

Return of Organization Exempt From Income Tax

2017

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public.
- Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Open to Public Inspection

A For the 2017 calendar year, or tax year beginning , 2017, and ending ,

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C ACTS LENDING INC 2414 W VLIET STREET MILWAUKEE, WI 53205		D Employer identification number 46-2986750
	F Name and address of principal officer: MICHAEL ZIMMERMAN SAME AS C ABOVE		E Telephone number 414-933-2215
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			G Gross receipts \$ 454,933.
J Website: ▶ N/A			H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 2013 M State of legal domicile: WI

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>ACTS LENDING, INC. PROVIDES MORTGAGE CAPITAL TO ASSIST FAMILIES PRIMARILY WITH FINANCING FOR THE REPAIRS NEEDED TO RECLAIM VACANT, DISTRESSED, HOMES IN MILWAUKEE'S NEIGHBORHOODS.</u>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	14
	4	Number of independent voting members of the governing body (Part VI, line 1b)	13
	5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	0
	6	Total number of volunteers (estimate if necessary)	30
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	0.
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 56,174. Current Year: 421,900.
	9	Program service revenue (Part VIII, line 2g)	20,405. 32,941.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	32. 31.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	61.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	76,611. 454,933.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	
	14	Benefits paid to or for members (Part IX, column (A), line 4)	
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	35,160. 65,475.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	
		b Total fundraising expenses (Part IX, column (D), line 25) ▶	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	21,313. 23,399.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	56,473. 88,874.	
19	Revenue less expenses. Subtract line 18 from line 12	20,138. 366,059.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year: 709,263. End of Year: 1,065,107.
	21	Total liabilities (Part X, line 26)	309,715. 299,500.
	22	Net assets or fund balances. Subtract line 21 from line 20	399,548. 765,607.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date
	MICHAEL ZIMMERMAN <small>Type or print name and title</small>		PRESIDENT 9/5/10
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date
	RENEE MESSING	<i>Renee Messing</i>	8/24/18
	Firm's name ▶ RITZ HOLMAN LLP	Check <input type="checkbox"/> if self-employed PTIN P01872384	
Firm's address ▶ 330 E. KILBOURN STE. 550 MILWAUKEE, WI 53202-3144		Firm's EIN ▶ 39-0919055	
		Phone no. (414) 271-1451	

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission:

ACTS LENDING, INC. PROVIDES MORTGAGE CAPITAL TO ASSIST FAMILIES PRIMARILY WITH FINANCING FOR THE REPAIRS NEEDED TO RECLAIM VACANT, DISTRESSED, HOMES IN MILWAUKEE'S NEIGHBORHOODS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 66,655. including grants of \$) (Revenue \$ 32,941.)

ACTS LENDING, INC. PROVIDES REHAB MORTGAGE LOANS TO QUALIFYING FAMILIES THAT ARE PURCHASING VACANT, DISTRESSED, HOMES IN MILWAUKEE'S NEIGHBORHOODS. LOANS ARE OUTSTANDING TO 100 INDIVIDUALS/FAMILIES AND THE PORTFOLIO IS MORE THAN 96% CURRENT, MEANING THAT WE NOT ONLY ARE ABLE TO PROVIDE THE NECESSARY CAPITAL INTO THE MILWAUKEE HOUSING MARKET, BUT THE FAMILIES THAT BORROW FUNDS ARE REMAINING CURRENT ON THEIR OBLIGATIONS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 66,655.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A.</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I.</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If 'Yes,' complete Schedule C, Part II.</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If 'Yes,' complete Schedule C, Part III.</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I.</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If 'Yes,' complete Schedule D, Part II.</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III.</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV.</i>	X	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V.</i>		X
11 If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If 'Yes,' complete Schedule D, Part VI.</i>		X
b Did the organization report an amount for investments – other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VII.</i>		X
c Did the organization report an amount for investments – program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part VIII.</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If 'Yes,' complete Schedule D, Part IX.</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If 'Yes,' complete Schedule D, Part X.</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If 'Yes,' complete Schedule D, Part X.</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If 'Yes,' complete Schedule D, Parts XI and XII.</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI and XII is optional.</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E.</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If 'Yes,' complete Schedule F, Parts I and IV.</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If 'Yes,' complete Schedule F, Parts II and IV.</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If 'Yes,' complete Schedule F, Parts III and IV.</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If 'Yes,' complete Schedule G, Part I (see instructions).</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II.</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III.</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If 'Yes,' complete Schedule H.</i>		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25a.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Part II, III, or IV, and Part V, line 1.</i>	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

BAA

Form 990 (2017)

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V.

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. <input type="text" value="0"/>		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. <input type="text" value="0"/>		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? <input checked="" type="checkbox"/>	X	
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. <input type="text" value="0"/>		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3 b	If 'Yes,' has it filed a Form 990-T for this year? If 'No' to line 3b, provide an explanation in Schedule O.		
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4 b	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7 Organizations that may receive deductible contributions under section 170(c).			
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year. <input type="text"/>		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds. Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9 a	Did the sponsoring organization make any taxable distributions under section 4966?		
9 b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12. <input type="text"/>		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities <input type="text"/>		
11	Section 501(c)(12) organizations. Enter:		
11 a	Gross income from members or shareholders. <input type="text"/>		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) <input type="text"/>		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. <input type="text"/>		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. <input type="text"/>		
13 c	Enter the amount of reserves on hand <input type="text"/>		
14 a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI. X

Section A. Governing Body and Management

		Yes	No
1 a	Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	14	
1 b	Enter the number of voting members included in line 1a, above, who are independent	13	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7 a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
7 b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8 a	a The governing body?	X	
8 b	b Each committee with authority to act on behalf of the governing body?		X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10 a	Did the organization have local chapters, branches, or affiliates?		X
10 b	b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11 a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
12 a	Describe in Schedule O the process, if any, used by the organization to review this Form 990. SEE SCHEDULE O		
12 a	Did the organization have a written conflict of interest policy? If 'No,' go to line 13	X	
12 b	b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12 c	c Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this was done SEE SCHEDULE O	X	
13	Did the organization have a written whistleblower policy?		X
14	Did the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15 a	a The organization's CEO, Executive Director, or top management official. SEE SCHEDULE O	X	
15 b	b Other officers or key employees of the organization. SEE SCHEDULE O	X	
	If 'Yes' to line 15a or 15b, describe the process in Schedule O (see instructions).		
16 a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16 b	b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ NONE
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. SEE SCHEDULE O
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records: ▶
DEBRA POWERS 2414 W VLIET STREET MILWAUKEE WI 53205 414-933-2215

