

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
A DIVISION OF APPLE CAPITAL GROUP, INC
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
DECEMBER 31, 2017
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

**APPLE COMMUNITY DEVELOPMENT
CORPORATION, INC
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DECEMBER 31, 2017**

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Michael J Hadzipanajotis, CPA
CPA & Consulting Services

INDEPENDENT AUDIT REPORT

To The Board of Directors of
Apple Community
Development
Corporation, Inc

I have audited the accompanying statements of financial position of Apple Community Development Corporation, Inc as of December 31, 2017, along with the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Auditor's Responsibility

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Apple Community Development Corporation, Inc as of December 31, 2017, along with the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Michael J Hadzipanajotis, CPA

Belmont, MA

August 5, 2019

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017

	2017	2016
ASSETS		
Current Assets		
Cash & Cash Equivalents	21,715	11,764
Due To Shareholder	2,219	482
Grants Receivable	120,000	
Other Current Assets	-	-
Total Current Assets	143,933	12,246
Property & Equipment		
Furniture & Equipment	-	-
Accumulated Depreciation	-	-
Total Property & Equipment	-	-
Other Assets		
	-	-
TOTAL ASSETS	\$ 143,933	\$ 12,246
LIABILITIES & NET ASSETS		
Accounts Payable	-	-
Credit Cards	-	1,064
Other Current Liabilities	-	-
Total Current Liabilities	-	1,064
Long Term Debt	-	-
Total Non Current Liabilities	-	-
Total Liabilities	-	1,064
Net Assets		
Without Donor Restrictions	143,922	11,182
With Donor Restrictions	-	-
Total Net Assets	143,922	11,182
TOTAL LIABILITIES & NET ASSETS	\$ 143,922	\$ 12,246

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

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
STATEMENTS OF ACTIVITIES
DECEMBER 31, 2017

	With Donor Restrictions	Without Donor Restrictions	Total
Year Ended 2017			
Revenue			
Donations	-	-	-
In Kind Grants	-	120,000	120,000
Interest Income	-	-	-
Sales Revenue	-	222,605	222,605
Total Revenue	-	342,605	342,605
Cost of Goods Sold	-	4,980	4,980
Total Gross Margin	-	337,625	337,625
Expense			
Advertising/ Promotional	-	11,530	11,530
Dues & Subscriptions	-	1,161	1,161
Software	-	7,883	7,883
Bank Fees	-	377	377
Commision & Fees	-	43,508	43,508
Contractor	-	27,998	27,998
Insurance	-	6,822	6,822
Rent Expense	-	11,350	11,350
Training	-	1,777	1,777
Meals	-	5,379	5,379
Salary & Benefits	-	57,265	57,265
Office Expense	-	14,999	14,999
Misc Expense	-	14,875	14,875
Total Expense	-	204,924	204,924
Change In Net Assets	-	132,701	132,701

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

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2017

	2017			
	Program Services	Fundraising	Management	Total
Cost of Goods Sold	-	4,980	-	4,980
Advertising/ Promotional	-	11,530	-	11,530
Dues & Subscriptions	-	-	1,161	1,161
Software	-	-	7,883	7,883
Bank Fees	-	-	377	377
Commision & Fees	-	-	43,508	43,508
Contractor	-	-	27,998	27,998
Insurance	-	-	6,822	6,822
Rent Expense	-	-	11,350	11,350
Training	-	-	1,777	1,777
Meals	-	-	5,379	5,379
Salary & Benefits	-	-	57,265	57,265
Office Expense	-	-	14,999	14,999
Misc Expense	-	-	14,875	14,875
Total Expenses	-	16,511	193,393	209,904

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

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC

STATEMENT OF CASH FLOWS

DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Net Revenue	132,701	11,232
Adjustments Needed To Reconcile To Net Cash Provided By Operations:		
Accounts Receivable	(120,000)	-
Accounts Payable	(1,064)	-
Other Current Assets/ Liabilities	(1,687)	532
Net Cash Provided By Operations	9,951	11,764
INVESTING ACTIVITIES		
Depreciation		
Fixed Assets Purchased/Sold	-	-
Net Cash Used By Investing Activities	-	-
FINANCING ACTIVITIES		
Other Financing/ Equity Adjustments	-	-
Net Cash Used By Financing Activities	-	-
Net Cash Increase For Period	9,951	11,764
Cash Beginning Of Period	11,764	-
Cash End Of Period	21,715	11,764

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

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies**

Nature of Activities

Apple Community Development Corporation—Apple CDC—was founded in 2016 in Arlington, Texas. Our mission is to provide technical assistance to non-profit organizations and small businesses, as well as, access to capital and financial literacy programs to home buyers and owners. Apple CDC is a 501(c)(3) non-profit organization serving communities nationwide. We are in the process of applying for our Community Development Financial Institution (CDFI) certification and will be submitting the application by October 2019. Apple Community Development Corporation DROP Inc. Apple Capital Group, Inc., is a Division of Apple Community Development Corporation. Apple Capital originate equipment financing loans for banks, the banks pay us a commission when the deal closes.

Nonprofit Status

As mentioned above, Apple CDC is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c) (3)of the Internal Revenue Code. Donors may deduct contributions made to Coopportunity within the requirements of the Internal Revenue Code. Under Accounting Standards Codification (ASC) Section 740, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize the tax-exempt status. Management of Coopportunity is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements. Apple CDC's federal exempt organization tax returns for the years ended December 31, 2017 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

The following are the more significant accounting policies used in the preparation of the accompanying financial statements:

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(1) **Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)**

Financial Statement Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board. Coopportunity reports information regarding its financial position and activities according to three classes of net assets: without donor restrictions and with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Apple CDC considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in accordance with accounting standards generally accepted in the United States of America 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.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs could have been allocated among the program and supporting services benefited.

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(1) Nature of Activities, Nonprofit Status and Significant Accounting Policies (cont)

Contributed Services and Facilities

Apple CDC records various types of contributed support, including services and facilities. Contributions of tangible and intangible assets are recognized at fair value when received. Coopportunity recognizes certain services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution. The amounts reflected in the accompanying financial statements as contributed services are offset by like amounts included in expenses

Income Taxes

Apple CDC is a nonprofit organization and is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code and a similar section of the state code.

(2) Concentrations of Credit and Market Risk

Apple CDC operates in the greater Arlington, Texas area and is subject to fluctuations in the local economy, which could impact contributions, specifically grants and donations.

Financial instruments that potentially expose the chapter to concentrations of credit and market risk consist primarily of cash and cash equivalents. Cash and cash equivalents are maintained at financial institutions and accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2017, the organization did not observe any uninsured balances at these institutions.

In accordance with ASU 2016-14 (Topic 958), Apple CDC's working capital and cash flows could have seasonal variations during the year attributable to the unknown concentration of contributions received near calendar year-end. To manage liquidity, Coopportunity relies on donations from its founders to cover nominal expenses to cover the overhead of the organization.

As part of Apple CDC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, Coopportunity invests cash in excess of daily requirements in short-term investments.

APPLE COMMUNITY DEVELOPMENT CORPORATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

(3) Property and Equipment

Property & Equipment are stated at cost less accumulated depreciation. Depreciation is computed using straight-line methods of cost recovery over the estimated useful lives of the assets. Expenditures for major renewals and betterments, which extend the useful lives of property and equipment, are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

(4) Subsequent Events

Coportunity has evaluated subsequent events through August 5, 2019 which is the date these financial statements were available to be issued.