompanying footnotes are an integral part of these consolidated financial statements.

NOTE 1: NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Men of Valor (the Organization), is a nonprofit corporation located in Nashville, Tennessee that is committed to winning men in prison to Jesus Christ and discipling them. The purpose of the ministry is to equip men to re-enter society as men of integrity – becoming givers to the community, rather than takers. The Organization's primary program, The Jericho Project, includes two-phases: re-entry and aftercare. The re-entry phase begins 10 to 12 months prior to a man's release from prison. Once released from prison, men enter the aftercare phase which typically lasts 12 months. The Organization is supported primarily by contributions from donors in Nashville, Tennessee and surrounding areas. The Organization's lawn care program, Everyday Dependable Services (EDS), provided employment opportunities for men in the Organization's aftercare program. EDS was supported primarily by fees for lawn care services. This program was discontinued in 2015.

Principals of Consolidation

The consolidated financial statements include the accounts of Men of Valor and its wholly owned subsidiary Jericho Properties, LLC, who holds the property for the new Valor Ridge Campus. All significant intercompany balances and transaction have been eliminated in consolidation.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports 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. These net assets classifications are described as follows:

Unrestricted net assets - resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Organization in accordance with the Articles of Incorporation and By-laws.

Temporarily restricted net assets - resources whose use is limited by donor-imposed restrictions that will be released either by actions of the Organization or by the passage of time.

Permanently restricted net assets - resources whose use is limited by donor-imposed restrictions that require the net assets to be maintained permanently. The Organization does not currently have any permanently restricted net assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are stated at their readily determinable fair value. All interest, dividends, and gains and losses are reported in the statements of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Pledges Receivable

Pledges are recognized as contribution revenue when the donor makes an unconditional promise to give to the Organization. The Organization uses the allowance method to determine the amount of pledges that are uncollectible based on previous experience and management's analysis of amounts receivable. In management's opinion, no allowance for doubtful pledges was considered necessary at December 31, 2015 or 2014, respectively.

Property and Equipment

The Organization capitalizes all expenditures in excess of $500 for property and equipment. Property and equipment items are carried at cost if purchased or fair value if donated. Depreciation is calculated on the double-declining balance method over the estimated useful lives of the assets.

Contributions

Contributions received or donor promises to give are recorded as temporarily restricted, permanently restricted, or unrestricted support, depending on the existence or nature of any donor restriction. Contributions made to the Organization are considered available for unrestricted use unless specifically restricted by the donor. Donations of property and equipment are recorded at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset for 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 contributions. 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 into service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

All restricted support is reported as an increase in temporarily or permanently restricted net assets. When a restriction expires, such as when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code except unrelated business income as noted under Section 511 of the Internal Revenue Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. Income derived from lawn care services is considered unrelated business income. Since related expenses, deductible capital expenditures, and net operating losses exceeded income in 2015 and 2014, no provision for income taxes has been accrued. The Organization's information returns for years ended after December 31, 2012 are subject to examination by the Internal Revenue Service.

Estimates

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

Fair Value

Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data, including interest rate yield curves, option volatilities and third party information.

Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Generally accepted accounting principles require a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

The three levels are explained as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Functional Expenses

Expenses are charged directly to program, management and general, or fundraising based on allocation by management among the programs and supporting services benefited.

Advertising

The Organization expenses advertising costs as incurred.

Evaluation of Events Occurring After the Financial Statement Date

Management has evaluated subsequent events through September 30, 2016, the date the consolidated financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE 3: INVESTMENTS

Investments (all level 1) consist of the following, which are measured on a recurring basis:

December 31,			**2015**
	Fair Value	**Cost/Donated Value**	**Unrealized Gain (loss)**
Sweep account	**$ 6,054**	**$ 6,054**	**$ -**
Mutual fund - short-term liquid investments	**168,347**	**168,347**	**-**
	$ 174,401	**$ 174,401**	**$ -**

December 31,			2014
	Fair Value	Cost/Donated Value	Unrealized Gain (loss)
Sweep account	$ 5,973	$ 5,973	$ -
Mutual fund - short-term liquid investments	168,329	168,329	-
	$ 174,302	$ 174,302	$ -

Investment earnings are reported net of related investment expenses for the years ended December 31, 2015 and 2014, and include interest, dividends, and realized and unrealized gains and losses.

Investment income on the statements of activities summarizes the investment return for the years ended December 31, 2015 and 2014 as follows:

For the Years Ended December 31,	**2015**	2014
Interest and dividend income	**$ 667**	$ 307
Realized and unrealized losses on investments	**263**	(15)
	$ 930	$ 292

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable consists of the following:

December 31,	**2015**	2014
Receivable in less than one year	**$ 836,636**	**$ 22,500**
Receivable in one to five years	**635,640**	**-**
	1,472,276	22,500
Discount, at 3.25%	**(55,561)**	**-**
	$ 1,416,715	$ 22,500

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

December 31,	**2015**	2014
Land	**$ 366,981**	$ 305,677
Equipment	**46,561**	94,674
Vehicles	**91,102**	105,682
Construction in progress	**71,896**	-
Website	**5,640**	-
	582,180	506,033
Accumulated depreciation	**(116,064)**	(152,002)
	$ 466,116	$ 354,031

NOTE 6: IN-KIND SUPPORT

Donated property, equipment, and services are used in the operations of the Organization. The value of donated property, equipment, and services included in the consolidated financial statements as follows:

For the Years Ended December 31,	**2015**	2014
Supplies	**$ 1,430**	$ -
Rent	**75,104**	77,352
Vehicles	**-**	16,235
	$ 76,534	$ 93,587

NOTE 7: OPERATING LEASES

The Organization leases its office facility under an operating lease located in Nashville, Tennessee. This lease agreement requires monthly lease payments of $2,522 per month beginning in September 2014 and includes scheduled annual rent increases through August 2017 when the lease expires. Under the agreement, the Organization is obligated to pay for expenses to maintain the common area based on their proportionate share of the facility. Lease payments for the years ended December 31, 2015 and 2014 totaled $36,052 and $25,841, respectively.

