

Financial Statements

MIRACLE OF LOVE, INC.

June 30, 2025 and 2024

MIRACLE OF LOVE, INC.

Financial Statements

June 30, 2025 and 2024

(With Independent Auditor's Report Thereon)

MIRACLE OF LOVE, INC.

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Independent Auditor's Report

The Board of Directors
Miracle of Love, Inc.:

Opinion

We have audited the accompanying financial statements of Miracle of Love, Inc., which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years 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 Miracle of Love, Inc. as of June 30, 2025 and 2024, and the related statements of activities, changes in net assets, functional expenses and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Miracle of Love, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Miracle of Love, Inc.'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 and *Government 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 and *Government 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 Miracle of Love, Inc.'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 Miracle of Love, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Miracle of Love, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 2025 on our consideration of Miracle of Love, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Miracle of Love, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Miracle of Love, Inc.'s internal control over financial reporting and compliance.

Other Matters

Our audit was performed for the purpose of forming an opinion on the financial statements of Miracle of Love, Inc., taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, is required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Schaefer, Tschoy, Whittemut, Mitchell & Shuilen, LLP

October 13, 2025
Maitland, Florida

MIRACLE OF LOVE, INC.

Statements of Financial Position

June 30, 2025 and 2024

Assets

	<u>2025</u>	<u>2024</u>
Current assets:		
Cash and cash equivalents	\$ -	225,884
Accounts receivable	724,451	754,683
Other assets	3,795	3,795
Total current assets	<u>728,246</u>	<u>984,362</u>
Property and equipment:		
Land	60,000	60,000
Building and building improvements	279,285	279,285
Furniture and equipment	292,722	333,227
Vehicles	62,900	62,900
Less: accumulated depreciation	<u>(374,563)</u>	<u>(368,420)</u>
Total property and equipment	<u>320,344</u>	<u>366,992</u>
Total assets	<u><u>\$ 1,048,590</u></u>	<u><u>1,351,354</u></u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued expenses	\$ 289,886	167,720
Deferred revenue	-	216,500
Line of credit (note 4)	155,000	258,227
Total current liabilities	<u>444,886</u>	<u>642,447</u>
Total liabilities	444,886	642,447
Lease commitments (note 5)		
Net assets without donor restrictions	<u>603,704</u>	<u>708,907</u>
Total liabilities and net assets	<u><u>\$ 1,048,590</u></u>	<u><u>1,351,354</u></u>

See accompanying notes to financial statements.

MIRACLE OF LOVE, INC.

Statements of Activities

Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Support, grants and revenue:		
Support:		
Public support	\$ 11,643	\$ 14,595
Special events - net of direct benefit to donor costs of \$48,865 and \$78,221 respectively	47,390	151,235
Total Support	<u>59,033</u>	<u>165,830</u>
Grants:		
Department of Health and Human Services:		
Ryan White HIV/AIDS Treatment Extension Act Orange County Florida - Health Services Department:		
Ryan White Part A Program:		
Medical Case Management (MCM)	772,332	857,033
Referral for Health Care and Support Services	533,751	550,530
Transportation	33,983	25,714
Total Ryan White Part A Program	<u>1,340,066</u>	<u>1,433,277</u>
Ryan White - Ending the HIV Epidemic	514,001	768,868
Heart of Florida United Way/State of Florida DOH:		
Ryan White Part B - Early Intervention Services	50,306	49,527
SAMHSA grant - Projects of Regional and National Significance	89,794	98,136
Centers for Disease Control and Prevention:		
Perinatal Prevention (TOPWA)	155,000	155,000
High Impact Prevention (HIP)	375,000	375,000
HIV Testing During Non-traditional Hours	-	83,333
Total Centers for Disease Control Prevention	<u>530,000</u>	<u>613,333</u>
Subtotal - Department of Health and Human Services	<u>2,524,167</u>	<u>2,963,141</u>
Department of Housing and Urban Development:		
City of Orlando/Orange County Florida:		
Housing Opportunities for Persons with AIDS:		
Supportive Services/Case Management and Admin	418,273	420,693
Permanent Housing Placement	199,973	177,546
Short-term Rent, Mortgage, Utilities (STRMU) and Tenant-Based Rental Assistance (TBRA)	1,108,626	895,525
Short-term Supported Housing	25,947	44,054
Total Housing Opportunitites for Persons with AIDS	<u>1,752,819</u>	<u>1,537,818</u>
Emergency Solutions Grant	-	31,150
Subtotal - Department of Housing and Urban Development	<u>1,752,819</u>	<u>1,568,968</u>
ViiV Healthcare grant	<u>100,000</u>	<u>-</u>
Fiscal sponsorships (note 6):		
Divas in Dialogue	203,076	164,735
Total fiscal sponsorships	<u>203,076</u>	<u>164,735</u>
Other grants	<u>219,098</u>	<u>87,240</u>
Total Grants	<u>4,799,160</u>	<u>4,784,084</u>
Revenue:		
Interest income	4,530	2,149
Other income	39,687	7,654
Total Revenue	<u>44,217</u>	<u>9,803</u>
Total Support, Grants and Revenue	<u>4,902,410</u>	<u>4,959,717</u>
Expenses:		
Program Services	4,347,936	4,444,565
Supporting Services:		
Management and General	632,516	646,909
Fundraising	27,161	38,890
Total Expenses	<u>5,007,613</u>	<u>5,130,364</u>
Change in net assets	(105,203)	(170,647)
Net assets, beginning of year	708,907	879,554
Net assets, end of year	<u>\$ 603,704</u>	<u>\$ 708,907</u>

