FAMILY RECONCILIATION CENTER, INC.

NASHVILLE, TENNESSEE

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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ANCHOR FINANCIAL GROUP, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Reconciliation Center, Inc.

I have audited the accompanying financial statements of Family Reconciliation Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statement of activities, statement of 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Reconciliation Center, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Tiffany Greer

Tiffany Greer
Anchor Financial Group, LLC

Tiffany Greer and Stanley Ham, Registered Representative, Securities offered through H.D. Vest Investment Services℠, Member: SIPC,
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FAMILY RECONCILIATION CENTER, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

Current Assets:	
Cash	$ 59,804
Total Current Assets	59,804
Fixed Assets:	
Property and Equipment	
(Net of Accumulated Depreciation)	-
Total Assets	$ 59,804

LIABILITIES AND NET ASSETS

Liabilities:	
Total Liabilities	-
Net Assets:	
Unrestricted Net Assets	$ 59,804
Total Net Assets	59,804
Total Liabilities & Net Assets	$ 59,804

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

FAMILY RECONCILIATION CENTER, INC.

STATEMENT OF ACTIVITES

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017
UNRESTRICTED NET ASSETS:	
Revenues, Gains, and Other Support	
Gifts and Contributions	$ 52,709
Dividends and Interest	23
Other Income	8,336
TOTAL INCOME	61,068
Expenses	
Program Services	86,887
Management and General	20,715
Fundraising	7,829
TOTAL EXPENSES	115,431
Increase/(Decrease) in Net Assets	(54,363)
NET ASSETS AT JANUARY 1, 2017	114,167
NET ASSETS AT DECEMBER 31, 2017	$ 59,804
Interest Paid	-
Interest Expensed	-

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

FAMILY RECONCILIATION CENTER, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services	Management & General	Fundraising	Total
Accounting	2,120	2,120	-	4,240
Bank Fees	-	225	-	225
Depreciation	555	-	-	555
Direct Program	2,656	-	-	2,656
Dreamweave Expenses	7,778	-	-	7,778
Guest Expenses	900	-	-	900
Insurance	1,942	-	-	1,942
Legal	1,253	1,253	-	2,506
Office Expenses	2,081	500	194	2,775
Other Costs	1,847	616	-	2,463
Payroll Taxes	4,167	1,603	641	6,411
Postage and Shipping	175	35	23	233
Rent	21,100	-	-	21,100
Salaries and Wages	36,524	14,045	5,620	56,189
Supplies	620	-	1,225	1,845
Telephone & Internet	826	318	126	1,270
Utilities	2,343	-	-	2,343
Total	$ 86,887	$ 20,715	$ 7,829	$ 115,431

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

FAMILY RECONCILIATION CENTER, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase/(Decrease) in Net Assets	$	(54,363)
Depreciation		555
Increase in Accounts Payable and Accrued Liabilities		(2,150)
Total Cash Provided by Operating Activities		(55,958)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Total cash used to purchase assets		-
Total Cash Provided by Investing Activities		-
CASH FLOW FROM FINANCING ACTIVITIES:		
Total Cash Provided by Financing Activities		-
NET INCREASE/(DECREASE) IN CASH		(55,958)
CASH BALANCE- JANUARY 1, 2017		115,762
CASH BALANCE- DECEMBER 31, 2017	$	59,804
Supplemental Disclosures		
Interest Paid	$	-

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

FAMILY RECONCILIATION CENTER, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Family Reconciliation Center, Inc. is a not-for-profit organization that was organized in 1984. Its mission is to provide services and programs to reach out to youth and families who are innocent victims of crime by promoting family unification, human rights, and advocacy to strengthen the family unit as a whole and reduce inter-generational incarceration.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting which are generally accepted accounting principles in the United States.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Statements of Not-for-Profit Organizations. Under SFAS No. 117, 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.

Property and Equipment

Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)

Revenue Recognition- continued

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of 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.

Contributed Services

Family Reconciliation Center, Inc. receives a small amount of services donated by people carrying out charitable missions. No amounts have been reflected in the financial statements for those services.

Income Tax

Family Reconciliation Center, Inc. qualifies as a tax-exempt organization under section 501(c) (3) of the Internal Revenue Code and therefore has no provision for federal income taxes. The tax years that are open are 2015, 2016, and 2017.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-(continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value of the short maturities of those financial instruments.

Subsequent Events

Subsequent events have been evaluated through August 15, 2018 which is the date the financial statements were issued.

NOTE B – PLANT ASSETS AND DEPRECIATION

Depreciation of plant assets is calculated on the straight-line basis over the estimated useful lives of the assets. The cost of such assets at December 31, 2017 is as follows:

Office Equipment	$ 2,292
Less accumulated depreciation	(2,292)
	$ -

NOTE C – 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE D- DREAMWEAVE PROGRAM

In May of 2017 the board decided to discontinue its Dreamweave program. The Dreamweave program was given to another not for profit organization in May of 2017. The amount transferred from the Dreamweave account was $5,492.12. The bank account and the supplies were the only assets given to the new organization.

NOTE E- OPERATIONS

In June of 2017, the board narrowed the focus of its organization. They will continue with only the guest house and its operations. At this time, they will not have any paid employees. They will be able to minimalize their costs by only focusing on the guest house.