

Informe Anual 2021-2022



50 Años Creando Futuro

Visión

El desarrollo integral del ser humano a plenitud, dentro de comunidades que se redescubren, se reeducan y se revitalizan, y así dar Gloria a Dios.

Misión

Promover el desarrollo integral de la persona con justicia, dignidad, respeto y amor, reconociendo que somos hijos de Dios y hermanos de los demás.

Servir una gama generacional con múltiples necesidades sociales, educativas, económicas y espirituales.

Utilizar la intercesión, la capacitación educativa y tecnológica y la autogestión comunitaria como estrategias institucionales.



Avanzando hacia un Mejor Futuro

Luis A. Ferré Rangel
Presidente de la Junta de Directores
Centros Sor Isolina Ferré



Nuestra fundadora, Sor Isolina Ferré emprendió la gestión de trabajar con y para la comunidad, centrando el servicio en atender las barreras para fomentar una vida plena; como lo son la delincuencia juvenil, la deserción escolar, la violencia familiar y la pobreza. Su ejemplo de vida y su legado, han traído luz en momentos inciertos, nutriendo el compromiso que en los Centros Sor Isolina Ferré tenemos hacia Puerto Rico.

Buscamos construir un mejor futuro a través de herramientas y recursos necesarios para esta obra. En el 2021 comenzamos los programas Head Start y Early Head Start en los municipios de Ponce y San Juan, con la visión de promover una preparación de excelencia para nuestra población de 0 a 5 años. A su vez, obtuvimos

la asignación de fondos CDBG-DR dando inicio al Programa Germina de SBIA con el fin de impulsar el emprendimiento, el desarrollo económico y la autosuficiencia.

Finalmente, hay que notar que este pasado año marca una transición importante para Puerto Rico. Se cumplen cinco años desde el paso del Huracán María, lo cual provocó una de las tareas más arduas de reconstrucción y recuperación que hemos enfrentado en nuestras comunidades. Hemos superado retos como la pandemia del Covid y seguimos en la recuperación de los terremotos. Todas estas vivencias crean presión sobre nuestras poblaciones vulnerables y, sin embargo, han sido oportunidades para presenciar en abundancia la solidaridad, el respeto y el amor por el prójimo.

Seguimos bendecidos de ser un pueblo resiliente, lleno de fe y capaz de seguir avanzando hacia un mejor futuro para todos. Como decía Sor Isolina: “El servicio está en nuestro corazón y es como una fuerza que nos mantiene creyendo que lo imposible puede ser posible”.

“Enseñemos a las comunidades que tienen una dignidad que dar a respetar, comenzando por respetarla ellos mismos”.
— Sister Isolina



Nuestros valores





Un Nuevo Comienzo

Lcdo. Luis E. Ortiz Ortiz
Principal Oficial Ejecutivo
Centros Sor Isolina Ferré



Sor Isolina Ferré, nuestra fundadora, activó en los que la conocieron y en los que servimos, un deseo de provocar un cambio contundente en nuestras comunidades en Puerto Rico. Su visión nos guía para superar la desigualdad y ser intercesores para comunidades que se redescubren, se reeducan y se revitalizan para así dar Gloria a Dios.

Hoy por hoy, seguimos creciendo y llevando el legado de Sor Isolina como ella lo soñó hace más de 50 años. Brindamos nuevas oportunidades, transformamos vidas a través del modelo bio-psico-social-espiritual y promovemos el desarrollo integral del ser humano a plenitud con justicia, dignidad, respeto y amor.

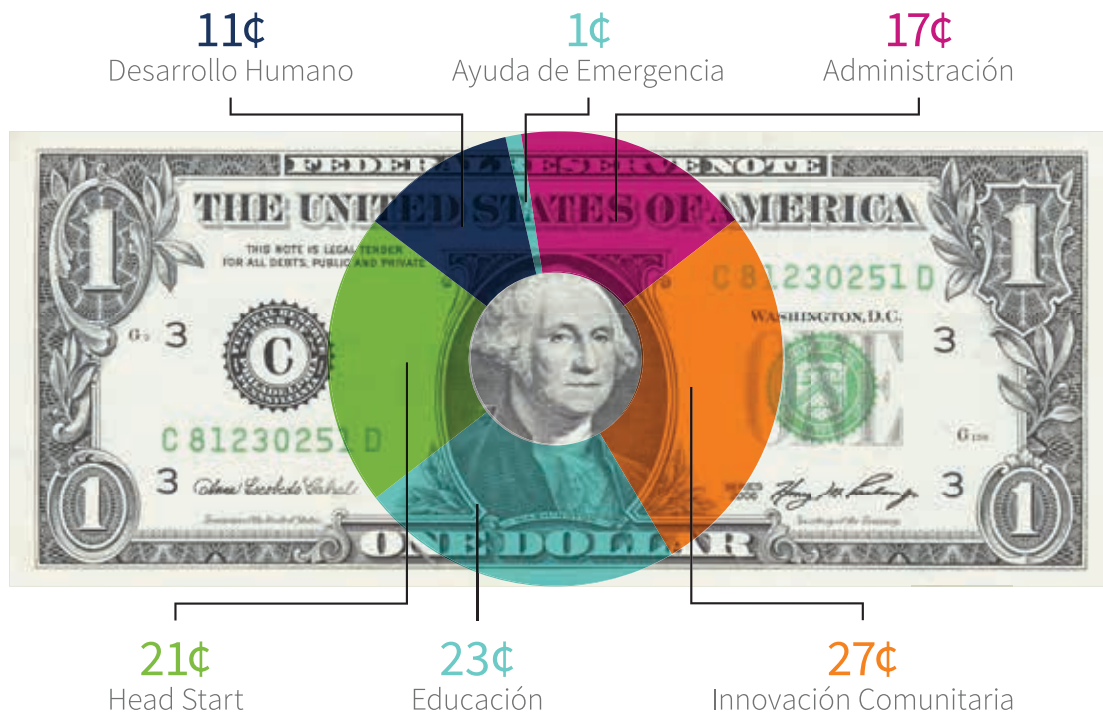
Este año marcó un nuevo comienzo para los Centros Sor Isolina Ferré con la llegada de los programas Head Start y Early Head Start para menores de 0 a 5 años; así como el Programa SBIA Germina para micro-empresarismo. Igualmente, ha sido un año para definir el servicio en una realidad pospandémica y retomar las actividades presenciales que tanta falta hicieron.

Gracias a la colaboración de un equipo comprometido se atendieron desde las facilidades en Ponce, Caimito, Guayama y Canóvanas unas 7,655 personas a través de 213,188 servicios, incluyendo talleres, asesoría, intercesoría, educación y servicio directo. El Programa Faro de Esperanza logró impactar 1,242 vidas en 22 residenciales

públicos en las regiones Sur y Oeste. El Sistema Educativo con escuelas alternativas en Ponce, Guayama y Caimito combinó servicios virtuales y presenciales para 136 estudiantes incluyendo a nuestros 76 graduandos. El Programa TANF-Región de Ponce apoyó a 351 participantes con temas de movilidad socio-económica y la Funcionalidad de Prevención y Comunidades

“Tú serás lo que quieras ser y vamos, hacia una meta tan segura como tú quieras”.

— Sister Isolina



Junta de Directores 2021-22

Luis Alberto Ferré Rangel
 Ramón Durán Santini
 Humberto Laboy Zengotita
 Luis E. Ortiz Ortiz
 Sister Lourdes T. Toro, MSBT
 Rvdo. Vicente Pasqualetto, ST
 Rosana M. Roig Vélez
 Ángel Torres
 Jorge E. Marchand
 Lourdes Ortiz Berríos
 Agnes Cordero Meléndez
 Lawrence N. Seilhamer
 P. José A. Basols, SchP
 Luz E. Carrero

Ofrecimos **125,452 servicios** a través de **28 programas**, impactando así unos **20,012 participantes** en **27 municipios** del área sur, central, norte y oeste de Puerto Rico.

asistió a 4,452 personas a través de talleres e intercesoría.

