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**SOLID WASTE AUTHORITY**

(A Component Unit of the  
Commonwealth of Puerto Rico)

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**BASIC FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED JUNE 30, 2014**

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**AUTORIDAD DE  
DESPERDICIOS SÓLIDOS**  
ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sector El 5, Carr. 8838 Km. 6.3, Edificio  
Agencias Ambientales, Piso 6, San Juan PR 00926

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**CONTENTS**

	Page
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Independent Auditors' Report	1-2
Required Supplementary Information (Part I) Management's Discussion and Analysis	3-14
Basic Financial Statements:	
Statement of Net Position	15
Statement of Revenues, Expenses and Changes in Net Position	16
Statement of Cash Flows	17
Notes to Basic Financial Statements	18-39
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Combining Statement of Revenues, Expenses, and Changes in Net Position (Part 2)	40



*López-Vega, CPA, PSC*

Certified Public Accountants / Management Advisors

Member of:

- American Institute of Certified Public Accountants
- Puerto Rico Society of Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

**To Secretary of the Department of  
Natural and Environmental Resources  
Commonwealth of Puerto Rico  
Solid Waste Authority  
San Juan, Puerto Rico**

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of **Solid Waste Authority** (the Authority), a component unit of Commonwealth of Puerto Rico, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's statement of net position, statements of revenues, expenses and changes in net position and cash flows.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2014 and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

  
LÓPEZ VEGA, CPA, PSC

San Juan, Puerto Rico  
December 23, 2014  
Stamp No. 2675864 of the  
Puerto Rico Society of Certified  
Public Accountants was affixed to  
the record copy of this report.



Certified Public Accountants / Management Advisors

*López-Vega, CPA, PSC*

This discussion and analysis of the Solid Waste Authority (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended on June 30, 2014. The Management Discussion and Analysis (MD&A) should be read in conjunction with the accompanying basic financial statements and the accompanying notes to those financial statements. The discussion and analysis includes comparative data for prior year as this information is available for the fiscal year ended on June 30, 2014. This MD&A is prepared in order to comply with such pronouncement and, among other purposes, to provide the financial statements users with the following major information:

1. A broader basis in focusing important issues;
2. Acknowledgement of an overview of the Authority's financial activities;
3. Provide for an evaluation of its financial condition as of the end of the indicated fiscal year, compared with prior year results;
4. Identification of uses of funds in the financing of Authority's variety of activities;
5. Assess management's ability to handle budgetary functions.

## **FINANCIAL HIGHLIGHTS**

The following comments about the financial condition and results of operations as reflected in the financial statements prepared for fiscal year 2013-2014 deserve special mention:

1. Total assets amounted to \$155,485,553, resulting in a decrease of \$4,755,989 compared with prior fiscal year. The decrease was mainly due to a decrease in capital assets amounting to \$5,143,748.
2. Total liabilities increased by \$6,028,084 or 5.91%. This increase was caused by an increase in current liabilities of \$6,343,877 and a decrease in long-term liabilities amounting to \$315,793.
3. The Authority's total assets exceeded total liabilities by \$47,434,524 as of June 30, 2014 and, during the year then ended, experienced a change in net position of \$(10,784,073) or (18.52)%.
4. Operating revenues amounted to \$3,013,783 and increased by \$683,368. Total operating expenses amounted to \$16,579,675 and exceeded operating revenues by \$13,565,892.
5. Non-operating revenues (expenses) decreased by \$5,290,386, from \$8,072,205 in 2013 to \$2,781,819 in 2014. The decrease was mainly caused by the decrease in capital and grant contributions received from the Commonwealth of Puerto Rico, which decreased by \$4,722,714 or 33.88%.
6. Interest expense related to long term-debt charged to operations during the fiscal year 2014, amounted to \$5,724,424.

