

Mortgage Loan Officers Association of Puerto Rico, Inc.

Financial Statements
December 31, 2022

Together with Accountants' Compilation Report

Mortgage Loan Officers Association of Puerto Rico, Inc.

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Accountants' Compilation Report

To the Board of Directors
of Mortgage Loan
Officers Association of
Puerto Rico, Inc.:

Management is responsible for the accompanying financial statements of Mortgage Loan Officers Association of Puerto Rico, Inc., which comprise of the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

AFS-CPA Group, LLC

AFS-CPA Group, LLC
License Number LLC-280

By: *Nancy Arismendi*
Nancy Arismendi, CPA
License Num. 6151

Gurabo, Puerto Rico
June 6, 2023



Mortgage Loan Officers Association of Puerto Rico, Inc
Balance Sheet
As of December 31, 2022

Assets

Current Assets	
Cash and Cash Equivalents	\$ <u>156,479</u>
Fixed Asset, at cost	<u>51,000</u>
Total Assets	<u><u>\$ 207,479</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	\$ <u>11,279</u>
Net Assets:	
With Donor Restrictions	-
Without Donor Restrictions	<u>196,200</u>
Total Net Assets	196,200
Total Liabilities and Net Assets	<u><u>\$ 207,479</u></u>

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

Mortgage Loan Officers Association of Puerto Rico, Inc
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Convention Fee	\$ 216,978	\$ -	\$ 216,978
Activities Fee	48,267	-	48,267
Members Contributions	18,300	-	18,300
Other Income	1,746	-	1,746
Interest Revenue	94	-	94
	<hr/>	<hr/>	<hr/>
Total Revenues	285,385	-	285,385
Expenses			
Convention Expenses	182,891	-	182,891
Activities Expenses	24,364	-	24,364
Seminars	15,845	-	15,845
Professional Services	13,768	-	13,768
Bank Charges and Interest Expense	5,381	-	5,381
Repairs and Maintenance	2,280	-	2,280
Other Expenses	19,764	-	19,764
	<hr/>	<hr/>	<hr/>
Total Expenses	264,293	-	264,293
Change in Net Assets	21,092	-	21,092
Net Assets, Beginning of Year	124,108	-	124,108
Adjustment to Recognize Office Space			
Purchase on 1992	51,000	-	51,000
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	<u>\$ 196,200</u>	<u>\$ -</u>	<u>\$ 196,200</u>

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

Mortgage Loan Officers Association of Puerto Rico, Inc
Cash Flows Statement
For the Year Ended December 31, 2022

Cash Flows from Operating Activities	
Change in Net Assets	\$ 21,092
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Changes in Assets and Liabilities	
Accounts Receivable	7,262
Other Assets	5,525
Accounts Payable	11,279
Total Adjustments	24,066
Net Cash Provided by Operating Activities	45,158
Net Change in Cash and Cash Equivalents	45,158
Cash and Cash Equivalents, Beginning of Year	111,321
Cash and Cash Equivalents, End of Year	\$ 156,479
Non-Cash Transaction	
Adjustment to Recognize Office Space Purchase on 1992	\$ 51,000

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

Mortgage Loan Officers Association of Puerto Rico, Inc.

Notes to the Financial Statements

December 31, 2022

1. Reporting Entity:

Mortgage Loan Officers Association of Puerto Rico, Inc. (The Company), was incorporated under the laws of the Commonwealth of Puerto Rico on November 17, 1987. The Company is engaged in promoting the improvement of the professional staff in the mortgage bank industry of Puerto Rico.

2. Summary of Significant Accounting Policies:

The following is a summary of the significant accounting policies followed by the Company:

Basis of Accounting

The financial statements of the Company have been prepared based on the accrual method of accounting in adherence to the generally accepted accounting principles of the United States of America. Consequently, revenues are recognized when earned or donor make a promise to give regardless of when cash is received, and expenses are recognized when incurred regardless of when cash is disbursed.

Basis of Presentation

In accordance with Statement of Financial Accounting Standards all not-for-profit organizations are required to provide a statement of financial position, a statement of activities and changes in net assets, and a statement of cash flows. It is also required the classification of an organization's net assets and its revenues, expenses, gains, and losses based on the existence or absence of imposed restrictions. Accordingly, the net assets of the Company and changes therein are generally classified and reported as follows, depending on the circumstances and applicability each year:

- Net Assets without Donor Restrictions - This category consists of net assets that are not subject to donor-imposed or legal stipulations.
- Net Assets with Donor Restrictions - This category consists of net assets that are subject to donor-imposed or legal stipulations.

Mortgage Loan Officers Association of Puerto Rico, Inc.
Notes to the Financial Statements
December 31, 2022

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. As of December 31, 2022, the Company had no cash equivalents.

Accounts Receivable

Accounts receivable is recorded at the billed date and bears no interest. Unbilled revenues represent amounts recognized as revenue for which invoices have not yet been sent to pledgers.

Revenue Recognition

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in without donor restriction net assets. All other donor restricted support is reported as an increase in with donor restricted net assets, depending on the nature of the restriction.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received or at values indicated by the donor. Due to the nature of the donated services there might be activities which the organization has not been able to account for.

Memberships program and services fees are recorded as an increase in without donor restrictions when earned and the related receivable collections is probable.

Income Taxes

The Company is organized as a non-profit corporation in the Puerto Rico Department of State. The Company is in the process of soliciting a non-profit status with the Puerto Rico Treasury Department, accordingly, no provision for income tax has been recognized. Management is aware that during the process an income tax liability may be imposed. No accrual has been made in these financial statements.

Mortgage Loan Officers Association of Puerto Rico, Inc.

Notes to the Financial Statements

December 31, 2022

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When equipment is sold, retired, or otherwise disposed of, the cost and accumulated depreciation are eliminated from the books and the gain or loss on such disposition is reflected in current earnings.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

Fair Value of Financial Instruments

The carrying amounts reported in the accompanying statement of financial position for cash and cash equivalents, and accounts payable, approximate fair value because of the short-term durations of these financial instruments.

3. Concentration Risk

The Company maintains its cash balances in one financial institution located in Puerto Rico. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2022, the Company had no uninsured cash balance.

Mortgage Loan Officers Association of Puerto Rico, Inc.
Notes to the Financial Statements
December 31, 2022

4. Income Taxes

The Organization (a nonprofit organization) which qualifies for tax-exempt under Section 1101.01 of the Internal Revenue Code of 2011 of the Commonwealth of Puerto Rico, as amended, has not filed the exemption filing Form SC 2645 with the Puerto Rico Department of Treasury. Therefore, the Company may be subject to income tax under the Internal Revenue Code of 2011, as amended.

5. Expenses

The Statement of Financial Accounting Standards requires that all not-for-profit must present their expenses by their nature and their function. The Statements of Activities for December 31, 2022, presented the expenses by their nature. The Company has determined that all expenses are related to the same function, program service.

6. Subsequent Events:

Management has evaluated subsequent events occurring through June 6, 2023, the date the financial statements were available to be issued and concluded that there are no subsequent events which require disclosure.