See accompanying notes to financial statements.

MIRACLE OF LOVE, INC.

Statements of Functional Expenses

Years ended June 30, 2025 and 2024

	2025				2024			
	Program Services	Supporting Services Management and General	Fund-Raising	Total Expenses	Program Services	Supporting Services Management and General	Fund Raising	Total Expenses
Salaries and wages	\$ 1,707,001	405,413	21,338	2,133,752	1,787,367	424,500	22,342	2,234,209
Employee benefits	228,552	54,281	2,857	285,690	231,702	55,029	2,896	289,627
Payroll processing fees	2,476	588	31	3,095	2,865	680	36	3,581
Payroll taxes	126,573	30,061	1,582	158,216	131,198	31,160	1,640	163,998
Office supplies	112,219	28,055	-	140,274	119,621	29,905	-	149,526
Telephone	56,396	14,099	-	70,495	47,918	11,979	-	59,897
Postage and shipping	2,055	514	-	2,569	1,850	462	-	2,312
Occupancy costs	85,884	21,471	-	107,355	76,484	19,121	-	95,605
Specific client assistance	1,543,588	-	-	1,543,588	1,629,339	-	-	1,629,339
Program incentives	105,730	-	-	105,730	77,847	-	-	77,847
Equipment rental and maintenance	98,563	24,641	-	123,204	109,376	27,344	-	136,720
Travel and meals	32,458	8,115	-	40,573	17,754	4,439	-	22,193
Conferences and meetings	-	-	-	-	3,460	865	-	4,325
Insurance	36,500	9,125	-	45,625	22,346	5,587	-	27,933
Accounting, legal and consulting fees	108,243	25,708	1,353	135,304	82,432	23,352	11,976	117,760
Licenses and permits	6,584	-	-	6,584	5,056	-	-	5,056
Advertising and promotions	2,804	-	-	2,804	7,517	-	-	7,517
Dues and subscriptions	6,724	-	-	6,724	4,645	-	-	4,645
Hospitality	13,846	-	-	13,846	10,779	-	-	10,779
Continuing education	9,129	-	-	9,129	783	-	-	783
Interest and bank charges	20,825	-	-	20,825	24,278	-	-	24,278
Other expenses	817	203	-	1,020	74	18	-	92
Total expenses before depreciation	4,306,967	622,274	27,161	4,956,402	4,394,691	634,441	38,890	5,068,022
Depreciation	40,969	10,242	-	51,211	49,874	12,468	-	62,342
Total expenses	\$ 4,347,936	632,516	27,161	5,007,613	4,444,565	646,909	38,890	5,130,364

See accompanying notes to financial statements.

MIRACLE OF LOVE, INC.