## **FINANCIAL HIGHLIGHTS (Continued)**

7. Cash and cash equivalents decreased by \$1,206,999 from \$14,559,103 in 2013 to \$13,352,104 in 2014. As of June 30, 2014, restricted cash amounted to \$9,361,255 and unrestricted cash amounted to \$3,990,849.

## **USING THE ANNUAL REPORT**

This annual report consists of a series of basic financial statements. The (i) Statement of Net Position, (ii) the Statements of Revenues, Expenses and Changes in Net Position, (iii) the Statements of Cash Flows and (iv) provided information about the activities of the Authority, that together presents an image of the Authority's finances. These statements show how these services were financed in the short-term as well as what remains for future activities.

## **FUNDAMENTALS OF FINANCIAL STATEMENTS PRESENTATION**

The Authority is a component unit of the Commonwealth of Puerto Rico and is presented in the Commonwealth government-wide financial statements as an enterprise fund.

The approach used in the presentation of the financial statements of the Authority is based on a government-wide view. Under the aforementioned approach, assets and liabilities are recognized using the accrual basis of accounting, which is similar to the method used by most private enterprises. This means that current year's revenues and expenses are accounted for regardless of when cash is received or paid.

Each statement will distinguish between the governmental and business-type activities of the primary government and between the total primary government and its discretely presented component units by reporting each in separated columns. Fiduciary activities, whose resources are not available to finance the government's programs, will be excluded from the government-wide financial statements.

An enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide financial statements. Substantially all services are provided to customers not related to the Commonwealth of Puerto Rico.

The Authority's basic financial statements are presented attached to this document and are accompanied by notes to the basic financial statements, which provide information essential to their full understanding.

## **FINANCIAL STATEMENTS COMPONENTS**

The basic financial statements consist of the Statement of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, the Statements of Cash Flows and the notes to the financial statements, which provide details, disclosure and description of the most important items included in said statements.

The Statement of Net Position reflects information of the Authority as a whole of a consolidated basis and provides relevant information about its financial strength as reflected at the end of the fiscal year. Such financial level is

**FINANCIAL STATEMENTS COMPONENTS (Continued)**

measured as the difference between total assets and liabilities, with the difference between both items reported as net position. The higher the increments achieved in net revenues, the higher the capacity to increase the net position figure either through additional borrowings or through internally generated funds. Evaluation of the overall financial health of the Authority would extend to external factors such as the quality of the portfolio of investments and related market conditions. The statement of revenues, expenses and changes in net position shows how the Authority's net position changed during the fiscal year. All current fiscal year revenues and expenses are recognized regardless of when cash is received or paid. An important purpose of the design of this statement is to show the financial reliance of the Authority's functions on revenues earned.

The statement of revenues, expenses and changes in net position is focused on both gross and net cost of the various activities of the Authority. It presents information which shows the changes in the Authority's net position at the most recent fiscal year. Based on the use of the accrual basis of accounting, changes are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Under said approach, revenues and expenses are reported in the statement of revenues, expenses and changes in net position based on the theory that it will result in cash flows to be realized in future periods.

A brief review of the statement of revenues, expenses and changes in net position of the Authority at June 30, 2014, shows total expenses incurred to afford the cost of the Authority's operations amounted to \$16,579,675. Upon examining the sources of revenues for the financing of the Authority's operations, the statement of revenues, expenses and changes in net position reflects that \$3,013,783 was derived from the following sources: \$2,780,665 from contract revenues and \$233,118 from other miscellaneous revenues.

The statement of cash flows presents the sources and uses of cash flows divided into four categories: operating activities, non-capital financial activities, capital and related financing activities and investing activities. The statement reconciles net cash and cash equivalents at the beginning and end of year and reconciles the net income (loss) with the cash used in operating activities to provide an explanation of cash and non-cash activities within the statement of revenues, expenses and changes in net position.