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOE SCHILDT DIRECTOR	1 1	X						0.	0.	0.
(2) JOHN LINNEN PAST PRESIDENT	1 1	X						0.	0.	0.
(3) AUTUMN LATIMORE DIRECTOR	1 1	X						0.	0.	0.
(4) KURT KELLOGG DIRECTOR	1 1	X						0.	0.	0.
(5) ALLISON STEINHAFEL DIRECTOR	1 1	X						0.	0.	0.
(6) KEVIN MALANEY VICE PRESIDENT	1 1	X		X				0.	0.	0.
(7) MICHAEL ZIMMERMAN PRESIDENT	1 1	X		X				0.	0.	0.
(8) STEPHEN ROTHE TREASURER	1 1	X		X				0.	0.	0.
(9) CHRISTOPHER SCHREIBER DIRECTOR	1 1	X						0.	0.	0.
(10) PAM EVASON DIRECTOR	1 1	X						0.	0.	0.
(11) KRISTEN GAGLIANO DIRECTOR	1 1	X						0.	0.	0.
(12) JOSH YAMAT DIRECTOR	1 1	X						0.	0.	0.
(13) ANTHONY MCHENRY DIRECTOR	1 1	X						0.	0.	0.
(14) WILLIAM R. TISDALE DIRECTOR	1 1	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) MICHAEL GOSMAN EXECUTIVE DIR.	10 30			X				0.	95,484.	2,650.
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
1 b Sub-total								0.	95,484.	2,650.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	95,484.	2,650.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 0

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If 'Yes,' complete Schedule J for such individual.</i>	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If 'Yes,' complete Schedule J for such individual.</i>	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If 'Yes,' complete Schedule J for such person.</i>	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶ 0

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f 421,900.				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f		421,900.			
Program Service Revenue	Business Code					
	2 a <u>LOAN INTEREST INCOME</u>	522292	25,096.	25,096.		
	b <u>PROGRAM SERVICE FEES</u>	522292	7,845.	7,845.		
	c					
	d					
	e					
	f All other program service revenue					
g Total. Add lines 2a-2f		32,941.				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		31.		31.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less: cost or other basis and sales expenses				
		c Gain or (loss)				
	d Net gain or (loss)					
	8 a Gross income from fundraising events (not including, \$ _____ of contributions reported on line 1c). See Part IV, line 18.	a				
		b Less: direct expenses	b			
c Net income or (loss) from fundraising events						
9 a Gross income from gaming activities. See Part IV, line 19.	a					
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a <u>OTHER REVENUE</u>	900099	61.	61.			
b						
c						
d All other revenue						
e Total. Add lines 11a-11d		61.				
12 Total revenue. See instructions		454,933.	33,002.	0.	31.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX. |

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21.				
2 Grants and other assistance to domestic individuals. See Part IV, line 22.				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages	65,475.	49,106.	16,369.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17.				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	5,299.	3,974.	1,325.	
12 Advertising and promotion				
13 Office expenses	2,704.	2,028.	676.	
14 Information technology	360.	270.	90.	
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	3,197.	2,398.	799.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	934.	701.	233.	
23 Insurance				
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>BAD DEBT EXPENSE</u>	9,763.	7,322.	2,441.	
b <u>CLOSING EXPENSE</u>	900.	675.	225.	
c <u>OTHER EXPENSE</u>	242.	181.	61.	
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e.	88,874.	66,655.	22,219.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X.

		(A) Beginning of year		(B) End of year	
Assets	1	Cash – non-interest-bearing.....	99,631.	1	390,638.
	2	Savings and temporary cash investments.....	21,893.	2	21,924.
	3	Pledges and grants receivable, net.....		3	50,000.
	4	Accounts receivable, net.....	9,884.	4	737.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L.....		5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L.....		6	
	7	Notes and loans receivable, net.....	576,682.	7	601,568.
	8	Inventories for sale or use.....		8	
	9	Prepaid expenses and deferred charges.....	240.	9	240.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D.....		10a	
	b	Less: accumulated depreciation.....		10b	10c
	11	Investments – publicly traded securities.....		11	
	12	Investments – other securities. See Part IV, line 11.....		12	
	13	Investments – program-related. See Part IV, line 11.....		13	
	14	Intangible assets.....	933.	14	
	15	Other assets. See Part IV, line 11.....		15	
16	Total assets. Add lines 1 through 15 (must equal line 34).....	709,263.	16	1,065,107.	
Liabilities	17	Accounts payable and accrued expenses.....	8,591.	17	61,109.
	18	Grants payable.....		18	
	19	Deferred revenue.....		19	
	20	Tax-exempt bond liabilities.....		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D.....	13,156.	21	11,284.
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L.....		22	
	23	Secured mortgages and notes payable to unrelated third parties.....		23	
	24	Unsecured notes and loans payable to unrelated third parties.....	287,968.	24	227,107.
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D.....		25	
	26	Total liabilities. Add lines 17 through 25.....	309,715.	26	299,500.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets.....	389,548.	27	755,607.
	28	Temporarily restricted net assets.....	10,000.	28	10,000.
	29	Permanently restricted net assets.....		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds.....		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund.....		31	
	32	Retained earnings, endowment, accumulated income, or other funds.....		32	
33	Total net assets or fund balances.	399,548.	33	765,607.	
34	Total liabilities and net assets/fund balances.	709,263.	34	1,065,107.	

BAA

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	454,933.
2	Total expenses (must equal Part IX, column (A), line 25)	2	88,874.
3	Revenue less expenses. Subtract line 2 from line 1	3	366,059.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	399,548.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	765,607.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII.

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.		
2 a	Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2 b	Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2 c	If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3 a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3 b	If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.		

BAA

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization

ACTS LENDING INC

Employer identification number

46-2986750

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education) Preservation of a historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2 a
b Total acreage restricted by conservation easements	2 b
c Number of conservation easements on a certified historic structure included in (a)	2 c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register	2 d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 8.

1 a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1 a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIII and complete the following table:

	Amount
1 c Beginning balance	
1 d Additions during the year	
1 e Distributions during the year	
1 f Ending balance	0.

2 a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No

b If 'Yes,' explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII. No

SEE PART XIII

Part V Endowment Funds. Complete if the organization answered 'Yes' on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1 a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Temporarily restricted endowment _____ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3 a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	<input type="checkbox"/>	<input type="checkbox"/>
(ii) related organizations	<input type="checkbox"/>	<input type="checkbox"/>
b If 'Yes' on line 3a(ii), are the related organizations listed as required on Schedule R?	<input type="checkbox"/>	<input type="checkbox"/>

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1 a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.) 0.

Part VII Investments – Other Securities.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990, Part X, column (B) line 12.)		

Part VIII Investments – Program Related.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)		

Part IX Other Assets.

N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII. SEE PART XIII.

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return. N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
	a Net unrealized gains (losses) on investments	2 a		
	b Donated services and use of facilities	2 b		
	c Recoveries of prior year grants	2 c		
	d Other (Describe in Part XIII.)	2 d		
	e Add lines 2a through 2d.		2 e	
3	Subtract line 2e from line 1.		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.	4 a		
	b Other (Describe in Part XIII.)	4 b		
	c Add lines 4a and 4b.		4 c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return. N/A

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
	a Donated services and use of facilities	2 a		
	b Prior year adjustments	2 b		
	c Other losses	2 c		
	d Other (Describe in Part XIII.)	2 d		
	e Add lines 2a through 2d.		2 e	
3	Subtract line 2e from line 1.		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
	a Investment expenses not included on Form 990, Part VIII, line 7b.	4 a		
	b Other (Describe in Part XIII.)	4 b		
	c Add lines 4a and 4b.		4 c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART IV, LINE 2B - EXPLANATION OF ESCROW ACCOUNT LIABILITY

THE ORGANIZATION HOLDS ESCROW ACCOUNTS RELATED TO LENDING PROGRAM.

