

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

FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2025
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

CORPORACIÓN MILAGROS DEL AMOR

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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, 2025, 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, 2025, 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.

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.

Medero Roldán, LLC

Caguas, Puerto Rico
June 25, 2026



DLLC6-97

CORPORACION MILAGROS DEL AMOR

**CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025**

ASSETS

CURRENT ASSETS

Cash	\$ 138,923
Accounts receivable	26,792
Inventories	24,367
Prepaid expenses	16,591
Total current assets	<u>206,673</u>

PROPERTY AND EQUIPMENT, NET

231,483

OTHER ASSETS

384

TOTAL ASSETS

\$ 438,540

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 3,873
Credit card payable	7,740
Accrued payroll and withholdings	48,117
Total current liabilities	<u>59,730</u>

TOTAL LIABILITIES

59,730

NET ASSETS

Without donor restrictions	342,563
With donor restrictions	<u>36,247</u>

TOTAL NET ASSETS

378,810

TOTAL LIABILITIES AND NET ASSETS

\$ 438,540

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, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<u>REVENUES AND OTHER SUPPORT:</u>			
Government Grants and Contracts			
Federal Funds		\$ 742,355	\$ 742,355
State Funds		108,409	108,409
Private Organizations	\$ 159,370		159,370
General Donations	43,697		43,697
Fund raising activities			-
Other income	3,172		3,172
In-Kind Contribution	338,360		338,360
Total Revenues and Other Support	544,599	850,764	1,395,363
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
Satisfaction of Program Restrictions	871,579	(871,579)	-
Total Revenues and Other Support	1,416,178	(20,815)	1,395,363
<u>EXPENDITURES:</u>			
Program Services:			
Supportive Housing	1,021,448	-	1,021,448
Homeless Prevention	3,460	-	3,460
Community Outreach	259,828	-	259,828
Total Program Services	1,284,736	-	1,284,736
Support Services:			
General and Administrative	159,063	-	159,063
Total Support Services	159,063	-	159,063
Total Expenditures	1,443,799	-	1,443,799
Changes in Net Assets	(27,621)	(20,815)	(48,436)
<u>NET ASSETS, beginning of year</u>	370,184	57,062	427,246
<u>NET ASSETS, end of year</u>	\$ 342,563	\$ 36,247	\$ 378,810

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

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in Net Assets	\$ (48,436)
Adjustments to changes in net assets to net cash provided (used) by operating activities:	
Depreciation	20,300
Received In-kind contributions	(338,360)
Provided In-kind products and services	323,901
Changes in asset and liabilities-	
(Increase) Decrease in liabilities:	
Accounts receivable	(11,136)
Prepaid expenses	(7,798)
Increase (Decrease) in liabilities:	
Accounts payable	4,717
Accrued payroll and employees withholdings	20,489
Net cash used by operating activities	(36,323)

CASH FLOWS FROM INVESTING ACTIVITIES

Equipment acquisitions	(7,188)
Net cash used by investing activities	(7,188)

CASH FLOWS FROM FINANCING ACTIVITIES

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NET DECREASE IN CASH

	(43,511)
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CASH, BEGINNING OF YEAR

	182,434
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CASH, END OF YEAR

	\$ 138,923
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The accompanying notes are an integral part of these financial statements.

CORPORACIÓN MILAGROS DEL AMOR
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	PROGRAM SERVICES				
	Supportive Housing Programs	Homeless Prevention	Community Outreach	General and Administrative	Total Expenditures
<u>Supportive Services</u>					
Personnel	\$ 395,525	\$ -	\$ 126,672	\$ -	\$ 522,197
Payroll Taxes	42,181	-	29,921	-	72,102
Fringe benefits	10,250	-	125	-	10,375
Home rental support	205,479	-	-	-	205,479
Home utilities support	44,576	-	-	-	44,576
Other services	<u>207,822</u>	<u>3,460</u>	<u>98,688</u>	<u>-</u>	<u>309,970</u>
	905,833	3,460	255,406	-	1,164,699
<u>Administrative</u>					
Personnel	\$ 38,523	\$ -	\$ -	\$ 28,442	\$ 66,965
Payroll Taxes	-	-	-	3,561	3,561
Insurance	-	-	-	13,034	13,034
Contractual	5,140	-	1,450	23,367	29,957
Rent and Utilities	60,940	-	-	41,615	102,555
Depreciation	-	-	-	20,300	20,300
Interest and bank	545	-	346	3,276	4,167
Other Expenses	<u>10,467</u>	<u>-</u>	<u>2,626</u>	<u>25,468</u>	<u>38,561</u>
	115,615	-	4,422	159,063	279,100
Total Expenditures	<u>\$ 1,021,448</u>	<u>\$ 3,460</u>	<u>\$ 259,828</u>	<u>\$ 159,063</u>	<u>\$ 1,443,799</u>