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**

The Authority is a public corporation and a governmental instrument of the Commonwealth of Puerto Rico, created by Law No. 70 of June 23, 1978, as amended. The main purpose of the Authority is to provide alternatives for the processing of solid waste in Puerto Rico. Also, in accordance with the Law, the Authority has the responsibility of educating the community in this respect as well as the development and implementation of the required programs needed for the reduction and reuse of solid waste.

Our analysis, as shown below, focuses on net position (Table 1) and change in net position (Table 2) for the Authority's activities compared to prior year.

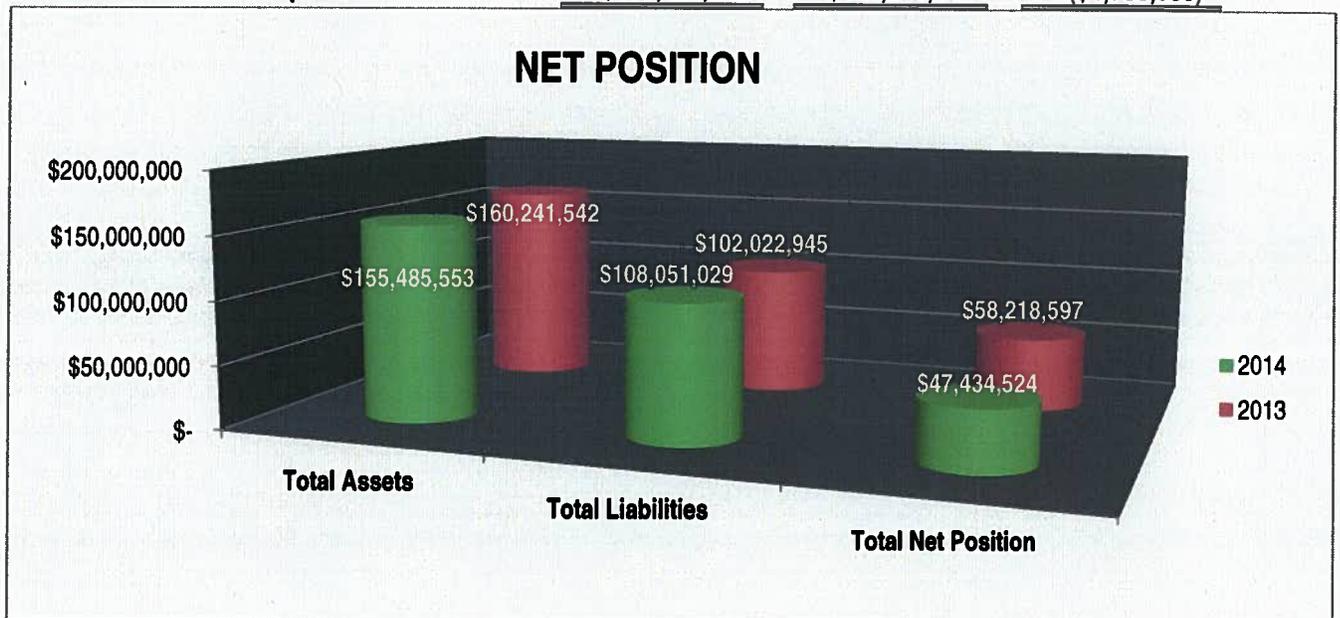
**Net Position**

The Statement of Net Position serves as an indicator of the Authority's financial position at the end of the fiscal year. In the case of the Authority, assets exceeded total liabilities by \$47,434,524 at the end of 2013-2014, compared to \$58,218,597 at the end of the previous year, as restated, as showed in the following Statement of Net Position.