Statements of Cash Flows

Years ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Change in net assets	\$ (105,203)	\$ (170,647)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	51,211	62,342
Changes in operating assets and liabilities:		
Accounts receivable	30,232	268,748
Accounts payable and accrued expenses	122,166	(155,834)
Bank overdraft	-	-
Deferred revenue	(216,500)	216,500
Cash provided by (used in) operating activities	<u>(118,094)</u>	<u>221,109</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(4,563)</u>	<u>(13,452)</u>
Cash used in investing activities	<u>(4,563)</u>	<u>(13,452)</u>
Cash flows from financing activities:		
Net borrowings on line of credit	<u>(103,227)</u>	<u>18,227</u>
Cash provided by (used in) financing activities	<u>(103,227)</u>	<u>18,227</u>
Change in cash and cash equivalents	(225,884)	225,884
Cash and cash equivalents at beginning of year	<u>225,884</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 225,884</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 20,271</u>	<u>\$ 24,114</u>

See accompanying notes to financial statements.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(1) Organization

Miracle of Love, Inc. (the Organization) was formed in June 1997 under the laws of the State of Florida. The Organization received a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code in June 1998. The mission of Miracle of Love, Inc. is to provide comprehensive, multicultural HIV/AIDS care, education and prevention services that are effective and responsive to the Central Florida communities.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole and presents balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

Under generally accepted accounting principles, contributions are generally recognized as revenue when the gift is made and are recorded as with or without donor restrictions, depending on the presence or absence and type of donor-imposed restrictions or conditions.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) Summary of Significant Accounting Policies (Continued)

(a) Basis of Presentation (Continued)

The Organization's resources as presented on the statements of activities and changes in net assets include support, grants and revenue. Support such as public support, contributions and grants are unconditional gifts to the Organization of cash or other assets in a voluntary nonreciprocal transfer by another entity. Revenue consists of fees earned for the performance of Organization services, investment income consisting of interest, gains or losses from activities that are peripheral or incidental to the Organization and are reported net, rental income and other income.

Support, grants and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses and losses are reported as decreases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expirations of temporary restrictions on 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. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

Contributions, including unconditional promises to give, less an allowance for uncollectible accounts, are recognized as revenue in the period made or received. Pledges are recorded as unconditional promises to give and temporarily restricted net assets in the period that notification is received. Pledges are discounted, using a market discount rate, to present value for collections expected in future years. Accretion of the discount in subsequent years is also recorded as contribution revenue. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Organization also receives indications of intent to support, which are commitments that are open-ended and subject to unilateral change by the donor. The amounts are not measurable since the commitments do not express a term or period. Thus, they are not considered to be unconditional promises to give and are not recognized prior to the receipt of the contribution.

Contributions of assets, materials, and use of facilities are recorded at their estimated fair value at the date of gift. Such values are recorded in the financial statements as an asset or expense and revenue. In addition, the Organization receives contributed time related to various program services. These contributed services are recorded at their estimated fair value at the date of service if they meet the following criteria: (a) the services would have otherwise been purchased by the Organization, and (b) the services required specialized skills.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) Summary of Significant Accounting Policies (Continued)

(a) Basis of Presentation (Continued)

Contributed services are recorded in the financial statements as an asset or expense and revenue related to the service. For the year ended June 30, 2025, the Organization received no in-kind contributions of assets, materials, use of facilities or services.

A substantial number of unpaid volunteers have donated significant amounts of their time to the Organization's program operations, fundraising campaigns, and administrative services. However, due primarily to the nature of the services provided, they have not been reflected in the accompanying financial statements.

(b) Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(c) Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts and are recorded net of contractual adjustments and an allowance for doubtful accounts. The allowance for doubtful accounts is estimated by management based on the Organization's prior years' experience and a review of the current status of the existing receivables. Adjustments to the allowance for doubtful accounts are recorded to an expense account. When management determines that a receivable is uncollectible, it is removed from accounts receivable and is charged to the allowance for doubtful accounts.

(d) Property and Equipment

Property and equipment are stated at cost (for those items purchased) and fair market value at date of receipt (for those items donated). All property expenditures in excess of \$500 are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. Depreciation is provided on a straight-line basis over the following estimated useful lives of the assets:

<u>Asset</u>	<u>Life</u>
Building and building improvements	7 to 40 years
Furniture and office equipment	3 to 7 years

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) Summary of Significant Accounting Policies (Continued)

(e) Income Taxes

The Organization is exempt from federal income tax under provision of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of June 30, 2025, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization’s income tax returns are subject to review and examination by federal authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2022 to 2024 are open to examination by federal authorities.