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

CORPORACIÓN MILAGROS DEL AMOR**NOTES TO FINANCIAL STATEMENTS****Year Ended December 31, 2025****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 2025, CORMA received approximately 80% 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, 2025

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, 2025****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 2025, CORMA received \$338,360 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, 2025

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 CORMA is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2025

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, 2025, cash consists of the following:

<u>Description</u>	<u>Amount</u>
Eight (8) on-demand deposits non-interest-bearing accounts in one commercial bank	\$138,618
Petty Cash	305
	<u>\$138,923</u>

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2025

NOTE D ACCOUNTS RECEIVABLE

As of December 31, 2025, CORMA had \$26,792 in accounts receivable from a grant in connection with services rendered at year-end outlined in the grant. In January 2026, CORMA received payment for such amount.

NOTE E INVENTORIES

As of December 31, 2025, 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:

<u>Category</u>	<u>Amount</u>
Clothing	\$ 7,242
Supplies and hygiene products	<u>17,125</u>
	<u>\$ 24,367</u>

NOTE F PROPERTY AND EQUIPMENT

As of December 31, 2025, property and equipment consists of the following:

<u>Description</u>	<u>Amount</u>
Office equipment	\$ 42,317
Furniture and fixtures	114,889
Vehicles	104,164
Leasehold improvements	<u>242,479</u>
Total Property and equipment, at cost	503,849
Less accumulated depreciation	<u>-272,366</u>
Total property and equipment, net	<u>\$231,483</u>

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2025

NOTE G ACCRUED PAYROLL AND WITHHOLDINGS

Accrued payroll, employees, and service providers withholdings as of December 31, 2025, is presented below:

<u>Description</u>	<u>Amount</u>
Accrued payroll	\$18,923
Accrued vacations	18,167
Payroll taxes	9,992
Retirement plan	<u>1,035</u>
Total accrued payroll and withholdings	<u>\$48,117</u>

NOTE H - CREDIT CARD PAYABLE

CORMA has an institutional credit card with the following terms and balance as of December 31, 2025. Interest rates apply when the outstanding balance is not paid within the cut-off cycle:

<u>Credit card type</u>	<u>Interest rates on Purchases / Advances</u>	<u>Credit line</u>	<u>Owed Balance</u>
Visa	19.49% / 28.49%	\$62,000	\$7,740

NOTE I 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, 2025. 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 21% 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, 2025

NOTE J 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, 2025, the amount of net assets released from restrictions aggregated \$871,579. 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, 2025 amounting to \$611,665. The grants are expected to expire, and their conditions met during year 2026. 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 2025, 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
- HOME Investment Partnership Program grant under the American Rescue Plan Act ("ARPA") directly received from the Municipality of Caguas

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, 2025****NOTE K RETIREMENT SAVINGS PLAN**

In June 2025 CORMA elected to participate in the American Baptist Churches Savings Plan for Puerto Rico ("Plan"). A retirement plan qualified under applicable provisions of the Puerto Rico Internal Revenue Code of 2011, as amended. The Plan covers all employees that voluntarily elect to participate. CORMA elected to use the eligibility rules set forth in Section 3.01 of the Plan which generally provides that an individual is eligible to participate in the Plan if he/she is a resident of Puerto Rico.

Employer annual contributions are discretionary and may be 16% of the employee compensation. For the year 2025, CORMA did not make contributions to employees who voluntarily contributed part of their compensation to the Plan.

NOTE L 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.

CORPORACIÓN MILAGROS DEL AMOR

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2025

NOTE M 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, 2025 reduced by amounts not available for general expenditures within one year:

	<u>Amount</u>
Total financial assets	\$165,715
Less those unavailable for general expenditure within one year due to:	
Purpose restrictions	<u>-36,247</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$129,468</u>

Also, for year ended December 31, 2025 administrative expenses not charged to direct programs services represented 11% of the total expenses.

NOTE N - SUBSEQUENT EVENT

CORMA evaluated subsequent events through June 25, 2026, 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.