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**TABLE 1- STATEMENT OF NET POSITION**

	<b>2014</b>	<b>2013</b>	<b>Increase (Decrease)</b>
<b>Assets</b>			
Current assets	\$ 24,819,943	\$ 23,360,715	\$ 1,459,228
Restricted assets	9,361,255	10,900,286	(1,539,031)
Investment in preferred stock	500,000	500,000	-
Due from Commonwealth of Puerto Rico	404,621	404,621	-
Capital asset-net	119,844,182	124,987,930	(5,143,748)
Other assets	555,552	87,990	467,562
<b>Total assets</b>	<b>155,485,553</b>	<b>160,241,542</b>	<b>(4,755,989)</b>
<b>Liabilities</b>			
Current liabilities	16,112,101	9,768,224	6,343,877
Long-term debt	91,938,928	92,254,721	(315,793)
<b>Total liabilities</b>	<b>108,051,029</b>	<b>102,022,945</b>	<b>6,028,084</b>
<b>Net Position</b>			
Net investment in capital assets	45,817,162	50,810,092	(4,992,930)
Restricted for federal projects	125,949	126,557	(608)
Restricted for state projects	1,231,600	1,526,097	(294,497)
Unrestricted	259,813	5,755,851	(5,496,038)
<b>Total net position</b>	<b>47,434,524</b>	<b>58,218,597</b>	<b>(10,784,073)</b>
<b>Total liabilities and net position</b>	<b>\$155,485,553</b>	<b>\$160,241,542</b>	<b>(\$4,755,989)</b>



**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

Total net position at June 30, 2014, compared to prior year, decreased by \$10,784,073 or 18.52%. This was caused by the net effect of an increase in current assets of \$1,459,228, a reduction in restricted assets of \$1,539,031, a reduction in capital assets of \$5,143,748, an increase in other assets of \$467,562, and the increase in total liabilities of \$6,028,084.

The increase in current assets is directly related to the increase in net accounts receivable of \$895,015, the increase in unrestricted cash of \$332,032 and the increase in investments of \$232,181. The reduction of restricted assets is mainly related to the use of funds restricted for state projects with additions to the construction in progress of \$1,078,427. In addition, the reduction in capital assets is mainly related to the recognition of current year depreciation expense of \$5,258,532.

The increase in liabilities is mainly related to the increase in accounts payable, trade of \$1,367,711 and the increase in accrued interest payable by 5,240,687. Total Long term debt decrease by \$315,793.

The net change in net position of \$1,343,475 or 11.08% is primarily due to the net effect of an increase in operating revenues of \$683,368, a decrease in total operating expenses of \$5,950,493 and a decrease in non-operating revenues (expenses) amounting to \$5,290,386.

Approximately 9.2 million or 74% of the Authority's total operating and nonoperating revenues are from capital grants and other grants contributions from the Commonwealth of Puerto Rico. Operating revenues for the current year amounting to \$2,780,665 or 22% are related to contracts.

Approximately 47% of the Authority's total operating and nonoperating expenses are related to depreciation and interest expenses. In the following table a comparative analysis of the Statement of Revenues and Expenses and Changes in Net Position is presented. With this analysis, the readers have comparative information of the percentage of change in revenues and expenses from prior year to current year.

Interest expenses related to the Authority's long term debt charged to operations during the fiscal year ended June 30, 2014 amounted to \$5,724,424.

Also, during fiscal year ended June 30, 2014, the Authority recognized a loss on impairment of capital assets amounting to \$991,733.