PART X - FIN 48 FOOTNOTE

THE ORGANIZATION IS EXEMPT FROM INCOME TAX UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND IS CLASSIFIED AS OTHER THAN A PRIVATE FOUNDATION. THE AFFILIATE IS A SOLELY OWNED CORPORATION AND THEREFORE THE INTERNAL REVENUE SERVICE CONSIDERS IT TO BE A DISREGARDED ENTITY FOR TAX PURPOSES. ALL AFFILIATE ACTIVITY IS INCLUDED UNDER ACTS COMMUNITY DEVELOPMENT CORPORATION FOR TAX PURPOSES. MANAGEMENT HAS

Part XIII Supplemental Information (continued)**PART X - FIN 48 FOOTNOTE (CONTINUED)**

REVIEWED ALL TAX POSITIONS RECOGNIZED IN PREVIOUSLY FILED TAX RETURNS AND THOSE EXPECTED TO BE TAKEN IN FUTURE TAX RETURNS. AS OF DECEMBER 31, 2017, THE ORGANIZATION AND AFFILIATE HAD NO AMOUNTS RELATED TO UNRECOGNIZED INCOME TAX BENEFITS AND NO AMOUNTS RELATED TO ACCRUED INTEREST AND PENALTIES. THE ORGANIZATION DOES NOT ANTICIPATE ANY SIGNIFICANT CHANGES TO UNRECOGNIZED INCOME TAX BENEFITS OVER THE NEXT YEAR.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service
Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2017

**Open to Public
Inspection**

ACTS LENDING INC

Employer identification number

46-2986750

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

THE BOARD REVIEWED THE 990 PRIOR TO FILING.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

BOARD MEMBERS ARE REQUIRED TO DISCLOSE POTENTIAL CONFLICTS OF INTEREST. OTHER MEMBERS OF THE BOARD OR COMMITTEE DETERMINE IF A CONFLICT EXISTS. WHEN THIS OCCURS THE BOARD MEMBER WITH A CONFLICT OF INTEREST IS ASKED TO LEAVE DURING THE DISCUSSION AND VOTE.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS - CEO & TOP MANAGEMENT

ACTS LENDING DOES NOT GIVE COMPENSATION DIRECTLY TO ANY EMPLOYEES, ALL COMPENSATION IS PAID THROUGH ACTS HOUSING.

FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS - OFFICERS & KEY EMPLOYEES

ACTS LENDING DOES NOT GIVE COMPENSATION DIRECTLY TO ANY EMPLOYEES, ALL COMPENSATION IS PAID THROUGH ACTS HOUSING.

FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE

UPON REQUEST

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered 'Yes' on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.

▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization

ACTS LENDING INC

Employer identification number

46-2986750

2017

Open to Public Inspection

Part I Identification of Disregarded Entities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ----- ----- ----- ----- -----					
(2) ----- ----- ----- ----- -----					
(3) ----- ----- ----- ----- -----					

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?	
						Yes	No
(1) ACTS COMMUNITY DEVELOPMENT CORPORA 1445 N. 24TH STREET MILWAUKEE, WI 53205 39-1837474	AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES	WI	501 (C) (3)	509 (A) (2)	ACTS COMMUNITY DEVELOPMENT CORPORATION		X
(2) ----- ----- ----- ----- -----							
(3) ----- ----- ----- ----- -----							
(4) ----- ----- ----- ----- -----							

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Sec 512(b)(13) controlled entity?	
								Yes	No
(1) -----									
(2) -----									
(3) -----									

Part V Transactions With Related Organizations. Complete if the organization answered 'Yes' on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity
- b Gift, grant, or capital contribution to related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related organization(s)

2 If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) ACTS COMMUNITY DEVELOPMENT CORPORATION	C	44,000.FMV	
(2) ACTS COMMUNITY DEVELOPMENT CORPORATION	M	201,000.FMV	
(3) ACTS COMMUNITY DEVELOPMENT CORPORATION	O	65,475.FMV	
(4) ACTS COMMUNITY DEVELOPMENT CORPORATION	P	3,933.FMV	
(5) ACTS COMMUNITY DEVELOPMENT CORPORATION	S	60.FMV	

Part VI Unrelated Organizations Taxable as a Partnership. Complete if the organization answered 'Yes' on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) ----- ----- -----													
(2) ----- ----- -----													
(3) ----- ----- -----													
(4) ----- ----- -----													
(5) ----- ----- -----													
(6) ----- ----- -----													
(7) ----- ----- -----													
(8) ----- ----- -----													

Part VII Supplemental Information.

Provide additional information for responses to questions on Schedule R. See instructions.

Application for Automatic Extension of Time To File an Exempt Organization Return

▶ **File a separate application for each return.**

▶ **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile, click on Charities & Non-Profits, and click on e-file for Charities and Non-Profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print <small>File by the due date for filing your return. See instructions.</small>	<small>Name of exempt organization or other filer, see instructions.</small> ACTS LENDING INC	<small>Employer identification number (EIN) or</small> 46-2986750
	<small>Number, street, and room or suite number. If a P.O. box, see instructions.</small> 2414 W VLIET STREET <small>City, town or post office, state, and ZIP code. For a foreign address, see instructions.</small> MILWAUKEE, WI 53205	<small>Social security number (SSN)</small>

Enter the Return Code for the return that this application is for (file a separate application for each return) 01

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ DEBRA POWERS -----

Telephone No. ▶ 414-933-2215 ----- Fax No. ▶ -----

- If the organization does not have an office or place of business in the United States, check this box ▶
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box. ▶ . If it is for part of the group, check this box ... ▶ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until 11/15, 2018, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year 20 17 or
- ▶ tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE

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Independent Auditor's Report

Board of Directors
ACTS Community Development Corporation and Affiliate

We have audited the accompanying consolidated financial statements of ACTS Community Development Corporation and Affiliate which comprise the consolidated balance sheet as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year 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 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 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 Organization'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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACTS Community Development Corporation and Affiliate as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ritz Holman LLP

Serving business, nonprofits, individuals and trusts.