El 2021-2022 nos presentó un escenario complejo que con preparación, planificación

y esmero hemos superado, muy honrados de seguir transformando la vida de muchos a través del servicio, la intercesoría comunitaria y la autogestión.



Josefina Colón León
65 años (Ponce El Tuque)

“Supe de los servicios del programa cuando hicieron visitas por la comunidad. Fueron de beneficio para seguir adelante, porque pasaba por ciertas situaciones y los servicios que me brindaron me ayudaron a decidir por mejores decisiones y lograr lo que necesitaba. El momento más significativo experimentado mientras recibía los servicios, fue cuando tuvimos la charla de resiliencia, donde pude ver tantos casos iguales a mí, y como todos en grupo nos dimos el apoyo que necesitaba.



Francisca Benítez
39 años (Caimito)

En visitas a la comunidad de la Oficina de Innovación Comunitaria para promocionar los servicios de los Centros Sor Isolina Ferré. Estando en el programa, los beneficios fueron los apoyos para gestiones gubernamentales, acceso a materiales para el cuidado de su hijo encamado, apoyo en espacios de escucha generativa y donaciones de alimentos y compras para la familia. Parte de los retos enfrentados fueron los seguimiento a oficinas de apoyo gubernamental para el otorgamiento de ayudas a personas con discapacidad o jóvenes. Seleccionar e identificar el grupo de apoyo para que la encargada del joven pueda tener espacios para el autocuidado. Desorganización y falta de conocimiento de los entes gubernamentales sobre programas de apoyo y ayuda al ciudadano. Los cambios obtenidos fueron la gratitud hacia los Centros, organización y apoyo del municipio para el cuidado del joven y grupo de apoyo familiar con buen grado de compromiso.



Luis David Mangual Lebrón
15 años (Guayama)

El joven Luis David Mangual Lebrón tiene 15 años de edad y es residente de la comunidad y sus padres participan activamente de las actividades de los Centros. Ha logrado tener seguridad en sí mismo, aumento de autoestima, participación activa en las actividades del programa, motivación académica, y ha creado hábitos de estudios. El menor pasó de salón contenido a salón ruta dos donde se le evalúa académicamente por su progreso (notas). Aprobó su noveno grado con excelentes calificaciones. De los valores que se fomentan en nuestro Centro, el joven Luis ha adoptado los valores de solidaridad, cariño y respeto dentro de nuestro servicios, en la comunidad donde reside y en su hogar.



Migueishalis Hernández

11 años (Programa Faro de Esperanza)

Servicios Educativos - Faro Learning (Tutorías - Asignaciones Supervisadas – Salud y Bienestar)

La participante Migueishalis Hernández, es una niña que ha pertenecido al programa Faro de Esperanza desde que está en Kindergarten. Actualmente tiene 11 años y es una niña muy humilde, disciplinada, educada, respetuosa, amorosa, sentimental y pone mucho interés en todo lo que hace.

Migueishalis es un ejemplo de superación y éxito. En Puerto Rico, muchos de nuestros niños y jóvenes se vieron afectados a raíz de los temblores y pandemias. Académicamente y emocionalmente nuestros participantes requirieron de apoyo y herramientas adicionales para ayudarlos a manejar las secuelas de los eventos naturales. Migueishalis recibió apoyo por parte de la tutora del programa durante este tiempo estresante en su vida. La tutora comenzó a trabajar con ella dos horas antes de iniciar con el grupo de tutorías para poder ofrecerle

un servicio más individualizado que atendiera sus necesidades en ese momento. Migueishalis se benefició de los servicios tanto de forma remota como presencial. Ella, poco a poco, logró nuevamente mostrar interés en actividades, participando activamente, uniéndose al grupo de tutorías, adquiriendo buenos hábitos de estudio, mejorando su desempeño académico y superando así las expectativas.

Durante este año, la niña logró la promoción de grado de quinto a sexto, siendo reconocida dentro del cuadro de honor con excelencia académica. Su madre, la Sra. Amarilis González, se siente muy agradecida con el Programa Faro de Esperanza por toda la ayuda y motivación que se le ha ofrecido a su hija, especialmente en los momentos difíciles. Así lo ha comunicado al equipo de trabajo del programa, la administración del residencial, a otras madres de la comunidad y a los demás participantes.



Fabián Velázquez Nova

18 años (Caimito)

Fabián Velázquez Nova tiene 18 años y llegó a los Centros en el 2019, tras haber fracasado el noveno grado de una escuela pública.

Fabián nos relata que al llegar a los Centros me informan que tengo que asistir a una Convivencia que son unas dinámicas para trabajar con mis emociones, que nunca había realizado en ninguna escuela pública donde había estudiado anteriormente. De ahí aprendí a tener contacto visual con las personas y me sentía emocionado con la dinámica que había. Al llegar a mi casa le contaba a mi abuela la experiencia que tuve en esa convivencia.

Desde que entré al Centro encontré paz, me sentí cómodo y sin presión, era algo distinto. Los maestros y los trabajadores sociales me ayudaron mucho a desenvolverme y comunicarme con los demás. Al irse la trabajadora social me sentaba a dialogar con la directora que me escuchaba y me aconsejaba y esto nunca me había pasado en ninguna otra escuela.

Una vez comencé a confiar en mí, inició el proceso a nivel social y académico. Cuando descubrí el potencial que había escondido, pude identificar mis fortalezas y debilidades, deje de tener miedo y empecé a confiar más en mí, saliendo adelante académicamente como nunca antes lo había logrado.

Mi pasión siempre ha sido el dibujo. Cuando comenzó la pandemia y tuvimos que irnos a clases virtuales el maestro de inglés me ayudó, me inspiró y me dio ideas para desarrollar mi pasión. Pude expresar a través de dibujos de máscaras lo que estuvimos viviendo mes por mes durante el tiempo de la pandemia en el 2020. Creé la invitación de la Semana Puertorriqueña y la de Navidad del Centro.

Al ver mis proyectos, los otros programas que operan en los Centros comenzaron a solicitar mis servicios. Colaboré con la creación del logo para el programa Desarrolladora Empresarial (SURCOS), creé la invitación de cumpleaños de una persona externa a los Centros y

actualmente estoy colaborando con el programa Head Start en la edición de un video.

El trato, la atención y el respeto a mi persona fue de mucho significado para mí. Estoy convencido que los Centros Sor Isolina Ferré, son un lugar en donde con la ayuda de todo su personal, podrás lograr alcanzar tus metas y vivir una transformación.



Katherine Escribano Centeno

(Sistema Educativo, Programa Vocacional y Técnico)

Experiencia que ha fortalecido su desarrollo personal y espiritual. Ha participado de retiros espirituales como catequista. Ha sido parte del grupo de líderes de campamentos de niños y jóvenes, además de formar parte de la directiva de la Parroquia San Antonio De Padua en Coamo. Siempre dispuesta al servicio de personas en necesidad.

Nació en el pueblo de Caguas, el 29 de mayo de 1981. Cuando pequeña, era muy tímida y hoy día, una mujer fuerte, emprendedora y virtuosa. Es artesana en tejido de aguja. Sus hijos son su motor para seguir luchando por todos sus sueños. Le llena de orgullo verlos siempre al servicio de los demás y dispuestos a ayudar al prójimo. Vive agradecida del hombre que Dios puso en su camino, quien la apoya en todos sus proyectos y juntos son un gran equipo.

Como parte de su sanación emocional, con mucho amor, lleva a otras mujeres víctimas de violencia doméstica, su testimonio de superación y esperanza por todas las situaciones difíciles y dificultades que atravesó en el pasado.