(f) Use of 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.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) **Summary of Significant Accounting Policies (Continued)**

(g) **Fair Value of Financial Instruments, Concentration of Business and Credit Risks**

The Organization's financial instruments are cash and cash equivalents, accounts receivable, other assets, accounts payable and accrued expenses and a line of credit.

The recorded values of cash and cash equivalents, accounts receivable, other assets and accounts payable and accrued expenses approximate fair value based on their short-term nature.

The carrying amount reported in the accompanying statement of financial position for the line of credit approximates fair value because actual interest rates do not significantly differ from current rates offered for instruments with similar characteristics.

The Organization has a single mission in a limited geographic region subjecting the Organization to risks of changes in the demographics of its target area.

Substantially all of the Organization's support is received directly or from pass-through entities that manage federal grants. There is a risk that grant funds will not be available in the future to support AIDS services and prevention or, if grants are available, that the Organization may not be the recipient of sufficient funds to continue operations.

Grants and contracts receivable arise as a result of agreements with third parties to provide specified services. The grants and contracts are monitored on a monthly basis and are not collateralized.

The Organization maintains its cash in a deposit account at a financial institution which is insured up to \$250,000 by the U.S. Federal Deposit Insurance Corporation (FDIC). As of June 30, 2025, there were no amounts in excess of the federally insured deposit limit.

(h) **Functional Allocation of Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated by the Organization's management among the programs and supporting services benefited. These costs are allocated by the Organization's management based upon actual time involved and a percentage of assets utilized.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) Summary of Significant Accounting Policies (Continued)

(i) Fair Value Measurements

The Organization has adopted accounting standards for fair value measurements, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements of assets and liabilities to include disclosure about inputs used in the determination of fair value using the three categories listed below.

These accounting standards apply under other accounting pronouncements previously issued by the Financial Accounting Standards Board, or FASB, which require or permit fair measurements. The adoption of the accounting standards did not impact the Committee's financial position or results of operations.

Fair value is defined under "Fair Value Measurements and Disclosures," FASB Accounting Standards Codification Topic 820 (Topic 820) as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Topic 820 also establishes a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of inputs to the valuation methodology are:

Level 1: quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2: quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability.

Level 3: unobservable and significant to the fair value measurement of the asset or liability.

At June 30, 2025, the Organization had no financial instruments that require additional disclosure.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(2) Summary of Significant Accounting Policies (Continued)

(j) Long-Lived Assets

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

In accordance with “Property, Plant and Equipment – Impairment or Disposal of Long-Lived Assets,” FASB Accounting Standards Codification Topic 360 (Topic 360), long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market value and third-party independent appraisals, as considered necessary. No impairment charges have been recorded in the accompanying financial statements related to long-lived assets.

(j) Subsequent Events

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through October 13, 2025, which is the date the financial statements were available to be issued.

(3) Liquidity and Availability

As of June 30, 2025, the Organization has \$724,451 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization’s financial assets as of June 30, 2025.

Accounts receivable	<u>\$ 724,451</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 724,451</u>

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(4) Line of Credit

The Organization has a line of credit agreement (the “Agreement”), providing up to \$260,000 of borrowings. The agreement provides for interest to be payable monthly at the prime rate plus .75% (8.25% at June 30, 2025), but no less than 4.5%, and is collateralized by a blanket lien on all assets. The outstanding balance at June 30, 2025 and 2024 was \$155,000 and \$258,227, respectively.

(5) Leases

The Organization has not assessed a rental fee for the property located at 1301 W. Colonial Dr. Orlando, FL 32804, in accordance with our agreement with CAN Community Health. The partnership agreement between the Organization and CAN Community Health includes specific language addressing ownership, which is based on a percentage of the partnership’s earnings.

The Organization leases office space for case management for the Ryan White Program in Orange County, Florida, Lake County, Florida and Kissimmee, Florida that are one year leases. The leases are accounted for as operating leases. Rent is determined on an annual basis and totaled approximately \$93,000 and \$82,000 for the years ended June 30, 2025 and 2024, respectively.