The Organization also has entered into lease agreements for apartments for the after-care program. The use of these apartments is donated rent-free to the Organization. These apartments are owned by a company that is owned by a member of the board of directors. The use of these apartments is valued at $75,104 and $77,352, which is recognized as in-kind support to the Organization during the years ended December 31, 2015 and 2014, respectively.

The future minimum lease payments required under office facility leases are as follows:

2016	$ 31,486
2017	21,397

NOTE 8: CONCENTRATIONS

Cash and cash equivalents are held in banks in Tennessee and may, at times, exceed Federal Deposit Insurance Company limits. Uninsured cash at December 31, 2015 and 2014 was approximately $1,813,000 and $252,000, respectively.

Pledges receivable from three donors represented 48% of pledges receivable at December 31, 2015 and pledges receivable from two donors represented substantially all of undiscounted pledges receivable at December 31, 2014. Contributions from one donor represented 12% of contributions recognized in 2015.

Pledges receivable due from members of the board of directors and its advisory committee totaled $667,283 and $15,000, which represented 47% and 67% of pledges receivable at December 31, 2015 and 2014, respectively. Contributions from members of the board of directors totaled $1,281,866, representing 35% of contributions recognized in 2015.

NOTE 9: RETIREMENT PLAN

The Organization sponsors a defined contribution retirement plan for all eligible employees. Eligible employees must be employed full time and complete two years of service in order to participate. The Organization makes contributions to the plan, at the discretion of the board, from 5% to 15% of participants' annual compensation. The Organization's contributions were $59,861 and $56,418 for the years ended December 31, 2015 and 2014, respectively.

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

December 31,	**2015**	2014
Purpose restrictions:		
New facility	**$ 2,569,404**	$ 964,319
	$ 2,569,404	$ 964,319

NOTE 10: TEMPORARILY RESTRICTED NET ASSETS *(CONTINUED)*

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes or by occurrence of other events specified by donors.

For the Years Ended December 31,	**2015**	2014
Purpose restrictions accomplished:		
Program expenditures	**$ 342,354**	$ 22,000
Time restrictions expired:		
Passage of specified time	**19,680**	94,303
	$ 362,034	$ 116,303

NOTE 11: PROPERTY HELD FOR SALE AND IMPAIRMENT LOSS

In 2013, the Organization listed property for sale which had been purchased with restricted contributions. Assets held for sale are required to be reported at the lower of carrying amount (cost less accumulated depreciation) or fair value less cost to sell. For the year ending December 31, 2014, the property held for sale was deemed to be impaired and an impairment loss of $18,500 was recognized. The property was sold in 2015 resulting in a gain of $119,276.

NOTE 12: POSTEMPLOYMENT BENEFITS

The Organization provides salary continuation benefits to beneficiaries of deceased employees. If an employee dies while employed by the Organization, the employee's beneficiary is entitled to receive the employee's salary for a period ranging from two to six months after the employee's death. Benefits are dependent upon the death of employees who are actively employed by the Organization and management believes this is a remote probability and that it is not practical to reasonably estimate the amount of its liability for postemployment benefits until an employee becomes deceased. During the year ended December 31, 2015, the Organization recognized no postemployment benefit expense. For the year ending December 31, 2014, the Organization recognized $70,416 of post-employment benefit expense due to the death of an employee.

NOTE 13: DISCONTINUED OPERATIONS

Generally accepted accounting principles requires that all components of an entity that have been disposed of (by sale, abandonment, or in a distribution to owners) or are held for sale and whose cash flows can be clearly distinguished from the rest of the entity be presented as discontinued operations.

NOTE 13: DISCONTINUED OPERATIONS *(CONTINUED)*

During the year ended December 31, 2015, the Organization discontinued operation of its Everyday Dependable Services Lawn Service and disposed of the assets by abandonment, which resulted in a loss on disposal of $7,013. The results of operations have been reported as discontinued operations within the accompanying consolidated statement of activities.

The following table summarizes the results of the discontinued operations as of December 31, 2015 and 2014:

For the Years Ended December 31,		**2015**		2014
Revenues	**$**	**60,166**	$	107,744
Expenses		**47,534**		107,633
Gain from discontinued operations	**$**	**12,632**	$	111

The assets and liabilities of discontinued operations are summarized as follows:

December 31,		**2015**		2014
Equipment	**$**	**-**	$	24,175
Accumulated depreciation		**-**		(13,530)
	$	**-**	$	10,645

NOTE 14: SUBSEQUENT EVENTS

In March 2016, the Organization entered into a Performance Agreement with the Metropolitan Planning Commission of The Metropolitan Government of Nashville and Davidson County. Under the agreement, the Organization paid $345,000 to the Metro Planning Commission to be held in escrow, along with $900,000 of funds resulting from a settlement agreement related to the prior owner’s performance bond. These funds are to be used to reimburse the Organization to construct certain infrastructure improvements to a planned urban development (PUD) for which the Organization is sole owner. The funds held in escrow by the Metro Planning Commission will be disbursed to the Organization, at least monthly, upon acceptance of the costs and improvements made. The total cost of the infrastructure improvements is estimated to be $1,245,000.