Como el propósito de Dios es mayor que cualquier contratiempo que pueda atravesar, tuvo el anhelo de ser fotógrafa y hoy, está a solo unos minutos de poder lograr esta meta. Su perseverancia, compromiso y dedicación demostrada durante su desarrollo académico en los Centros, y sobre todo su compromiso social y espiritual en ayudar al más necesitado, hacen merecedora de este reconocimiento a Katherine Escribano Centeno, mujer fuerte, amable, servicial, espiritual y dedicada.

Al Personal Administrativo y Facultad del Programa Vocacional y Técnico del Sistema Educativo de los Centros Sor Isolina Ferré, nos llena de orgullo que la recibas y estamos seguros, que de ahora en adelante, te vas a desempeñar como una excelente fotógrafa profesional y vas a seguir cosechando éxitos. Tus éxitos han sido el resultado de tu trabajo duro, sacrificio, disciplina, persistencia y dedicación por lo que quieres. ¡Muchas felicidades y que Dios te bendiga siempre!

“Tú serás lo que quieras ser y vamos, hacia una meta tan segura como tú quieras”.

— Sister Isolina

Estados Financieros 2021-2022



50 Años Creando Futuro





50 Años Creando Futuro

CENTROS SOR ISOLINA FERRÉ, INC.
(A Non Profit Corporation)

Financial Statements
And Independent Auditor's Report

As of And For The Fiscal Years Ended
June 30, 2022 and 2021

CENTROS SOR ISOLINA FERRE, INC.

(A Non Profit Corporation)

Financial Statements and Supplementary Information

Years Ended June 30, 2022 and 2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Independent Auditor's Report	1-2
Financial statements:	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8-9
Notes to Financial Statements	10-28

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Centros Sor Isolina Ferré, Inc.

Opinion

We have audited the accompanying financial statements of **Centros Sor Isolina Ferré, Inc.**, (a nonprofit organization) (the Centers) which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, 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 **Centros Sor Isolina Ferré, Inc.**, as of June 30, 2022 and 2021, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 **Centros Sor Isolina Ferré, Inc.**, 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 opinions.

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 **Centros Sor Isolina Ferré, 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 the Centers' 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 the Centers' 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2022, on our consideration of **Centros Sor Isolina Ferré, Inc.'s** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 **Centros Sor Isolina Ferré, Inc.'s** internal control over financial reporting and compliance.



ROMAN TORO & CO., CPA, C.S.P.
LICENSE #35 - IN FORCE

Yauco, Puerto Rico
December 28, 2022

Stamp #E508215 was affixed
to the original of this report

CENTROS SOR ISOLINA FERRE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 2,582,060	\$ 4,319,628
Investments in marketable securities	1,014,934	1,183,398
Receivables net:		
Grants and contracts	1,842,691	347,952
Educational revenues	-	56,144
Others	113,423	163,449
Beneficial interest in perpetual trusts	3,438,305	3,708,215
Property, plant and equipment, net	13,272,483	13,259,596
Other assets	<u>51,593</u>	<u>56,653</u>
	<u><u>\$ 22,315,489</u></u>	<u><u>\$ 23,095,035</u></u>
LIABILITIES		
Bank lines of credit	\$ 595,200	\$ -
Accounts payable	1,061,616	710,062
Accrued expenses and withholdings	173,175	135,438
Unearned revenues	918,304	907,938
Notes payable to bank	1,450,928	2,797,298
SBA Loan	150,000	150,000
Auto financing loans	<u>10,725</u>	<u>22,396</u>
	<u><u>4,359,948</u></u>	<u><u>4,723,132</u></u>
NET ASSETS		
Without donor restrictions	7,220,414	7,322,438
With donor restriction	<u>10,735,127</u>	<u>11,049,465</u>
	<u><u>17,955,541</u></u>	<u><u>18,371,903</u></u>
	<u><u>\$ 22,315,489</u></u>	<u><u>\$ 23,095,035</u></u>

The accompanying notes are integral part of these financial statements

CENTROS SOR ISOLINA FERRE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues and gains		
Tuition and fees	\$ 45,070	\$ 378,326
Contributions	586,434	1,003,652
Contributed Non Financial Assets	1,494,814	6,620,682
Payroll Protection Program Loan Forgiveness	1,157,476	1,422,223
Benefit from trust	157,909	365,366
Fund raising activities	217,151	248,468
Other revenues	165,973	552,751
Net gain on investments	-	44,435
Interest	21,320	20,458
Total revenues and gains without donor restrictions	<u>3,846,147</u>	<u>10,656,361</u>
Net assets released from restrictions	<u>12,853,915</u>	<u>8,002,987</u>
Total revenues and gains without donor restrictions	<u>16,700,062</u>	<u>18,659,348</u>
Expenses		
Program services:		
Community Innovation	4,490,223	3,380,642
Education	3,820,793	3,774,391
Head Start	3,422,558	-
Human development	1,782,093	1,257,435
Disaster relief	95,543	5,925,136
Supporting services		
Management and general	2,785,907	2,516,663
Fund raising	208,523	165,500
Total expenses	<u>16,605,640</u>	<u>17,019,767</u>
Other losses:		
Net loss on investments	172,217	-
Loss on retirement of fixed assets	24,230	7,561
Total expenses and losses	<u>16,802,087</u>	<u>17,027,328</u>
(Decrease) Increase in net assets without donor restriction	<u>(102,025)</u>	<u>1,632,021</u>

Continue

CENTROS SOR ISOLINA FERRE, INC.
STATEMENTS OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contract from		
Federal government	8,055,157	3,271,118
State Legislative branch	2,248,750	2,226,095
United Way Services	133,945	132,339
CAPA Program	2,371,635	2,025,192
Contribution to trust	194,244	100,990
Net (loss) gain on interest in perpetual trusts	(464,153)	345,472
Net assets released from restrictions	<u>(12,853,915)</u>	<u>(8,002,987)</u>
Decrease (Increase) in net assets with donor restrictions	<u>(314,337)</u>	<u>98,219</u>
 TOTAL CHANGE IN NET ASSETS	 (416,362)	 1,730,240
 NET ASSETS AT BEGINNING OF YEAR, BEFORE RESTATEMENT	 18,371,903	 16,677,938
 PRIOR PERIOD ADJUSTMENTS	 <u>-</u>	 <u>(36,275)</u>
NET ASSETS AT BEGINNING OF YEAR, RESTATED	<u>18,371,903</u>	<u>16,641,663</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 17,955,541</u>	 <u>\$ 18,371,903</u>