330 E. Kilbourn Ave., Suite 550
Milwaukee, WI 53202

t. 414.271.1451
f. 414.271.7464
ritzholman.com

Board of Directors
ACTS Community Development Corporation and Affiliate

Report on Summarized Comparative Information

We have previously audited ACTS Community Development Corporation and Affiliate's December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
June 13, 2018

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2017
(With Summarized Totals for December 31, 2016)

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 2,071,492	\$ 1,160,812
Accounts and Grants Receivable	201,948	355,502
Prepaid Expenses	30,696	30,976
Current Portion of Loans Receivable	155,253	139,958
Current Portion of Pledges Receivable	135,000	75,000
Total Current Assets	\$ 2,594,389	\$ 1,762,248
FIXED ASSETS		
Equipment	\$ 23,156	\$ 36,961
Building Improvements	160,809	---
Construction in Progress	123,126	115,388
Total Fixed Assets	\$ 307,091	\$ 152,349
Less: Accumulated Depreciation	(23,744)	(33,306)
Net Fixed Assets	\$ 283,347	\$ 119,043
LONG-TERM ASSETS		
Property Held for Resale	\$ 5,500	\$ 25,200
Net Loans Receivable	601,568	576,682
Less: Current Portion of Loans Receivable	(155,253)	(139,958)
Pledges Receivable	165,000	150,000
Less: Current Portion of Pledges Receivable	(135,000)	(75,000)
Total Long-Term Assets	\$ 481,815	\$ 536,924
INTANGIBLE ASSETS		
Website and Software	\$ 14,057	\$ 14,057
Less: Accumulated Amortization	(12,832)	(10,713)
Net Intangible Assets	\$ 1,225	\$ 3,344
TOTAL ASSETS	\$ 3,360,776	\$ 2,421,559
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 88,910	\$ 3,789
Accrued Payroll	31,988	42,031
Deferred Contract Revenue	---	25,000
Escrow Liabilities	92,181	117,345
Community Projects Payable	3,035	3,035
Earnest Money Payable	4,300	22,904
Current Portion of Long-Term Liabilities	100,000	120,000
Total Current Liabilities	\$ 320,414	\$ 334,104
LONG-TERM LIABILITIES		
Lines of Credit	\$ 160,104	\$ 200,000
Other Long-Term Liabilities	4,503	5,468
Notes Payable	62,500	82,500
Less: Current Portion of Long-Term Liabilities	(100,000)	(120,000)
Total Long-Term Liabilities	\$ 127,107	\$ 167,968
Total Liabilities	\$ 447,521	\$ 502,072
NET ASSETS		
Unrestricted	\$ 1,764,444	\$ 1,264,964
Temporarily Restricted	1,148,811	654,523
Total Net Assets	\$ 2,913,255	\$ 1,919,487
TOTAL LIABILITIES AND NET ASSETS	\$ 3,360,776	\$ 2,421,559

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

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
REVENUE				
Individual Contributions	\$ 142,202	\$ 44,145	\$ 186,347	\$ 100,091
Corporate Contributions	139,007	48,000	187,007	67,857
Foundation Grants	355,095	1,282,793	1,637,888	1,120,162
Government Grants	21,987	---	21,987	174,000
In-Kind Revenue	52,768	---	52,768	45,030
Real Estate Brokerage	227,165	---	227,165	314,539
Closing Revenue	4,361	---	4,361	62,213
Counseling Fees	61,251	---	61,251	150,252
Special Events Revenue	112,186	---	112,186	114,568
Special Events Expense	(52,378)	---	(52,378)	(60,343)
Program Service Fees	7,845	---	7,845	3,828
Loan Interest Income	25,096	---	25,096	16,577
Interest Income	729	---	729	613
Rental Income	7,800	---	7,800	2,677
Other Revenue	(23,514)	---	(23,514)	157,140
Net Assets Released from Restriction	880,650	(880,650)	---	---
Total Revenue	<u>\$ 1,962,250</u>	<u>\$ 494,288</u>	<u>\$ 2,456,538</u>	<u>\$ 2,269,204</u>
EXPENSES				
Program Services				
Real Estate Brokerage Program	\$ 441,354	\$ ---	\$ 441,354	\$ 601,672
Homebuyer Counseling Program	230,116	---	230,116	345,913
Rehab Counseling Program	332,685	---	332,685	347,266
Lending Program	88,874	---	88,874	21,313
Management and General	205,651	---	205,651	188,961
Fundraising	164,090	---	164,090	100,911
Total Expenses	<u>\$ 1,462,770</u>	<u>\$ ---</u>	<u>\$ 1,462,770</u>	<u>\$ 1,606,036</u>
CHANGE IN NET ASSETS	\$ 499,480	\$ 494,288	\$ 993,768	\$ 663,168
Net Assets, Beginning of Year	<u>1,264,964</u>	<u>654,523</u>	<u>1,919,487</u>	<u>1,256,319</u>
NET ASSETS, END OF YEAR	<u>\$ 1,764,444</u>	<u>\$ 1,148,811</u>	<u>\$ 2,913,255</u>	<u>\$ 1,919,487</u>

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

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 993,768	\$ 663,168
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	5,367	8,170
Amortization	2,119	1,019
Adjustment to Loan Loss Reserve	9,763	8,639
Donated Property Held for Resale	(5,500)	(25,200)
Loss on Disposal of Property Held for Sale	25,200	269
(Increase) Decrease in Accounts and Grants Receivable	153,554	(227,895)
(Increase) Decrease in Pledges Receivable	(15,000)	(50,000)
(Increase) Decrease in Prepaid Expenses	280	(19,208)
(Increase) Decrease in Loans Receivable	(34,649)	(126,346)
Increase (Decrease) in Accounts Payable	85,121	(6,936)
Increase (Decrease) in Accrued Payroll	(10,043)	(19,671)
Increase (Decrease) in Deferred Contract Revenue	(25,000)	10,000
Increase (Decrease) in Rehab Escrows Liability	(25,164)	(18,878)
Increase (Decrease) in Community Projects	---	159
Increase (Decrease) in Earnest Money Payable	(18,604)	(42,950)
Net Cash Provided by Operating Activities	<u>\$ 1,141,212</u>	<u>\$ 154,340</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>\$ (169,671)</u>	<u>\$ (115,908)</u>
Net Cash (Used) by Investing Activities	<u>\$ (169,671)</u>	<u>\$ (115,908)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Lines of Credit	\$ ---	\$ 100,000
Payments on Lines of Credit	(39,896)	(36,484)
Payments on Capital Lease	(965)	---
Proceeds from Notes Payable	---	50,000
Payments on Notes Payable	<u>(20,000)</u>	<u>(17,500)</u>
Net Cash (Used) Provided by Financing Activities	<u>\$ (60,861)</u>	<u>\$ 96,016</u>
Net Increase in Cash and Cash Equivalents	\$ 910,680	\$ 134,448
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,160,812</u>	<u>1,026,364</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,071,492</u>	<u>\$ 1,160,812</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 3,197	\$ 2,439

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

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE A - Summary of Significant Accounting Policies

Organization

ACTS Community Development Corporation and Affiliate's (the "Organization") mission is empowerment through home ownership.