(6) Fiscal Sponsorships

The Organization acts as a fiscal sponsor to two groups, Bros in Convo and Divas in Dialogue, which engage in activities that are consistent with the Organization’s mission. The Organization accepts tax-deductible donations on behalf of fiscally sponsored groups and administers the expenditures of those funds for designated tax-exempt charitable purposes. Fiscal sponsorship support is offered on a case by case basis, in situations in which there is no appropriate community-based 501(c)(3) organization that could otherwise act as a fiscal sponsor.

The Organization’s fiscal sponsorship of community groups is a temporary arrangement, during which time groups are expected to work towards obtaining their own 501(c)(3) designations. For this reason, fiscal sponsorship arrangements will have a specific end date. If at the end of the sponsorship period a group has failed to become a 501(c)(3), and there are unspent funds, the funds will be returned to the source. Otherwise, any unused funds will be retained by the Organization and used to support the Organization’s mission-related programs. In addition, should an account show no activity for a one-year period, the account will be terminated and all remaining funds in the account will be spent by the Organization on mission-related activities.

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(6) Fiscal Sponsorships (Continued)

The Organization’s fiscal sponsorship of groups are generally on an on-going basis. The Organization accepts funds on behalf of these organizations for specific programs related to HIV/AIDS. In all cases, the Organization has variance power over the fiscal sponsorship contributions it receives. The Organization records grants and contracts as contribution revenue or program service revenue and expenditures as program service expense on the statement of activities. Unused funds for contributions are recorded in net assets with donor restrictions. As of June 30, 2025 and 2024, net assets with donor restrictions held for fiscal sponsorship of these groups’ programs were \$0.

Fiscal sponsorship receipts were received from the following:

	<u>2025</u>	<u>2024</u>
<u>Divas in Dialogue:</u>		
Office Minority Health	\$ 50,000	50,000
World of Wonder	28,076	39,444
Unrestricted	-	291
DOH - OA235	75,000	75,000
Arcus Foundation	50,000	-
	<u>\$ 203,076</u>	<u>164,735</u>

The following is a summary of fiscal sponsor activity as of and for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Fiscal sponsorships included as part of net assets with donor restrictions, beginning of year.	\$ -	-
Add: restricted revenue for fiscal sponsorships.	203,076	164,735
Less: net assets released from restrictions for fiscal sponsorships.	<u>(203,076)</u>	<u>(164,735)</u>
Net increase (decrease) in fiscal sponsorship funds.	-	-
Fiscal sponsorships included as part of net assets with donor restrictions, end of year.	<u>\$ -</u>	<u>-</u>

MIRACLE OF LOVE, INC.

Notes to Financial Statements

Years ended June 30, 2025 and 2024

(7) **Simple IRA Retirement Plan**

The Organization sponsors a Simple IRA retirement plan covering qualified employees, as defined. The Organization matches the employee's contribution 2% of the eligible employee's compensation. The Organization contributed approximately \$42,000 and \$45,000 in matching Simple IRA contributions for the fiscal years ended June 30, 2025 and 2024, respectively.