The accompanying notes are integral part of these financial statements

CENTROS SOR ISOLINA FERRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES				SUPPORTING SERVICES			Total
	Community Innovation	Human		Disaster Relief	General			
		Education	Development		Fund Raising	Administrative		
Salaries and wages	\$ 2,633,007	\$ 1,619,456	\$ 1,001,309	\$ 1,579,983	\$ -	\$ 77,792	\$ 1,313,814	\$ 8,225,361
Payroll taxes	294,222	179,967	112,690	199,113	-	7,769	138,942	932,703
Medical Insurance and other fringe benefits	32,526	36,120	15,561	4,284	-	2,823	51,940	143,254
Supplies	74,899	38,447	20,812	425,084	-	123	7,199	566,564
Printing service	12,335	5,088	5,530	3,925	-	290	3,279	30,447
Professional services	340,915	773,417	402,021	101,113	-	-	424,844	2,042,310
Depreciation expense	89,605	521,596	23,241	32,899	-	-	98,505	765,846
Utilities	141,769	137,077	54,441	-	-	-	54,066	387,353
Activities	114,863	55,690	6,939	3,838	-	82,276	20,566	284,172
Other services	12,696	9,055	1,227	19,370	-	-	55,734	98,082
Incentives	78,226	25,525	-	-	-	-	-	103,751
Training and conferences	1,740	2,352	12,766	66,907	-	-	760	84,525
Travel and meals	49,101	24,045	16,864	24,070	-	5,072	52,156	171,308
Telephone, fax services, and internet	41,567	29,696	16,498	5,915	-	1,273	92,304	187,253
Insurance	58,086	41,793	9,311	2,133	-	-	76,777	188,100
Food	41,963	36,907	11,342	1,144	-	-	781	92,137
Postage	73	80	2,550	-	-	468	292	3,463
Equipment repairs and maintenance	24,548	20,212	4,520	10,711	-	6,587	19,029	85,607
Vehicle, fuel, oil, and repairs	27,335	8,058	8,389	985	-	410	25,803	70,980
Bank charges, interest and taxes	21,452	15,790	386	-	-	2,982	131,743	172,353
Lease equipment	7,294	7,334	8,135	2,297	-	-	4,399	29,459
Equipment	39,364	13,225	9,957	252,863	-	-	92,333	407,742
Facilities improvements	-	6,810	-	-	-	-	18,888	25,698
Facilities repairs and maintenance	56,180	79,760	13,675	136,811	-	-	30,848	317,274
Rent	258,234	4,188	84	537,360	-	-	56,454	856,320
Promotions services	8,335	121	2,273	11,185	-	20,601	1,635	44,150
Management fees	3,545	-	296	-	-	-	-	3,841
Transportation services	300	105,473	-	-	-	-	-	105,773
Disaster Assistance					95,543			95,543
Other miscellaneous expense	26,043	23,511	21,276	568	-	57	12,816	84,271
	\$ 4,490,223	\$ 3,820,793	\$ 1,782,093	\$ 3,422,558	\$ 95,543	\$ 208,523	\$ 2,785,907	\$ 16,605,640

The accompanying notes are integral part of these financial statements

CENTROS SOR ISOLINA FERRE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM SERVICES				SUPPORTING SERVICES			
	Community Innovation	Education	Human Development	HEAD START	Disaster Relief	Fund Raising	General Administrative	Total
Salaries and wages	\$ 1,997,232	\$ 1,694,664	\$ 746,702	\$ -	\$ 9,937	\$ 77,636	\$ 1,169,585	\$ 5,695,756
Payroll taxes	230,889	183,098	90,878	-	1,279	7,799	119,207	633,150
Medical Insurance and other fringe benefits	28,541	45,676	12,010	-	5	2,655	46,824	135,711
Supplies	58,784	38,249	44,818	-	-	99	14,057	156,007
Printing service	14,883	3,133	6,774	-	-	698	2,740	28,228
Professional services	291,193	822,381	59,740	-	-	-	494,072	1,667,386
Depreciation expense	61,363	505,202	27,947	-	-	-	86,660	681,172
Utilities	132,907	130,770	45,426	-	-	-	35,412	344,515
Activities	51,574	32,488	6,303	-	-	62,888	47,233	200,486
Other services	26,315	9,406	735	-	-	-	25,716	62,172
Incentives	95,759	40	3,894	-	2,614	-	-	102,307
Training and conferences	758	3,038	8,914	-	-	-	1,554	14,264
Travel and meals	28,943	12,508	7,299	-	572	4,446	34,630	88,398
Telephone, fax services, and internet	34,195	44,467	11,132	-	525	1,406	30,475	122,200
Insurance	49,573	43,743	13,559	-	-	-	41,913	148,788
Food	23,717	3,430	83,020	-	-	-	642	110,809
Postage	275	133	1,690	-	-	295	1,111	3,504
Equipment repairs and maintenance	23,880	24,287	5,354	-	-	5,354	21,294	80,169
Vehicle, fuel, oil, and repairs	17,282	3,330	9,508	-	121	10	12,159	42,410
Bank charges, interest and taxes	25,014	11,545	1,036	-	-	2,066	155,655	195,316
Lease equipment	31,735	28,604	12,037	-	-	-	15,803	88,179
Equipment	40,271	84,185	6,956	-	-	-	42,727	174,139
Facilities improvements	-	-	-	-	-	-	(308)	(308)
Facilities repairs and maintenance	46,653	38,701	22,536	-	-	-	11,034	118,924
Rent	15,700	5,400	84	-	-	-	56,616	77,800
Promotions services	8,950	301	50	-	-	-	34,329	43,630
Management fees	7,573	-	1,765	-	-	-	-	9,338
Bad debt expense	-	-	-	-	-	-	-	-
Disaster assistance	-	-	-	-	5,892,859	-	-	5,892,859
Other miscellaneous expense	36,683	5,612	27,268	-	17,224	148	15,523	102,458
	\$ 3,380,642	\$ 3,774,391	\$ 1,257,435	\$ -	\$ 5,925,136	\$ 165,500	\$ 2,516,663	\$ 17,019,767

The accompanying notes are integral part of these financial statements

CENTROS SOR ISOLINA FERRE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions and grants	\$ 12,178,725	\$ 9,697,922
Cash received from service recipients	248,518	655,579
Cash received from insurances	18,669	320,190
Interest and benefits from trusts	387,449	486,814
Cash paid to employees and supplies	(13,832,530)	(9,420,587)
Interests paid	<u>(144,758)</u>	<u>(158,299)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(1,143,927)</u>	<u>1,581,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Invested in securities	(197,996)	(321,588)
Paid for property, plant and equipment	<u>(776,304)</u>	<u>(379,393)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(974,300)</u>	<u>(700,981)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of notes payable to bank	(202,870)	(350,552)
Proceeds from PPP Loan	-	1,143,500
Debt reduction in auto financing	(11,671)	(13,213)
Net advances (payments) on lines of credit	<u>595,200</u>	<u>(1,000,812)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>380,659</u>	<u>(221,077)</u>
NET (DECREASE) INCREASE IN CASH	(1,737,568)	659,561
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,319,628</u>	<u>3,660,067</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,582,060</u>	<u>\$ 4,319,628</u>

Continue

CENTROS SOR ISOLINA FERRE, INC.
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
RECONCILIATION OF (DECREASE) INCREASE IN NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Change in net assets	\$ (416,362)	\$ 1,730,240
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Debt forgiveness PPP Loan	(1,143,500)	(1,422,223)
Depreciation	765,846	681,172
Bad debt expenses	-	(6,963)
Gain (Losses) on investments	172,217	(44,435)
Net gains (losses) on beneficial interest in perpetual trusts	464,153	(345,472)
Gain on retirement property	24,230	7,560
Contributed Capital Assets	(26,656)	-
(Increase) Decrease in receivables from grants and contracts	(1,494,739)	426,772
Decrease in receivables from educational revenues	56,144	51,656
(Increase) Decrease in receivables from others	50,026	(42,412)
Decrease in other assets	5,060	51,779
Increase in accounts payable	351,551	49,535
Increase (decrease) in accrued expenses and withholdings	37,737	(32,729)
Increase in unearned revenues	<u>10,366</u>	<u>477,139</u>
Net cash (used in) provided by operating activities	<u>\$ (1,143,927)</u>	<u>\$ 1,581,619</u>

The accompanying notes are integral part of these financial statements

CENTROS SOR ISOLINA FERRE, INC.

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF ORGANIZATION AND ADVOCACY

Centros Sor Isolina Ferré, Inc. (The Centers) was founded in 1969 by Sister Isolina Ferré, M.S.B.T., with a group of civic and religious leaders who joined efforts to lead impoverished communities in Ponce towards their full development.

Statement of purpose

Centros Sor Isolina Ferré is a non-profit organization that promotes full development of the human being with justice, dignity, respect, and love. The institution uses effective models of advocacy, training, technology, and self-management to have a positive impact in the lives of individuals and communities through preventive and corrective programs, as well as personal and community development initiatives. CSIF offers solutions for socioeconomic problems such as school dropout, violence, unemployment, and economic crisis.