ACTS Community Development Corporation (ACTS Housing) provides three main services:

1. Homebuyer Counseling: One-on-one, Housing and Urban Development (HUD) approved homebuyer counseling for individuals interested in purchasing a home for owner-occupancy.
2. Real Estate Brokerage: As licensed realtors, ACTS represents families in the purchase of homes for owner-occupancy.
3. Rehab Counseling: Professional rehab staff represents families during coordination and execution of rehab plans, with a focus on the reclamation of distressed foreclosures.

ACTS Lending, Inc. provides mortgage capital to assist families primarily with financing for the repairs needed to reclaim vacant, distressed, homes in Milwaukee's neighborhoods.

Consolidated Financial Statements

The consolidated financial statements include the accounts of ACTS Community Development Corporation and ACTS Lending, Inc. (the "Affiliate"). All significant inter-company transactions and accounts are eliminated. Each entity maintains a separate set of accounting records.

Accounting Method

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

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. Assets of the restricted classes are created only by donor-imposed restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE A - Summary of Significant Accounting Policies (continued)

Accounts and Pledges Receivable

Accounts and pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts and pledges receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivables will not be collected. Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end other than the allowance for loan losses.

Loans Receivable

Loans receivable are stated at unpaid balances, reduced by allowances for loan losses. Interest income and late fees on loans are accrued when earned. Loans are made to individual homeowners. Rehab loans are usually initiated at closing to finance a portion of the rehab of a foreclosed property. The loans payable to ACTS Lending, Inc. are principally loans of \$25,000 or less with interest rates varying from 0% to 6% paid monthly over terms of 3 - 10 years. The board of directors reviews interest and related policies annually. Each loan is secured by the specific property. Net loans receivable does not include loans administered by ACTS Housing, which are payable to various external parties

A loan is placed on non-accrual status when it is specifically determined to be impaired and when, in the opinion of management, there is an indication that the borrower may be unable to make payments as they become due. Interest income generally is not recognized on impaired loans. Interest payments received on such loans are applied as a reduction of the loan principal balance.

The allowances for loan losses are maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent in the loan portfolio, in consideration of the nature of the portfolio, credit concentrations, trends in historical loss experience, specific impaired loans, and economic conditions. Allowances for impaired loans are generally determined after considering collateral values. The allowance is reduced by loan charge-offs, net of recoveries.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization capitalizes all fixed assets greater than \$1,000.

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions

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. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

NOTE B - Comparative Financial Information

The financial information shown for 2016 in the accompanying financial statements is included to provide a basis for comparison with 2017 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. Net assets and change in net assets are unchanged as a result of these reclassifications.

NOTE C - Concentration of Risk

The Organization maintains its cash balances at two financial institutions. Balances in accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. Balances in excess of that amount are uninsured. Management has evaluated the risk related to the uninsured balance.

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE D - Pledges Receivable

Pledges receivable consists of unconditional promises to give. Pledges receivable are included in temporarily restricted net assets because the contributions are designated for future years. At December 31, 2017, pledges receivable total \$165,000. Pledges receivable amounts are expected to be collected as follows:

<u>Year</u>	<u>Amount</u>
2018	\$135,000
2019	10,000
2020	10,000
2021	<u>10,000</u>
Total	<u>\$165,000</u>

NOTE E - Intangible Assets

Intangible assets of \$14,057 presented on the balance sheet as of December 31, 2017, consist of the following:

<u>Amortized Asset</u>	<u>Gross Value</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Website	\$ 3,500	\$ 2,275	\$1,225	5 years
Software	<u>10,557</u>	<u>10,557</u>	---	3 years
Total	<u>\$14,057</u>	<u>\$12,832</u>	<u>\$1,225</u>	

Estimated amortization expense for each of the next two years is as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 700
2019	<u>525</u>
Total	<u>\$1,225</u>

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE F - Net Loans Receivable

Net loans receivable consist of the following at December 31, 2017:

Loans Receivable	\$644,641
Less: Allowance for Loan Losses	<u>(43,073)</u>
Net Loans Receivable	<u>\$601,568</u>

Maturities of ACTS loans receivable are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$155,253
2019	155,166
2020	131,270
2021	84,440
2022	31,074
Thereafter	<u>87,438</u>
Total	<u>\$644,641</u>

Allowance for Loan Losses

The Organization considers that the determination of the allowance for loan losses involves a higher degree of judgment and complexity than its other significant accounting policies. The balance in the allowance for loan losses is determined based on management's review and evaluation of the loan portfolio in relation to past loss experience, the size and composition of the portfolio, current economic events and conditions, and other pertinent factors, including management's assumptions as to future delinquencies, recoveries and losses. All of these factors may be susceptible to significant change. To the extent actual outcomes differ from management's estimates, additional provisions for loan losses may be required that would adversely impact earnings in future periods. ACTS Lending, Inc.'s management frequently reviews the loan portfolio to assign and maintain the loan loss reserves based upon the grade of the credit. The loan loss reserve percentage allocations are established annually. The allowance for loan losses has a minimum balance of \$5,000. Loans receivable are presented net of a loan loss allowance of \$43,073 at December 31, 2017.

Loss

Whenever any portion of a loan is deemed uncollectible, in part or in whole, a partial or full charge-off will be made against the allowance for loan losses based on a conservative estimate of the realizable liquidation value. A loan that is impaired and foreclosure or loss of the asset is imminent must be charged off unless there are realistic expectations that the borrower can bring the account current or a realistic restructure can be negotiated. Management keeps current on information throughout the year that would classify a loan asset as a loss.

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE F - Net Loans Receivable (continued)

Credit Quality Indicators

The key to ACTS Lending's credit risk management is its loan originating system. Staff recommends decisions on loans based primarily on a thorough analysis of each borrower's financial capacity in conjunction with collateral values and the inherent credit risk specific to the transaction. Approvals are made by an independent executive committee, whose members are the President and Treasurer of the ACTS Lending, Inc.'s Board of Directors, and the Chair of the ACTS Lending, Inc.'s Advisory Board. Loans are monitored monthly by the Executive Director and a third-party accountant, and at least 4 times per year by the Lending Advisory Board, Finance Committee and Board of Directors.

Allowances are recognized for all loans based on the category of loan grade assigned to each loan as outlined below. Once graded, loan losses are reserved at the following percentages:

<u>Loan Grade</u>	<u>Loan Loss Reserve Percentage Allocation/Maintenance</u>
Grade 4	5%
Grade 5	15%
Grade 6	37%

Loans are not to carry a lower reserve, but based on the specific circumstances of a particular loan, it may carry higher reserves. Loan loss reserve percentages are reviewed and established annually.

Grade 4 - Acceptable

These loans are generally acceptable asset quality. Primary source of loan repayment is acceptable and verified. Acceptable credit/credit verifications or pathway to improved credit, but borrower's financial condition evidence slightly above average risk; requires slightly above normal supervision and attention from management. The source of increased risk has been identified, can be effectively managed/corrected, and the increased risk is not significant to warrant a more severe rating.

