CORPORACIÓN MILAGROS DEL AMOR
(CORMA)
(A Non-Profit Organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

CORPORACIÓN MILAGROS DEL AMOR

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TABLE OF CONTENTS

Medero Roldán, LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Sage 300 Authorized Partner

MEMBERS OF:
COLEGIO DE CONTADORES PÚBLICOS
AUTORIZADOS DE PUERTO RICO
AMERICAN INSTITUTE OF CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Corporación Milagros del Amor
Caguas, Puerto Rico

Opinion

We have audited the accompanying statements of financial position of Corporación Milagros del Amor (a Puerto Rico nonprofit Corporation), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corporación Milagros del Amor as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Corporación Milagros del Amor and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporación Milagros del Amor's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Corporación Milagros del Amor's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Corporación Milagros del Amor's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Caguas, Puerto Rico
July 8, 2025

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CORPORACION MILAGROS DEL AMOR

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS	
CURRENT ASSETS	
Cash	$ 182,434
Accounts receivable	15,656
Inventories	9,908
Prepaid expenses	8,793
Total current assets	216,791
PROPERTY AND EQUIPMENT, NET	244,595
OTHER ASSETS	384
TOTAL ASSETS	$ 461,770
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 6,896
Accrued payroll and withholdings	27,628
Total current liabilities	34,524
TOTAL LIABILITIES	34,524
NET ASSETS	
Without donor restrictions	370,184
With donor restrictions	57,062
TOTAL NET ASSETS	427,246
TOTAL LIABILITIES AND NET ASSETS	$ 461,770

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

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES AND OTHER SUPPORT:			
Government Grants and Contracts			
Federal Funds		$ 683,559	$ 683,559
State Funds		38,920	38,920
Private Organizations	$ 60,335	170,501	230,836
General Donations	30,950		30,950
Fund rasing activities	5,685		5,685
Other income	774		774
In-Kind Contribution	299,045		299,045
Total Revenues and Other Support	396,789	892,980	1,289,769
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of Program Restrictions	917,547	(917,547)	-
Total Revenues and Other Support	1,314,336	(24,567)	1,289,769
EXPENDITURES:			
Program Services:			
Supportive Housing	871,734	-	871,734
Homeless Prevention	2,862	-	2,862
Community Outreach	312,670	-	312,670
Total Program Services	1,187,266	-	1,187,266
Support Services:			
General and Administrative	163,554	-	163,554
Total Support Services	163,554	-	163,554
Total Expenditures	1,350,820	-	1,350,820
Changes in Net Assets	(36,484)	(24,567)	(61,051)
NET ASSETS, beginning of year	406,668	81,629	488,297
NET ASSETS, end of year	$ 370,184	$ 57,062	$ 427,246

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

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Net Assets	$ (61,051)
Adjustments to changes in net assets to net cash provided (used) by operating activities:	
Depreciation	26,898
Received In-kind contributions	(299,045)
Provided In-kind products and services	313,909
Changes in asset and liabilities-	
(Increase) Decrease in liabilities:	
Accounts receivable	(15,656)
Prepaid expenses	(3,804)
Increase (Decrease) in liabilities:	
Accounts payable	3,375
Accrued payroll and employees withholdings	615
Net cash used by operating activities	(34,759)
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	-
NET DECREASE IN CASH	(34,759)
CASH, BEGINNING OF YEAR	217,193
CASH, END OF YEAR	$ 182,434