The Centers provide services in the following programmatic areas: Education (alternative education, early education, vocational education, post-secondary education, special education), Prevention (delinquency, school dropout, unplanned pregnancy, substance abuse, and violence), Human Development (self-sufficiency, emergency assistance, elderly care, child care, and self-development), and Community Development (family strengthening, community self-development, and leadership development). The Centers derives its revenues from donations from businesses and the public in general, as well as grants and contracts from private entities, and State and Federal Governments.

Programs and operations

The Centers' services impact 24 municipalities in Puerto Rico and over 47,000 persons yearly, with main facilities in La Playa de Ponce, sector of Ponce, P.R., Barrio Caimito in San Juan, P.R., Puente Jobos in Guayama, P.R., and La Central in Canóvanas, P.R. The Centers' main programs and services are:

- a) **CAPA (Psychosocial Alternative Academic Center)** – An alternative school that allows students to graduate from High School and develop the competence to enter the workforce or continue college education.
- b) **TANF (Temporary Assistance for Needy Families) Program** – Encourages and supports needy single parent families with basic education, vocational or occupational training, community service, work experience and job placement headed toward economic self-sufficiency and improving their quality of life.
- c) **Lighthouse of Hope (“Faro de Esperanza”) Program** – Provides prevention services and support to the residents of 21 public housing projects owned by the Puerto Rico Public Housing Administration, focusing in the areas of drug and criminal activity prevention, leadership development, and family counseling, aimed at improving the quality of life of such residents.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

1. DESCRIPTION OF ORGANIZATION AND ADVOCACY, Continued

Programs and operations, Continued

- d) **ABC Alternative Program** – The ABC project designs, implements, and evaluates the Individualized Education Plan for the purpose of impacting the academic areas where participants present difficulty. The program implements educational services and strategies for the development of basic skills. It aims to strengthen families so they can be better parents and citizens. Strengthens social interaction skills, parenting, communication between parents and the family to promote optimal family unit.
- e) **Oasis of Love Program** – Social medical support service for elderly people. Promotes a better quality of life in elderly people, suffering from a disease or physical condition that limits their ability to perform activities of daily living.
- f) **Youth and Adult Program** – The program offers academic training, technological and vocational alternatives for youth and adults to achieve their goals. Vocational technical services include: Upholstery & Saddlery, Commercial Photography, Dressmaking/Fashion, Design, Health Assistance/Childcare, Barber & Styling, Home Economics, Commercial Photography, Crafts, and Cutting and Welding.
- g) **Helping Hands (“Manos Que Ayudan”) Program** – The program offers specialized education services for children with multiple disabilities and parents of the Ponce Region. Some of the services offered by the program are: family social work and school counseling, speech-language pathology, physical, occupational, professional assessments specialized, individual education plans, and Interdependent Development.
- h) **Psycho-Social Services and Community Advocacy Office** – Attend and serve people in different service needs and assistance in the area of education in the communities of El Tuque and Playa de Ponce. Services offered by the program are after school tutorials for children with low academic achievement, community work with volunteers, educational, cultural and recreational activities, and school for parents.
- i) **Child Care Development (“ACUDEN”) Program** – Provide childcare services and child development, early education, and a balanced diet to children of socially disadvantaged parents who are studying and working.
- j) **Puerto Rico Optimal System Change (Prosa) for Teen Pregnancy Prevention Program** – Replicates effective teen pregnancy prevention program models that have been shown to be effective through rigorous evaluation and develops and tests additional models and innovative strategies to prevent teen pregnancy through research and demonstration project.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

1. DESCRIPTION OF ORGANIZATION AND ADVOCACY, Continued

Programs and operations, Continued

- k) Respect and Dignity (“Respeto y Dignidad”) Program** – This program provides services to victims of crime. Among the services provided are services that respond to the emotional, psychological, or physical needs of crime victims, services that help victims of crime to stabilize their lives after a victimization, services to help victims to understand and participate in the criminal justice system, and services that restore a measure of security and safety for the victim.
- l) CDBG-DR Small Business Incubators and Accelerators Program** – This program provides support and growth of Puerto Rican small businesses by providing them with technical assistance to help grow their business skills and professional network through the structure of an Incubator or Accelerator. Eligible activities for this program include technical assistance related to small business incubation/acceleration; operational costs including, but not limited to utilities, maintenance, and equipment for incubators / accelerators and businesses; architectural, engineering and design costs for construction related to rehabilitation or new construction of an incubator/accelerator space; acquisition, preservation, renovation, rehabilitation, or construction of buildings for use as small business incubators / accelerators; and non-profit assistance, for-profit assistance, and microenterprise assistance.
- m) Distance Learning and telemedicine grant program** – Rural Utilities Services – This program helps rural communities to acquire the technology and training necessary to connect educational and medical professionals with students, teachers, and patients in rural areas.
- n) Families First Puerto Rico** – This program is authorized under the Family First Prevention Services Act. This Act was enacted to turn the focus of the current child welfare system toward keeping children safely with their families to avoid the trauma that results when children are placed in out-of-home care. The program will work under the principles and model of Families First of Puerto Rico. This model attends the development of the infrastructure to prevent the separation of families through the implementation of evidence-based practices and trauma informed services.
- o) Head Start and Early Head Start Program** - This program promotes school readiness of low-income children by enhancing children’s cognitive, social and emotional development. Comprehensive services are provided to enrolled children, pregnant women, and their families, which include health, nutrition, social, and other services determined to be necessary by family needs assessments, in addition to education and cognitive development services. The organization will serve a total population of 404 participants in San Juan distributed on 8 sites, and a total population of 506 participants distributed on 11 sites in Ponce.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

1. DESCRIPTION OF ORGANIZATION AND ADVOCACY, Continued

Impact of Puerto Rico Earthquakes on the Center's operations

In the aftermath of the earthquake sequence that started on December 28, 2019, the administrative building of the organization suffered major damage and could not be used to provide services until it is repaired. The general and administrative services such as controllership, compliance, accounting, and human resources, among others were provided within this facility. Some of these services are currently performed remotely, while others were transferred to other localities. The organization has obligated projects with FEMA to address the repair of this facility.

Impact of COVID-19 on the Centers' operations

The following funds were received to address the pandemic:

Payroll Protection Program – this program is a loan designed to provide a direct incentive for certain businesses to maintain their operations and their workers on payroll. To that end, the PPP loan may be eligible for forgiveness in whole or in part. The amount of forgiveness depends on the amount of loan funds used for eligible expenses and compliance with certain requirements related to the retention of workers and their salaries. The organization received forgiveness of both PPP loans.

Education stabilization fund – these funds were awarded by the Cares Act. Under the Student Aid Portion, the award is based on a student enrollment formula and institution status. At least 50 percent of the funds must be reserved to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to the coronavirus. The organization received \$24,000 under this program.

Coronavirus Emergency Supplemental Fund – This program provides funding to assist eligible states, units of local government, and federally recognized tribal governments in preventing, preparing for, and responding to the coronavirus. Allowable projects and purchases include overtime, equipment, hiring, supplies, training, travel expenses, and addressing the medical needs of inmates in state, local, and tribal prisons, jails, and detention centers. The organization received \$416,190 under this program.

Coronavirus State and Local Fiscal Recovery Funds – The purpose of these funds is to provide direct payments to states, US territories, tribal governments, metropolitan cities, counties and non-entitlement units of local government to respond to the public health emergency, Covid-19 or its negative economic impacts, including providing assistance to households, small businesses, nonprofits, and impacted industries, such as tourism, travel, and hospitality. The organization acts as a Sub-recipient of this funds and expects to complete the following work, which includes: 1) Ensure that the most vulnerable populations have access to essential services during the Covid-19 emergency; 2) Possess the necessary resources to meet the needs of the pandemic response and through the continuity of their services, rebuild a strong and fairer economy while the country recovers; 3) Develop and provide employees, participants, and visitors with a safe environment where they seek to minimize health and safety risks from COVID. Additionally, where the risks that COVID-19 can present in places of provision of services and work are effectively mitigated. The organization received \$20,833 under this program.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

1. DESCRIPTION OF ORGANIZATION AND ADVOCACY, Continued

Impact of COVID-19 on the Centers' operations, continued

2021 Head Start Funding Increase – This action awards one-time funds for activities pertaining to the prevention, preparation, and/or response to the coronavirus disease. The organization received \$102,762 under this award.

