

**To the Director of the
Office of Management and
Budget of Puerto Rico
San Juan, Puerto Rico**



P.O. Box 366202
San Juan, PR 00936-6202

Tel. 787-622-8855
Fax: 787-622-8850
www.bakertillypr.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Puerto Rico's Office of Management and Budget ("OMB"), solely to assist the OMB to evaluate the completeness and mathematical accuracy of the Commonwealth of Puerto Rico's 2012-2013 Fiscal Year Recommended Budget ("2013 Budget"). The OMB's management is responsible for the 2013 Budget. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The Agreed-Upon Procedures and results were as follows:

1. We verified that all Agencies included in the list submitted by the Budget Area had a Budget Report produced by the budget information system. We found no exceptions as a result of the procedures.
2. We compared each Agency's total operational expenses and permanent improvements for the Fiscal Year 2012-2013 presented in their respective "Resumen de Recursos Disponible por Agencia", Consolidated Budget included in the 2013 Budget with each Agency's total operational expenses and permanent improvements for the fiscal year 2012-2013 included in the report produced by the budget information system identified as "Presupuesto de Gastos Operacionales por Agencia (Todos los Orígenes de Recursos) Años Fiscales 2010 al 2013". We found no exceptions as a result of the procedures.
3. We verified each Agency's total proposed positions for the fiscal year 2012-2013 presented in the corresponding "Resumen de Puestos Ocupados y Propuestos" included in the 2013 Budget with the report included in the 2013 Budget, identified as Human Resources by Agency, fiscal years 2010 to 2013. We found no exceptions as a result of the procedures.
4. With respect to the column identified as 2013 recommended presented throughout the 2013 Budget, we added the operational expenses, permanent improvements, subsidies, incentives and donations, origins of resources and consolidated budget by concept of recommended budget included in the "Resumen de Recursos por Programa", and compared each total with the total of operational expenses, permanent improvements, subsidies, incentives and donations, origins of resources and consolidated budget by concept of recommended budget as presented in the "Resumen de los Recursos por Concepto", Consolidated Budget included in the 2013 Budget. We found no exceptions as a result of the procedures.

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5. We verified the financial information included in the texts of each agency with the financial information included in the "Resumen de los Recursos Disponibles de la Agencia". We found no exceptions as a result of the procedures.
6. We added the operational expenses, permanent improvements, subsidies, incentives and donations and origin of resources of each agency, and compared the totals obtained with the totals included in the different reports included in the 2013 Recommended Budget section identified as Statistical Tables. We found no exceptions as a result of the procedures.
7. We verified the information included in the graphics identified as "Presupuesto de Funcionamiento por Concepto de Gastos 2013 y Presupuesto Consolidado por Año" with the information included in the Statistical Tables. We found no exceptions as a result of the procedures.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on the 2013 Recommended Budget for the Commonwealth of Puerto Rico. Accordingly, we do not express such opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and the exclusive use of the OMB's management and is not intended to be and should not be used by anyone other than those specified parties.

Guaynabo, Puerto Rico

April 23, 2012
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affixed to the original of this report.

Bala F. Ilyferrero de Arce, CPAs, PSC
BAKER TILLY PUERTO RICO, CPAs, PSC

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