SUPPLEMENTAL DATA

Schedule of Expenditures of Federal Awards

MIRACLE OF LOVE, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2025

Federal Agency/Program Title	Federal ALN Number	Contract Number	Pass-through Grantor	Periods of Awards	Amount of Award	Federal Expenditures
Department of Health and Human Services:						
Substance Abuse and Mental Health Services (SAMHSA) Projects of Regional and National Significance	93.243	Y23-2400	(1)	9/1/23-8/31/24	149,000	\$ 17,881
	93.243	Y23-2400	(1)	9/1/24-8/31/25	149,000	71,913
						<u>\$ 89,794</u>
Funding the HIV Epidemic: A Plan For America	93.686	Y23-2501	(1)	3/1/24-2/28/25	1,200,000	\$ 514,001
						<u>\$ 514,001</u>
HIV Emergency Relief Project Grants, Part A of the Ryan White HIV/AIDS Treatment Extension Act of 2009	93.914	Y23-2503C	(1)	3/1/24-2/28/25	1,409,476	\$ 885,333
	93.914	Y23-2503C	(1)	3/1/25-2/29/26	1,409,476	454,733
						<u>\$ 1,340,066</u>
HIV Care Formula Grants, Part B of the Ryan White HIV/AIDS Treatment Extension Act of 2009	93.917	CODTZ-7	(4)(2)	4/1/24-3/31/25	51,450	\$ 39,270
	93.917	CODTZ-7	(4)(2)	4/1/25-9/30/25	143,502	11,034
						<u>\$ 50,304</u>
HIV Prevention Activities - Health Department Based Centers for Disease Control and Prevention						
High Impact Prevention	93.940	CODOY	(2)	1/1/24-12/31/24	375,000	\$ 187,500
High Impact Prevention	93.940	CODOY	(2)	1/1/25-6/30/25	375,000	187,500
						<u>\$ 375,000</u>
HIV Perinatal Prevention (TOPWA)	93.940	CODTE	(2)	1/1/24-12/31/26	465,000	\$ 155,000
						<u>\$ 155,000</u>
PrEP - HIV Prevention	93.940	OA-235	(2)	5/1/24-4/30/25	75,000	\$ 62,500
PrEP - HIV Prevention	93.940	OA-235	(2)	5/1/25-4/30/26	75,000	12,500
						<u>\$ 75,000</u>
PrEP - HIV Prevention	93.940	SOW24-246	(2)	7/1/24-6/30/25	50,000	\$ 50,000
						<u>\$ 655,000</u>
Subtotal - Department of Health and Human Services						<u>\$ 2,649,165</u>
Department of Housing and Urban Development:						
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	Y20-1032E	(3) (1)	10/1/23-9/30/24	1,953,106	\$ 407,394
	14.241	Y23-2506E	(3) (1)	10/1/24-9/30/25	1,953,106	1,345,425
						<u>\$ 1,752,819</u>
Subtotal - Department of Housing and Urban Development						<u>\$ 1,752,819</u>
Total Federal Awards						<u>\$ 4,401,984</u>

Key to Pass-Through Entity Identification:

- (1) Orange County Florida - Health Services Department
- (2) State of Florida - Department of Health
- (3) City of Orlando
- (4) Heart of Florida United Way
- (5) Housing Services Network of Central Florida

MIRACLE OF LOVE, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2025

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Miracle of Love, Inc., under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of Miracle of Love, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Miracle of Love, Inc.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Miracle of Love, Inc. has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Miracle of Love, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Miracle of Love, Inc., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 13, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Miracle of Love, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Miracle of Love, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Miracle of Love, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miracle of Love, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schaefer, Tschoy, Whitcomb, Mitchell & Shulman, LLP

October 13, 2025
Maitland, Florida

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Miracle of Love, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Miracle of Love, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Miracle of Love, Inc.'s major federal programs for the year ended June 30, 2025. Miracle of Love, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Miracle of Love, Inc.'s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further describe in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Miracle of Love, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide for a legal determination of Miracle of Love, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Miracle of Love, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Miracle of Love, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Miracle of Love, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Miracle of Love, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Miracle of Love, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Miracle of Love, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Schaefer, Tschoff, Whitcomb, Mitchell & Shuilen, LLP

October 13, 2025
Maitland, Florida

Miracle of Love, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

I. Summary of the Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Miracle of Love, Inc.
2. No significant deficiencies or material weaknesses were disclosed during the audit of compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.
3. No instances of noncompliance material to the financial statements of Miracle of Love, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses were disclosed during the audit of compliance with requirements applicable to each major program and internal control over compliance in accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major Federal award programs for Miracle of Love, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major Federal award program for Miracle of Love, Inc. that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs were:

Department of Health and Human Services ALN # 93.914 - HIV Emergency Relief Project Grants, Part A of Ryan White and Department of Health and Human Services ALN # 93.940 – HIV Prevention Activities Health Department Based.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The auditee did qualify as a low-risk auditee.

II. Financial Statement Findings

No matters reported.

III. Findings and Questioned Costs – Major Federal Programs

None

IV. Other Issues

No summary schedule of prior audit findings is required because there were no prior audit findings related to Federal programs. No Corrective Action Plan is required because there were no findings required to be reported under the Federal Single Audit Act.