2021 American Rescue Plan Funding Increase for Head Start Programs – This action awards one-time supplemental funds authorized under the American Rescue Plan Act 2021 for the provision of approved services to further support in-person services. The organization received \$36,814 under this award.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates those resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

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CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of presentation, continued

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. The Organization's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity are classified in net assets with donor restrictions, as is the Organization's beneficial interest in a perpetual charitable trust held by a bank as trustee.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Method of accounting

The financial statements of the Centros Sor Isolina Ferré, Inc., have been prepared utilizing the accrual basis of accounting.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amount and disclosures. Accordingly, actual results could differ from those estimates.

Fair value

The carrying amounts of cash, cash equivalents, receivables, and bank lines of credit all approximate their fair market value for reporting periods presented due to the short maturities of those instruments. All other financial instruments also approximate their fair market value based on their determined interest rates and quoted prices in active markets for identical assets.

Cash and cash equivalents

For the purposes of the statement of financial position and the statement of cash flows, the organization considers all short-term investments to be cash equivalents.

Investments in securities

Investments in securities are stated at fair value based on quoted market prices within active markets. All gains and investment income are unrestricted.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables grants and contracts

Receivables from grants and contracts represent funds to be received from state contracts or federal funds. No allowance is deemed necessary for these receivables.

Receivables educational revenues

Accounts receivable include student accounts receivable and other short-term receivables and are non-interest bearing. The Centers extends unsecured credit to students and parents of dependent students in connection with their studies. Student accounts receivable represent amounts due for tuition, fees, and board that are generally payable by the end of the school term by currently enrolled and former students. Accounts receivables are stated at the amount management expect to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts was \$9,208 at June 30, 2021.

Property, plant and equipment

Property, plant and equipment are stated at cost. Generally, purchases of equipment whose cost is more than \$1,000 are capitalized. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restriction. It is the Organization's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of property and equipment that are not restricted as to their use by the donor. Accordingly, those donations are recorded as increases in net assets with donor restriction.

The Organization reclassifies net assets with donor restriction to net assets without donor restriction each year for the amount of depreciation expense relating to the donated property and equipment. Depreciation is computed on the straight-line method based on the estimated useful lives of each class of depreciable assets as follows:

Equipment	3-8 years
Buildings and improvements	10-50 years

The Centers reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Unearned revenues

Income received from grants are deferred and recognized over the period to which the grants relate.

Support and revenues

The Centers receives its grants and contracts support and revenues primarily from federal and state agencies and private grantors. All contributions, whether in cash, property, or other nature, are considered to be available for unrestricted use unless specifically restricted by grantor. Amounts received that are designed for future periods or restricted by the grantor for specific purposes are reported as temporarily restricted or permanently restricted support that increase those net assets classes. When a temporary restriction expires, temporarily net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and investments gain and income whose donor-imposed restrictions are met in the same fiscal year that the revenue is recorded are reported as unrestricted revenues.

Contributed services

The Centers recognized all contributions of services when they are received if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchases if not donated. In addition, many individuals' volunteers their time and skills to perform a variety of tasks that assist the Centers, but these services do not meet the criteria for recognition as contributed services.

Tuition and fees

Tuition and fees arise from student services from the Centers' Trinity College of Puerto Rico fund and program, and are recognized ratably over the academic time period to which they apply. Student receivables represent unpaid tuition and fees assessed in current and prior periods that are generated when a student registers for classes through the program's formal registration process. Student financial aid is generally fulfilled through federal and state student grants. Amounts received from state and federal agencies designated for the benefit of specified students are considered agency transactions and, therefore, are not reflected as revenues and expenses of Trinity College.

Tax status

Under provisions of the US Internal Revenue Code, Section 501(c)(3) and PR Internal Revenue Code, Section 1101.01, Centros Sor Isolina Ferré, Inc., is exempt from taxes on income other than unrelated business income. Since Centros Sor Isolina Ferré, Inc., has no unrelated income during the years ended June 30, 2022 and 2021, and no provision for income taxes has been made.

Management believes the Centers have no uncertain tax position as of June 30, 2022. The Centers' tax returns are subject to examination by Taxing Authorities generally for four years after they were filed.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

3. FAIR VALUE MEASUREMENTS

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. A three-level hierarchy is used for fair value measurements which is based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market-corroborated inputs.
- Level 3 - Inputs are unobservable for the asset or liability and reflect the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk) using the best information available in the circumstances, which may include using the reporting entity's own data.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. While the Centers believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

4. CASH AND CASH EQUIVALENTS

As of June 30, 2022 and 2021 cash and cash equivalents consist of the following:

	<u>2022</u>	<u>2021</u>
Cash in hand	\$ 3,314	\$ 7,859
Current accounts held in banks	<u>2,578,746</u>	<u>4,311,769</u>
	<u>\$2,582,060</u>	<u>\$4,319,628</u>

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

5. INVESTMENTS IN MARKETABLE SECURITIES

The Centers invest in publicly traded domestic and international mutual funds and equities, and PR and US government obligations. Fair value of these investments is based on quoted prices are readily available or that trade with sufficient frequency and volume to enable the Centers to obtain pricing information on an ongoing basis (level 1 of the fair value hierarchy). The amortized cost, gross unrealized gains, losses and estimated fair values of securities at June 30, 2022 and 2021 were as follows:

	2022		
	Amortized Cost	Unrealized Gains (Losses)	Estimated Fair Value
Money Markets	\$ 39,410	\$ -	\$ 39,410
Mutual Funds; Fixed income and equities	217,410	(22,697)	194,713
Equities and mutual Funds	<u>860,108</u>	<u>(79,297)</u>	<u>780,811</u>
	<u><u>\$1,116,928</u></u>	<u><u>\$(101,994)</u></u>	<u><u>\$1,014,934</u></u>

	2021		
	Amortized Cost	Unrealized Gains (Losses)	Estimated Fair Value
Money Markets	\$ 40,469	\$ -	\$ 40,469
Mutual Funds; Fixed income and equities	75,758	3,670	79,428
Equities	<u>1,036,812</u>	<u>26,689</u>	<u>1,063,501</u>
	<u><u>\$1,153,039</u></u>	<u><u>\$ 30,359</u></u>	<u><u>\$1,183,398</u></u>

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CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

6. RECEIVABLES GRANTS AND CONTRACTS

Receivables from grants and contracts as of June 30, 2022 and 2021 are from the following programs:

<i>Program</i>	<i>2022</i>	<i>2021</i>
US HUD/AVP Faro de Esperanza	\$ 1,008,620	\$123,813
US HHS/ADSEF/TANF	215,261	169,359
US DHH/Head Start	378,866	-
US HUD/AVP CDBG SBIA	94,347	-
Other programs	<u>145,597</u>	<u>54,780</u>
	<u>\$1,842,691</u>	<u>\$347,952</u>

These receivables are pledge as collateral of the bank lines of credit. (See Note 10)

7. AVAILABLE RESOURCES AND LIQUIDITY

The Centers regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Centers has various sources of liquidity at its disposal, including cash and cash equivalent, marketable debt and equity securities, and a line of credit.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Centers considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Centers anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows, which identifies the sources and uses of the Centers' cash and shows positive cash generated by operations for fiscal years 2022 and 2021.