Grade 5 - Watch

Loan coverage is somewhat erratic, future coverage is uncertain and liquidity is strained. Indicators of potential deterioration of repayment sources have resulted in uncertainty or unknown factors concerning the status of the credit. Risk rating of watch is considered transitory in nature. When the factors causing the uncertainty have been clearly defined, a risk rating should be assigned commensurate with the risk characteristics and circumstances that exist. Quarterly memorandums regarding action plans for managing the risk of the credit must be developed for credits in this category.

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE F - Net Loans Receivable (continued)

Grade 6 - Substandard

While probability of loss is high (account is past due over 90 days), there are existing factors that may strengthen the asset. A substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Organization will sustain some loss if the deficiencies are not corrected.

As of December 31, 2017, allowance for loan losses consists of the following:

<u>Loan Grade</u>	<u>Loan Receivable</u>	<u>Reserve Percentage</u>	<u>Allowance Amount</u>
Grade 4	\$602,433	5%	\$30,122
Grade 5	12,115	15%	1,817
Grade 6	<u>30,093</u>	37%	<u>11,134</u>
Total	<u>\$644,641</u>		<u>\$43,073</u>

NOTE G - Impaired Loans

Impaired loans are defined as underwater loans to low and mid income level individuals and families whose loan payments are significantly late. Impaired loans are written off when foreclosure is probable. When a loan is determined to be impaired, an allowance account for 37% of the loan is recognized. The average recorded investment is defined as the average of the loan balances as of December 31, 2017 and 2016. Grade 6 loans above includes six impaired loans as of December 31, 2017.

NOTE H - Properties Held for Resale

In 2017, the Organizations received a property from a financial institution. The property is listed in the balance sheet as property held for resale of \$5,500 as of December 31, 2017.

NOTE I - Lines of Credit

ACTS Lending, Inc. has a \$250,000 line of credit from a financial institution, with an annual fixed interest rate of 2%. The line of credit matures on February 13, 2018, with an option to renew annually through 2021. The line of credit was renewed on February 13, 2018 with the same terms and a maturity date of February 13, 2019. At December 31, 2017, the line of credit had a balance of \$80,000.

On October 26, 2016, ACTS Lending obtained a \$300,000 line of credit with another financial institution. The line of credit matures on October 26, 2021, with a variable interest rate which is 1.5% as of December 31, 2017. Outstanding principal plus all accrued unpaid interest is due on maturity date. At December 31, 2017, the line of credit had a balance of \$80,104.

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE J - Notes Payable

ACTS Lending, Inc. has two non-interest-bearing \$50,000 promissory notes from individuals, with maturity dates of November 4, 2020 and April 8, 2021. Principal payments of \$20,000 are due annually. At December 31, 2017, the notes payable had a balance of \$62,500. Future minimum principal payments as of December 31, 2017, are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$20,000
2019	20,000
2020	20,000
2021	<u>2,500</u>
Total	<u>\$62,500</u>

NOTE K - Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2017:

<u>Purpose</u>	<u>Amount</u>
Capital Campaign	\$ 658,097
Rehabilitation Grants	72,000
New Staff Support	168,187
Homeownership Empowerment	170,527
Program Expenses	60,000
Performance Measurement	10,000
Harambee Loan Funds	<u>10,000</u>
Temporarily Restricted Net Assets	<u>\$1,148,811</u>

NOTE L - Intercompany Eliminations

ACTS Community Development Corporation ("CDC") incurs expenses related to ACTS Lending, Inc. which are then reimbursed by ACTS Lending, Inc. ("Lending") to ACTS CDC. All intercompany revenues, expenses, payables, and receivables have been eliminated from the consolidated balance sheet and consolidated statement of activities.

Eliminations included the following:

Amounts Payable from Lending to CDC	\$ 69,768
Amounts Payable from CDC to Lending	9,000
Grants Paid from CDC to Lending	245,000
Payroll Reimbursement from Lending to CDC	65,475

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE M - In-Kind Revenue

The Organization received various donations as in-kind for the year ended December 31, 2017. The items and values of these in-kind donations are as follows:

<u>Description</u>	<u>Amount</u>
Consulting Services	\$20,000
Raffle Items for Longest Table Event	15,710
Occupancy	9,550
Donated Property	5,500
Donated Tickets	<u>2,008</u>
Total	<u>\$52,768</u>

Income and expense related to these services were included in the accompanying financial statements.

NOTE N - Operating Leases

The Organization leased office spaces from two organizations in Milwaukee, Wisconsin. The Organization paid lease payments of \$10,050 and received in-kind occupancy of \$9,550 for the year ended December 31, 2017.

NOTE O - Purchase of Samaritan House

On October 11, 2016, the Organization purchased the building it had been previously renting from the owner. The total purchase price for the building was \$1. As of December 31, 2017, total building improvements were \$283,935, of which \$160,809 was included in the building improvements account and \$123,126 was included in construction in progress.

NOTE P - Advertising

The Organization uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2017, was \$972.

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE Q - Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. The Affiliate is a solely owned Corporation and therefore the Internal Revenue Service considers it to be a disregarded entity for tax purposes. All Affiliate activity is included under ACTS Community Development Corporation for tax purposes. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2017, the Organization and Affiliate had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Organization does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE R - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2017, through June 13, 2018, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that the following subsequent events need to be disclosed:

In early 2018, ACTS Lending, Inc. renewed the \$250,000 line of credit with the financial institution. The line of credit matures on February 13, 2019.

On January 26, 2018, the Organization sold the property held for resale for \$5,500.

ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2017

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2017
(With Summarized Totals for December 31, 2016)**