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

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	PROGRAM SERVICES				
	Supportive Housing Programs	Homeless Prevention	Community Outreach	General and Administrative	Total Expenditures
Supportive Services					
Personnel	$ 377,477	$ -	$ 157,969	$ -	$ 535,446
Payroll Taxes	31,820	-	22,650	-	54,470
Fringe benefits	9,750	-		-	9,750
Home rental support	184,928	-		-	184,928
Home utilities support	20,765	-		-	20,765
Other services	140,666	2,855	120,440	-	263,961
	765,406	2,855	301,059	-	1,069,320
Administrative					
Personnel	$ 33,203	$ -	$ 3,950	$ 16,404	$ 53,557
Payroll Taxes	-	-	-	10,389	10,389
Insurance	-	-	-	8,176	8,176
Contractual	6,330	-	2,842	28,440	37,612
Rent and Utilities	62,940			33,973	96,913
Depreciation	-	-		26,898	26,898
Interest and bank	781		228	1,981	2,990
Other Expenses	3,074	7	4,591	37,293	44,965
	106,328	7	11,611	163,554	281,500
Total Expenditures	$ 871,734	$ 2,862	$ 312,670	$ 163,554	$ 1,350,820

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

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE A ORGANIZATION

Corporación Milagros del Amor ("CORMA") was incorporated under the laws of the Commonwealth of Puerto Rico in April 1994, to operate as a non-profit organization. CORMA started its operations in February 1997.

CORMA was organized to improve the quality of life on the needy communities in Caguas, Puerto Rico and surrounding communities throughout activities, projects and programs in education, health, employment, housing, transportation, and recreation among others.

On year 2024, CORMA received approximately 73% of revenues (excluding in-kind contributions) and support funds from federal and state agencies.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

   CORMA prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, expenses and losses are recognized when incurred, and the financial statements reflect all significant receivables, payables, and other liabilities.

2. Use of Estimates

   The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount 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. CORMA regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of presentation
The financial statements have been prepared on the accrual basis of accounting. CORMA reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

- Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

- Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Functional Expense Allocation
The cost of providing the various programs and activities has been summarized on a functional basis in the statement of activities and changes in net assets. Expenses are directly charged to the program activities other than those that benefit multiple functions. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Those expenses include occupancy and administration payroll. Occupancy is allocated weighing the corresponding program expenses to total expenses and administration payroll and independent contractors are allocated based upon hours assigned by administrative staff and contractors.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. In-Kind Contributions for services and products

In-kind contributions represent donated services by volunteer workers to supplement the effort of paid employees fulfilling CORMA's objectives. These services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CORMA.

Also, CORMA received contributions of supplies, clothing, and personal hygiene products received from individuals and private organizations which are recorded at their estimated fair value based on CORMA's estimate of the retail values that would be received for selling the goods in their principal market considering the good's condition and utility for use at the time they are contributed by the donor.

On year 2024, CORMA received $299,045 in contributions from products and services that are included in the financial statements.

CORMA operates its administrative office and one supportive service office from a building that belongs to the First Baptist Church of Caguas. The Church donates the use of that building representing an annual in-kind contribution (included above) of $80,940.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Property and Equipment

Property and equipment are stated at cost, or approximate market value at date acquire if acquired as a gift. It's CORMA's policies to capitalize property and equipment with an initial cost of $300 or over.

Depreciation is calculated using the straight-line method based on the following estimated useful lives:

Leasehold Improvements	15 years
Automobiles	5 years
Equipment, furniture & fixture	5-10 years

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. CORMA periodically reviews these lives relative to physical, economic, and industry factors. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

6. Income taxes

CORMA is exempt from Puerto Rico income taxes under Section 1101.01(a)(2) of the Internal Revenue Code of Puerto Rico of 2011, as amended. Accordingly, no provision for Puerto Rico income taxes has been made. Also, the United States Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Uncertain Tax Positions

CORMA follows the provisions of FASB ASC 740-10, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The FASB ASC 740 required the evaluation of the Organizations income tax position each year to determine whether is more-likely-than-not to be sustained if examined by the applicable taxing authority. The management of CORMA has evaluated its tax position and has concluded that this requirement has no effect on its financial position or changes in its net assets.

8. Cash and Cash Equivalents

For the purpose of the statement of cash flows, CORMA considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

9. Statement of Cash Flows

CORMA prepares its statement of cash flows using the indirect method.