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CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

7. AVAILABLE RESOURCES AND LIQUIDITY, continued

As of June 30, 2022, the following table show the total financial assets held by the Centers and the amount of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets:

Cash and cash equivalents	\$ 2,582,060
Investments in marketable securities	1,014,934
Accounts receivable	1,956,114
Other short-term assets	51,593
Other long-term assets	<u>16,710,785</u>
Total	<u>\$22,315,486</u>

**Financial Assets Available to Meet General Expenditures
Over the Next 12 Months**

Cash and cash equivalents	\$ 2,582,060
Investments in marketable securities	1,014,934
Accounts receivable	1,956,114
Other short-term assets	<u>51,593</u>
Total	<u>\$ 5,604,701</u>

8. BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Centers is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, the Centers has the irrevocable right to receive the income earned on trust assets in perpetuity. The fair value of the beneficial interest in a trust is recognized as an asset and as a permanently restricted contribution at the date the trust is established. Trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds, and equity securities. These assets are not subject to control or direction by the Centers. Distributions of income from the trusts are reported as either gains or investment income. Certain trusts provide that gain on changes in realized fair value be distributed to the Centers, while all trusts whose gains and losses are not distributed are reflected as the change in value of perpetual trusts held by others in the statements of activities.

The Centers' estimate of the fair value of a portion of the trusts' assets' totaling \$3,278,417 and \$3,569,934 as of June 30, 2022 and 2021 are based on quoted prices readily available or that trade with sufficient frequently and volume to obtain pricing information on an ongoing basis (level 1 under the fair value hierarchy). Additional trusts' assets totaling \$159,888 and \$138,281 as of June 30, 2022 and 2021, respectively, are reported at cost because determining their fair value is impractical, unless events or circumstances that may have a significant adverse effect are identified.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Construction in progress	\$ 410,584	\$ 168,358
Land and improvements	1,688,345	1,688,345
Buildings and improvements	17,133,433	17,066,334
Vehicles, equipment and furniture	5,183,615	4,719,338
Vehicles under capital lease	<u>208,741</u>	<u>208,741</u>
 Total property, plant and equipment	 24,624,718	 23,851,116
Less accumulated depreciation	<u>(11,352,235)</u>	<u>(10,591,520)</u>
 Property, plant and equipment, net	 <u>\$ 13,272,483</u>	 <u>\$ 13,259,596</u>

10. BANK LINES OF CREDIT

The Centers had \$1,325,000 in revolving line of credit at June 30, 2022 and 2021, from a financial institution, of which \$595,200 and \$0 was used and outstanding at June 30, 2022 and 2021, respectively. Bank advances on credit lines are payable on demand and carry interest rates of 1.75% over current prime rate. The credit lines are collateralized by the accounts receivable from government grants and contracts.

11. NOTES PAYABLE TO BANK

As of June 30, 2022 and 2021, the Centers had a note payable with a financial institution:

	<u>2022</u>	<u>2021</u>
Note payable, due in monthly installments of \$17,370, including interest at 5.5% until April 2031. The note payable is collateralized by the commercial building.	\$1,450,928	\$1,574,675
 1.75% over prime rate (set as 3.25% as of June 30, 2022 and 2021) note payable, with one annual payment of \$45,000 and remaining residual due on September 30, 2021. The note payable is unsecured. This note was paid in full on August 30, 2021.	 -	 44,346
 SBA Loan Payable – Paycheck Protection Plan 1 st draw payable in monthly installments of \$788, including interest at 1% until March 2025	 -	 34,777
 SBA Loan Payable – Paycheck Protection Plan 2 nd draw subject to forgiveness upon apply	 <u>-</u>	 <u>1,143,500</u>
	<u>\$1,450,928</u>	<u>\$2,797,298</u>

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

11. NOTES PAYABLE TO BANK, continued

The future scheduled maturities of note payable to bank for the year ending June 30, are as follows:

2023	\$130,770
2024	138,258
2025	146,174
2026	154,544
2027	163,393
Thereafter	<u>717,789</u>
	<u>\$1,450,928</u>

12. SBA LOAN

On June 19, 2020, the Centers entered into a loan agreement with the U.S. Small Business Administration (SBA) in the amount of \$150,000 bearing interest at 2.75% annually and due on June 19, 2050. Installment payments of \$641 monthly will begin on December 2022. The loan agreement grants a security interest to the SBA of all tangible and intangible property held by the corporation. Proceeds of this loan may be only used as working capital, to alleviate economic injury caused by the disaster occurring in the month of January 2020.

13. AUTO FINANCING LOANS

As of June 30, 2022 and 2021, the Centers had various auto loans payable with financial institutions:

	<u>2022</u>	<u>2021</u>
7.25% vehicle loan, due in monthly installments of \$724, including interest, through November 2021, secured by vehicle.	\$ -	\$ 3,554
5.05% vehicle loan, due in monthly installments of \$738, including interest through September 2023, secured by vehicle.	<u>10,725</u>	<u>18,842</u>
	<u>\$10,725</u>	<u>\$22,396</u>

The future scheduled maturities of auto financing loans for years ending June 30 are as follows:

<u>Fiscal years</u>	<u>Amounts</u>
2023	\$ 8,508
2024	<u>2,217</u>
	<u>\$10,725</u>

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

14. COMMITMENTS

The Centers rent various offices and locations for its programs whose contractual agreements are renewed annually when grants from state and local government agencies are also renewed.

15. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are available for the following purpose:

	<u>2022</u>	<u>2021</u>
Beneficial interests in trusts	\$ 3,438,305	\$ 3,708,215
Other programs, for various activities	254,564	406,035
Properties with time restriction, net of depreciation	<u>7,042,258</u>	<u>6,935,215</u>
	<u>\$10,735,127</u>	<u>\$11,049,465</u>

Properties with time restrictions

The Centers have acquired and constructed properties with grants and donations which established certain restrictions as to their use and final disposition. As of June 30, 2022, \$375,866 in net assets related to land and its respective improvements in the Centers' Caimito facilities are restricted as to their disposition and any significant changes to their use, requiring the consent of the grant donor. \$6,666,392 in net assets related to the Centers' Multi-Services buildings constructed in Tabaiba Sector, Ponce, PR and Caimito Sector, San Juan, PR, respectively, are restricted temporarily as to their encumbrance and final disposition until May 2043 and May 2057, respectively.

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CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

16. CONTRIBUTED NONFINANCIAL ASSETS

For the year ended June 30, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Description	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Capitalized Equipment	\$ 26,655	Education	Without donor restrictions	In valuing the contributed capitalized equipment, which is located in Puente Jobos in Guayama, P.R., as part of the resilience community initiative, CSIF estimated the fair value on the basis of retail prices for the solar energy system and the water tank, donated by Para La Naturaleza.
Supplies	644	Prevention; Education; Human Development; Community Development; Administrative	Without donor restrictions	Estimated fair value on the basis of estimates of wholesale values that would be from buying the products in Puerto Rico.
Professional Services	630,980	Prevention; Education; Human Development; Community Development; Head Start; Administrative	Without donor restrictions	Contributed services from education professionals are valued at the estimated fair value based on current rates from the Department of Education of Puerto Rico. Other contributed professional services are valued at the estimated fair value based on current rates of each similar professional services.
Activities	55,646	Prevention; Head Start; Fund Raising	Without donor restrictions	Contributed services for activities are valued at the estimated fair value based on current rates for similar services.
Telephone / Fax Services/ Internet	82,242	Prevention; Education; Human Development; Community Development; Administrative	Without donor restrictions	Contributed services from dedicated fiber optic internet access is valued at current rates charged by the provider for the services.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