ASSETS

	ACTS Community Development	ACTS Lending, Inc.	Eliminations	2017 Total	2016 Total
CURRENT ASSETS					
Cash	\$ 1,658,930	\$ 412,562	\$ ---	\$ 2,071,492	\$ 1,160,812
Accounts and Grants Receivable	201,211	737	---	201,948	355,502
Intercompany Receivable (Payable)	60,768	(60,768)	---	---	---
Prepaid Expenses	30,456	240	---	30,696	30,976
Current Portion of Loans Receivable	---	155,253	---	155,253	139,958
Current Portion of Pledges Receivable	85,000	50,000	---	135,000	75,000
Total Current Assets	<u>\$ 2,036,365</u>	<u>\$ 558,024</u>	<u>\$ ---</u>	<u>\$ 2,594,389</u>	<u>\$ 1,762,248</u>
FIXED ASSETS					
Equipment	\$ 23,156	\$ ---	\$ ---	\$ 23,156	\$ 36,961
Building Improvements	160,809	---	---	160,809	---
Construction in Progress	123,126	---	---	123,126	115,388
Total Fixed Assets	<u>\$ 307,091</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 307,091</u>	<u>\$ 152,349</u>
Accumulated Depreciation	(23,744)	---	---	(23,744)	(33,306)
Net Fixed Assets	<u>\$ 283,347</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 283,347</u>	<u>\$ 119,043</u>
LONG-TERM ASSETS					
Property Held for Resale	\$ 5,500	\$ ---	\$ ---	\$ 5,500	\$ 25,200
Net Loans Receivable	---	601,568	---	601,568	576,682
Less: Current Portion of Loans Receivables	---	(155,253)	---	(155,253)	(139,958)
Pledges Receivable	115,000	50,000	---	165,000	150,000
Less: Current Portion of Pledges Receivable	(85,000)	(50,000)	---	(135,000)	(75,000)
Total Long-Term Assets	<u>\$ 35,500</u>	<u>\$ 446,315</u>	<u>\$ ---</u>	<u>\$ 481,815</u>	<u>\$ 536,924</u>
INTANGIBLE ASSETS					
Website and Software	\$ 12,020	\$ 2,037	\$ ---	\$ 14,057	\$ 14,057
Accumulated Amortization	(10,795)	(2,037)	---	(12,832)	(10,713)
Net Intangible Assets	<u>\$ 1,225</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,225</u>	<u>\$ 3,344</u>
TOTAL ASSETS	<u><u>\$ 2,356,437</u></u>	<u><u>\$ 1,004,339</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ 3,360,776</u></u>	<u><u>\$ 2,421,559</u></u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 88,569	\$ 341	\$ ---	\$ 88,910	\$ 3,789
Accrued Payroll	31,988	---	---	31,988	42,031
Deferred Contract Revenue	---	---	---	---	25,000
Escrow Liabilities	80,897	11,284	---	92,181	117,345
Community Projects Payable	3,035	---	---	3,035	3,035
Earnest Money Payable	4,300	---	---	4,300	22,904
Current Portion of Long-Term Liabilities	---	100,000	---	100,000	120,000
Total Current Liabilities	<u>\$ 208,789</u>	<u>\$ 111,625</u>	<u>\$ ---</u>	<u>\$ 320,414</u>	<u>\$ 334,104</u>
LONG-TERM LIABILITIES					
Lines of Credit	\$ ---	\$ 160,104	\$ ---	\$ 160,104	\$ 200,000
Other Long-Term Liabilities	---	4,503	---	4,503	5,468
Notes Payable	---	62,500	---	62,500	82,500
Less: Current Portion of Long-Term Liabilities	---	(100,000)	---	(100,000)	(120,000)
Total Long-Term Liabilities	<u>---</u>	<u>127,107</u>	<u>---</u>	<u>127,107</u>	<u>167,968</u>
Total Liabilities	<u>\$ 208,789</u>	<u>\$ 238,732</u>	<u>\$ ---</u>	<u>\$ 447,521</u>	<u>\$ 502,072</u>
NET ASSETS					
Unrestricted	\$ 1,008,837	\$ 755,607	\$ ---	\$ 1,764,444	\$ 1,264,964
Temporarily Restricted	1,138,811	10,000	---	1,148,811	654,523
Total Net Assets	<u>\$ 2,147,648</u>	<u>\$ 765,607</u>	<u>\$ ---</u>	<u>\$ 2,913,255</u>	<u>\$ 1,919,487</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,356,437</u></u>	<u><u>\$ 1,004,339</u></u>	<u><u>\$ ---</u></u>	<u><u>\$ 3,360,776</u></u>	<u><u>\$ 2,421,559</u></u>

**ACTS COMMUNITY DEVELOPMENT CORPORATION AND AFFILIATE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)**

	ACTS Community Development	ACTS Lending, Inc.	Eliminations	2017 Total	2016 Total
REVENUE					
Individual Contributions	\$ 183,697	\$ 2,650	\$ ---	\$ 186,347	\$ 100,091
Corporate Contributions	143,007	44,000	---	187,007	67,857
Foundation Grants	1,507,638	375,250	(245,000)	1,637,888	1,120,162
Government Grants	21,987	---	---	21,987	174,000
In-Kind Revenue	52,768	---	---	52,768	45,030
Real Estate Brokerage	227,165	---	---	227,165	314,539
Closing Revenue	4,361	---	---	4,361	62,213
Counseling Fees	61,251	---	---	61,251	150,252
Special Events Revenue	112,186	---	---	112,186	114,568
Special Events Expense	(52,378)	---	---	(52,378)	(60,343)
Program Service Fees	---	7,845	---	7,845	3,828
Loan Interest Income	---	25,096	---	25,096	16,577
Interest Income	698	31	---	729	613
Rental Income	7,800	---	---	7,800	2,677
Staffing Revenue	65,475	---	(65,475)	---	---
Other Revenue	(19,581)	60	(3,993)	(23,514)	157,140
Total Revenue	<u>\$ 2,316,074</u>	<u>\$ 454,932</u>	<u>\$ (314,468)</u>	<u>\$ 2,456,538</u>	<u>\$ 2,269,204</u>
EXPENSES					
Program Services					
Real Estate Brokerage Program	\$ 441,354	\$ ---	\$ ---	\$ 441,354	\$ 601,672
Homebuyer Counseling Program	230,116	---	---	230,116	345,913
Rehab Counseling Program	647,153	---	(314,468)	332,685	347,266
Lending Program	---	88,874	---	88,874	21,313
Management and General	205,651	---	---	205,651	188,961
Fundraising	164,090	---	---	164,090	100,911
Total Expenses	<u>\$ 1,688,364</u>	<u>\$ 88,874</u>	<u>\$ (314,468)</u>	<u>\$ 1,462,770</u>	<u>\$ 1,606,036</u>
CHANGE IN NET ASSETS	\$ 627,710	\$ 366,058	\$ ---	\$ 993,768	\$ 663,168
Net Assets, Beginning of Year	<u>1,519,938</u>	<u>399,549</u>	<u>---</u>	<u>1,919,487</u>	<u>1,256,319</u>
NET ASSETS, END OF YEAR	<u>\$ 2,147,648</u>	<u>\$ 765,607</u>	<u>\$ ---</u>	<u>\$ 2,913,255</u>	<u>\$ 1,919,487</u>

ACTS COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
REVENUE				
Individual Contributions	\$ 139,552	\$ 44,145	\$ 183,697	\$ 100,091
Corporate Contributions	95,007	48,000	143,007	67,857
Foundation Grants	224,845	1,282,793	1,507,638	1,114,162
Government Grants	21,987	---	21,987	174,000
In-Kind Revenue	52,768	---	52,768	45,030
Real Estate Brokerage	227,165	---	227,165	314,539
Closing Revenue	4,361	---	4,361	62,213
Counseling Fees	61,251	---	61,251	150,252
Special Events Revenue	112,186	---	112,186	114,568
Special Events Expense	(52,378)	---	(52,378)	(60,343)
Interest Income	698	---	698	581
Rental Income	7,800	---	7,800	2,677
Staffing Revenue	65,475	---	65,475	35,160
Other Revenue	(19,581)	---	(19,581)	157,140
Net Assets Released from Restriction	880,650	(880,650)	---	---
Total Revenue	<u>\$ 1,821,786</u>	<u>\$ 494,288</u>	<u>\$ 2,316,074</u>	<u>\$ 2,277,927</u>
EXPENSES				
Program Services				
Real Estate Brokerage Program	\$ 441,354	\$ ---	\$ 441,354	\$ 601,672
Homebuyer Counseling Program	230,116	---	230,116	345,913
Rehab Counseling Program	647,153	---	647,153	397,440
Management and General	205,651	---	205,651	188,961
Fundraising	164,090	---	164,090	100,911
Total Expenses	<u>\$ 1,688,364</u>	<u>\$ ---</u>	<u>\$ 1,688,364</u>	<u>\$ 1,634,897</u>
CHANGE IN NET ASSETS	\$ 133,422	\$ 494,288	\$ 627,710	\$ 643,030
Net Assets, Beginning of Year	<u>875,415</u>	<u>644,523</u>	<u>1,519,938</u>	<u>876,909</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,008,837</u></u>	<u><u>\$ 1,138,811</u></u>	<u><u>\$ 2,147,648</u></u>	<u><u>\$ 1,519,939</u></u>