NOTE C CASH

At December 31, 2024, cash consists of the following:

Description	Amount
Eight (8) on-demand deposits non-interest-bearing accounts in one commercial bank	$182,129
Petty Cash	305
	$182,434

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE D ACCOUNTS RECEIVABLE

As of December 31, 2024, CORMA had $15,656 in accounts receivable from a grant in connection with services rendered at year-end outlined in the grant. In January 2025, CORMA received payment for such amount.

NOTE E INVENTORIES

As of December 31, 2024, CORMA had inventories of supplies, clothing, and personal hygiene products received from individuals and private organizations which are recorded at their estimated fair value based on CORMA's estimate of the retail value as follows:

Category	Amount
Clothing	$ 4,081
Supplies and hygiene products	5,827
	$ 9,908

NOTE F PROPERTY AND EQUIPMENT

As of December 31, 2024, property and equipment consists of the following:

Description	Amount
Office equipment	$ 42,317
Furniture and fixtures	107,701
Vehicles	104,164
Leasehold improvements	242,479
Total Property and equipment, at cost	496,661
Less accumulated depreciation	-252,066
Total property and equipment, net	$ 244,595

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE G ACCRUED PAYROLL AND WITHHOLDINGS

Accrued payroll, employees, and service providers withholdings as of December 31, 2024, is presented below:

Description	Amount
Accrued payroll	$14,004
Accrued vacations	11,591
Payroll taxes	1,759
Income tax withheld to service providers	274
Total accrued payroll and withholdings	$27,628

NOTE H RELATED ORGANIZATION

The First Baptist Church of Caguas (FBCC), owns the property in which CORMA perform their programmatic and administrative activities. The use of this facility is recognized within the financial statement. The operating lease value donated is included as contributions and expenses in the Statement of Activities amounting to $80,940 for the year ended December 31, 2024. The Board of Director is composed of a participant from the community served, community members and some members from the FBCC. FBCC provided during the year approximately 30% of the donations without restrictions presented in the Statement of Activities which were used for general operating purposes.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE I NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. During the year ended December 31, 2024, the amount of net assets released from restrictions aggregated $917,547. Such net assets were contributed to the Entity through conditional government programs and private contributions in the form of reimbursement grants and awards, which are recorded as temporarily restricted revenues until specified conditions are met.

In addition, CORMA had signed grant contracts for which their conditions had not expired or met as of December 31, 2024 amounting to $279,787. The grants are expected to expire, and their conditions met during year 2025. When conditions are met, the corresponding revenue is recognized.

Funds were received by CORMA, to provide services to homeless individuals and/or families, and persons at risk of becoming homeless, persons with disabilities, mentally ill, women victims of family violence and drug users and school drop-outs population. The funds received during the year 2024, by Activity Programs are as follows:

Supportive Housing:

- Homelessness Assistance grants (Continuum of Care Program) directly received from the U.S. Department of Housing and Urban Development

Homeless Prevention / Rapid Rehousing:

- Private and General Donations

Community Outreach:

- Legislative Fund – Passed through “Comisión Especial Conjunta de Donativos Legislativos”

- United Way

- Private and General Donations and Contributions

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE J CONTINGENCIES

CORMA participated in a number of state and federally assisted grant programs. These grants are subject to audits by and/or on behalf of grantors to assure compliance with grant provisions. The final determination regarding the allowability of these costs will be determined by the awarding agencies and accordingly, the amount of expenditures classified as disallowed, if any, will be established at some future date.

No provision has been made for any liabilities which may arise from such audits since the amount, if any, cannot be determined at this date.

NOTE K LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CORMA manages its liquidity following these guiding principles: operating within a prudent range of financial stability and maintaining adequate liquidity to fund near-term operations. The following table reflects CORMA's financial assets (cash and accounts receivable) as of December 31, 2024 reduced by amounts not available for general expenditures within one year:

	Amount
Total financial assets	$198,090
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	-57,062
Financial assets available to meet cash needs for general expenditures within one year	$141,028

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2024

NOTE L - SUBSEQUENT EVENT

CORMA evaluated subsequent events through July 8, 2025, which is the same date the financial statements were available to be issued. There were no additional subsequent events requiring adjustment to the financial statements or disclosures as stated herein.