16. CONTRIBUTED NONFINANCIAL ASSETS, Continued

Description	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Bank Charges, Interest and Taxes	27,595	Prevention; Education; Human Development; Community Development; Administrative	Without donor restrictions	Contributed charges are valued on current rate charged by the financial institution.
Equipment	3,300	Prevention; Education; Human Development; Community Development; Administrative	Without donor restrictions	Estimated fair value on the basis of quoted price that would be from buying the equipment in Puerto Rico.
Facilities Repairs and Maintenance	36,922	Education; Head Start	Without donor restrictions	Estimated fair value on the basis of quotes of services that would be from contracting in Puerto Rico.
Rent Expense	572,222	Prevention; Education; Human Development; Community Development; Head Start; Administrative	Without donor restrictions	In valuing the rent spaces, located in Plaza Las Americas and Plaza del Caribe shopping centers, estimated the fair value are on the basis of prices per square feet in each of the spaces. The valuation for rent spaces, located in Public Housing Complexes and Public Schools, estimated the fair value are on the basis of current real estate rental market for each locality.
Promotions Services	20,601	Fund Raising	Without donor restrictions	Contributed promotions services from newspaper ads are valued at the estimated fair value based on current rates for similar promotion services.
Other Miscellaneous Expenses	38,007	Prevention; Education; Human Development; Community Development; Administrative	Without donor restrictions	Estimated fair value on the basis of estimates of wholesale values that would be from buying the products in Puerto Rico.
Total Contributed Nonfinancial Assets	<u>\$ 1,494,814</u>			

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

17. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially expose the Centers to concentration of credit risk include bank accounts, certificate of deposits and investments. While the Centers attempts to limit any financial exposure, its cash balance may at times exceed federally insured limits. The FDIC insurance limits are \$250,000. At June 30, 2022, and 2021, the Centers' uninsured cash balance totaled \$2,332,359 and \$3,412,540 respectively. The Centers has not experienced any loss on such accounts.

18. CURRENT VULNERABILITY DUE TO CONCENTRATIONS

The Centers received approximately 77% of its total operating support and revenue (and 94% of receivables) from federal and state programs and contributions administered by the state government. The grants agreements for these programs are renewed annually. If these programs cease, it could cause a severe impact on the organization and its ability to continue its operations and services. The Centers do not expect that the support from these governmental sources will be lost in the near term.

The Centers operate in a heavily regulated environment. The operations of the Centers are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by Act of federal and state legislative branches. Such changes may occur with little notice or inadequate funding to pay the related costs, including additional administrative burden to comply with a change.

19. PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATIONS

During the fiscal year ended June 30, 2021, certain errors were discovered from prior years regarding accounts payable, interest, depreciation expense and contributions. Accordingly, adjustments of \$(36,275) were made to previously reported unrestricted net assets as of June 30, 2021.

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

20. CONTINGENCIES

1. Commonwealth of Puerto Rico Going Concern

The Commonwealth of Puerto Rico and its component units currently face severe fiscal, economic, and liquidity situations, including accumulated net position and fund balance deficits, lack of access to financing, and difficulties in honoring its obligations as they become due. The Centers is dependent on the Commonwealth for certain resources and services. The Commonwealth and its component units are currently under the supervision of the Federal Oversight Board and have issued a general fiscal plan approved by the Board, in order to remediate their situation. The last available audited financial statement of the Commonwealth is for the year ended June 30, 2020. Although the auditor report does not include an emphasis of the matter paragraph on the opinion related to uncertainty about ability to continue as a going concern for the primary government, it includes such paragraph for certain major discretely presented component units. On January 18, 2022, the Title III Court entered an order confirming the Commonwealth's Eight Amended Plan of Adjustment. The Plan became effective in accordance with its terms on March 15, 2022, and the Commonwealth emerged from Title III of Promesa.

CENTROS SOR ISOLINA FERRE, INC.
NOTES TO FINANCIAL STATEMENTS, Continued

20. CONTINGENCIES, cont.

2. Federal and State awards

In the normal course of operations, the Centers receive grants from various Federal and State agencies. The expenses financed by these grants are subject to program compliance audits by the grantor and passed-through agencies in order to assure compliance with grant requirements. If expenses are disallowed due to noncompliance with grant programs regulations, the Centers may be required to reimburse the grantor or pass-through agencies. Management believes that such disallowances, if any, will not have a material effect on the financial statements.

3. Claims and Judgements

The Centers is, at present, a defendant in a number of legal matters that arise in the ordinary course of its activities. The legal counsel of the Centers has advised that these proceedings are in the discovery stage and cannot offer an opinion as to the probable outcome. Accordingly, the financial statements do not include adjustment, if any, that could result from the resolution of these legal proceedings. However, it is the opinion of Management that such actions and the potential liabilities will not impair the Centers financial position.

21. SUBSEQUENT EVENTS

Management has evaluated events through December 28, 2022, the date the financial statements were available to be issued. Management has identified the following significant events:

Hurricane Fiona

On September 18, 2022 Puerto Rico was impacted by Hurricane Fiona causing heavy flooding and damage to many parts of the island. Puerto Rico was declared a major disaster area under the Stafford Act on September 21, 2022. As a result of the impact of the Hurricane, various actions were taken by the federal government.

Individual and Public Assistance is available under the disaster declaration FEMA-4671-DR for all Municipalities in Puerto Rico. Under the Public Assistance, state, local, tribal and territorial governments, and certain private-non-profit organizations are eligible for assistance for emergency work and repair or replacement of disaster-damaged facilities. The organization requested assistance to FEMA under this disaster and is waiting for its approval.

The Office of Management and Budget (OMB) has granted a six-month extension for all single audits that cover recipients in Puerto Rico and have due dates between September 18, 2022 and December 31, 2022.

The organization was awarded \$294,733 under the “Abrazo Solidario-Fiona” Program. This program provides emergency relief by distributing food, water and other essential items to families in the Municipalities of Ponce, Juana Díaz, Santa Isabel, Salinas, Guayama and their surrounding Municipalities.

The Centers are currently evaluating the impact to its operations, while assessing potential losses of property in order to claim its insurance coverage. No adjustment has been made to the financial statements as a result of this event.

Cerca de ti



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Complejo de Servicios Multidisciplinarios Tabaiba

ofrece programas de educación alternativa, prevención, orientación vocacional y técnica, desarrollo comunitario, deportes, artes, consejería, trabajo social y campamentos de verano, talleres de microempresas, entre otros.

Ext. 1000

Centro Playa provee educación especial, educación preescolar inclusiva y educación vocacional. Exts. 1205, 1200, 1601

Innovación Comunitaria, El Tuque y Tabaiba: Centro de Servicios Comunitarios con programas de prevención, tutorías, arte, deportes, trabajo social y desarrollo comunitario. Exts. 1017, 1700

Programa TANF ofrece ayudas a madres jefas de familia y padres solos con niños menores de edad a lograr la autosuficiencia económica y dejar la dependencia de ayudas del gobierno.

Exts. 1021, 1019, 1023

San Juan

Caimito: Complejo de Servicios Multidisciplinarios que ofrece programas de educación alternativa, prevención, recreación deportiva y artística, valores, consejería y talleres de microempresas, entre otros.

Exts. 1111, 1114

Centros Head Start y Early Head Start Exts. 1100, 1116

Guayama

Puente de Jobs: Centro de servicios multidisciplinarios que ofrece educación alternativa, tutorías, prevención, consejería, y recreación deportiva y artística. Exts. 1302, 1500

Centro de Aprendizaje de Transición: Servicios y terapias para niños con necesidades especiales y sus familias. Ext. 1601

Canóvanas

La Central: Se ofrecen servicios de prevención, educación, tutorías, intercesión, consejería y recreación deportiva y artística. Ext. 1401

Región Sur y Oeste

Faro de Esperanza: Programa que ofrece servicios de prevención e intervención comunitaria en varios residenciales públicos en las áreas de educación, liderazgo en jóvenes, desarrollo familiar, deportes, recreación, capacitación, artes y apoyo a personas de edad avanzada. Exts. 1028, 1206, 1208



Centros
**SOR
ISOLINA**
Ferré

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