ACTS COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF UNRESTRICTED FUNCTIONAL REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

	Real Estate Brokerage Program	Homebuyer Counseling Program	Rehab Counseling Program	Management and General	Fundraising	2017 Total	2016 Total
REVENUE							
Individual Contributions	\$ ---	\$ ---	\$ ---	\$ ---	\$ 139,552	\$ 139,552	\$ 100,091
Corporate Contributions	4,000	542	---	2,140	88,325	95,007	67,857
Foundation Grants	---	---	---	---	224,845	224,845	491,239
Government Grants	---	12,239	---	9,748	---	21,987	174,000
In-Kind Revenue	15,050	---	---	20,000	17,718	52,768	45,030
Real Estate Brokerage	227,165	---	---	---	---	227,165	314,539
Closing Revenue	4,361	---	---	---	---	4,361	62,213
Counseling Fees	---	61,251	---	---	---	61,251	150,252
Special Events Revenue	---	---	---	---	112,186	112,186	112,568
Special Events Expense	---	---	---	---	(52,378)	(52,378)	(60,343)
Interest Income	555	---	---	143	---	698	581
Rental Income	---	---	---	7,800	---	7,800	2,677
Administration	---	---	65,475	---	---	65,475	35,160
Other Revenue	(25,200)	---	5,308	6	305	(19,581)	157,140
Net Assets Released from Restriction	52,453	141,393	376,122	264,746	45,936	880,650	246,989
Total Revenue	\$ 278,384	\$ 215,425	\$ 446,905	\$ 304,583	\$ 576,489	\$ 1,821,786	\$ 1,899,993

EXPENSES							
Salaries and Wages	\$ 323,817	\$ 116,944	\$ 199,130	\$ 62,567	\$ 93,448	\$ 795,906	\$ 870,806
Payroll Taxes	23,203	9,887	17,074	7,127	8,126	65,417	73,568
Employee Benefits	27,434	10,126	27,293	4,826	10,883	80,562	70,513
Staff Development	747	1,334	2,361	545	316	5,303	5,036
Membership Dues	110	50	299	1,162	747	2,368	3,140
Utilities	11,713	2,163	7,218	2,921	1,261	25,276	33,794
Telephone	2,681	---	---	(460)	---	2,221	10,969
Office Supplies	2,113	915	769	2,310	555	6,662	8,688
Real Estate Fees	7,172	---	---	---	---	7,172	5,819
Closing Expenses	(372)	6,328	---	65	---	6,021	30,889
Cleaning and Maintenance	1,996	2,512	2,245	1,169	1,501	9,423	4,993
Printing	2,019	270	1,077	2,442	7,545	13,353	10,986
Postage	114	68	22	340	2,027	2,571	3,917
Conferences, Conventions and Meetings	1,878	2,886	1,522	5,371	12,033	23,690	11,819
Travel	---	1,800	1	240	3,326	5,367	2,928
Professional Fees	---	---	---	31,400	---	31,400	16,930
Contract Services	2,495	6,735	52,786	59,861	5,301	127,178	51,173
Technology	11,285	5,400	5,756	7,860	6,538	36,839	34,360
Insurance	3,515	4,601	3,451	3,387	2,300	17,254	10,918
Awards and Grants	---	45,971	317,000	---	---	362,971	303,209
Miscellaneous Expenses	586	3,000	4,265	3	2,717	10,571	22,829
Non-Capital Fixed Assets Purchases	18,279	8,367	4,315	8,558	4,494	44,013	33,837
Depreciation and Amortization	569	759	569	3,957	---	5,854	8,170
Advertising and Marketing	---	---	---	---	972	972	5,606
Total Expenses	\$ 441,354	\$ 230,116	\$ 647,153	\$ 205,651	\$ 164,090	\$ 1,688,364	\$ 1,634,897
CHANGE IN NET ASSETS	\$ (162,970)	\$ (14,691)	\$ (200,248)	\$ 98,932	\$ 412,399	\$ 133,422	\$ 265,096

ACTS LENDING, INC.
SCHEDULE OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Summarized Totals for the Year Ended December 31, 2016)

	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
REVENUE				
Individual Contributions	\$ 2,650	\$ ---	\$ 2,650	\$ ---
Corporate Contributions	44,000	---	44,000	---
Foundation Grants	375,250	---	375,250	56,174
Program Service Fees	7,845	---	7,845	3,828
Loan Interest Income	25,096	---	25,096	16,577
Interest Income	31	---	31	32
Other Revenue	60	---	60	---
Total Revenue	<u>\$ 454,932</u>	<u>\$ ---</u>	<u>\$ 454,932</u>	<u>\$ 76,611</u>
EXPENSES				
Salaries and Wages	\$ 65,475	\$ ---	\$ 65,475	\$ 35,160
Professional Fees	5,299	---	5,299	6,400
Office Supplies	35	---	35	221
Postage	827	---	827	---
Information Technology	360	---	360	210
Depreciation Expense	934	---	934	1,019
Interest Expense	3,197	---	3,197	2,439
Bad Debt Expense	9,763	---	9,763	8,639
Closing Expenses	900	---	900	549
Other Expense	2,084	---	2,084	1,836
Total Expenses	<u>\$ 88,874</u>	<u>\$ ---</u>	<u>\$ 88,874</u>	<u>\$ 56,473</u>
CHANGE IN NET ASSETS	\$ 366,058	\$ ---	\$ 366,058	\$ 20,138
Net Assets, Beginning of Year	<u>389,549</u>	<u>10,000</u>	<u>399,549</u>	<u>379,410</u>
NET ASSETS, END OF YEAR	<u>\$ 755,607</u>	<u>\$ 10,000</u>	<u>\$ 765,607</u>	<u>\$ 399,548</u>

OGDEN UT 84201-0038

In reply refer to: 0441861293
Apr. 24, 2009 LTR 4168C E0
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ACTS COMMUNITY DEVELOPMENT
CORPORATION
1445 N 24TH ST
MILWAUKEE WI 53205-1803

010239

Employer Identification Number: 39-1837474
Person to Contact: Erin Johnson
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of Apr. 15, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in July 1996, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,



Rita A. Leete
Accounts Management II