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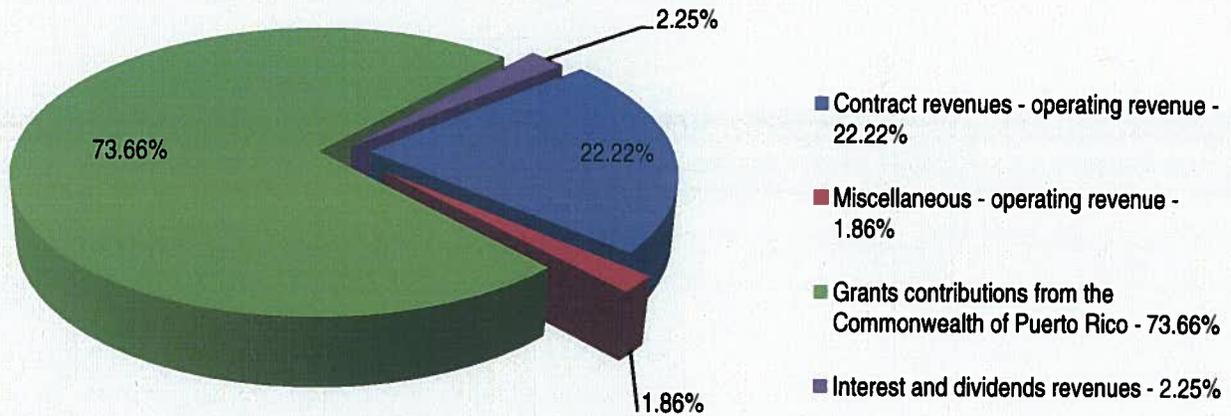
**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**TABLE 2- STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

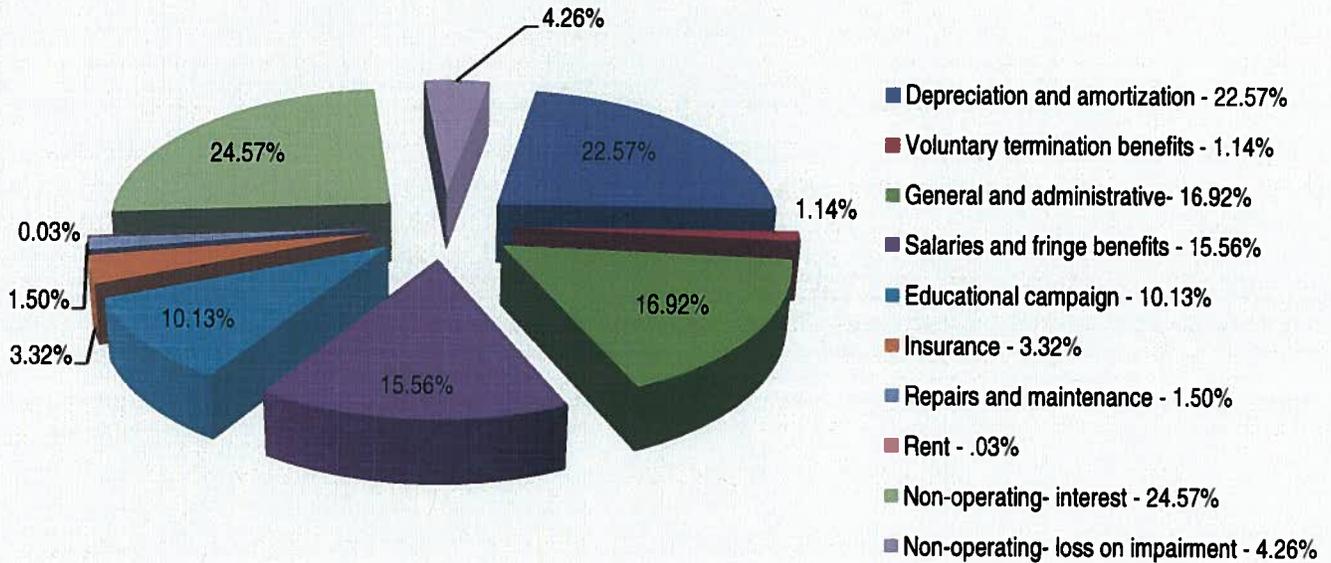
	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
<b>Operating Revenues:</b>			
Contract revenues	\$ 2,780,665	\$ 2,308,705	\$ 471,960
Miscellaneous	233,118	21,710	211,408
Total operating revenues	<u>3,013,783</u>	<u>2,330,415</u>	<u>683,368</u>
<b>Operating Expenses:</b>			
Depreciation and amortization	5,258,532	5,317,481	(58,949)
Voluntary termination benefits	265,020	383,074	(118,054)
General and administrative	3,942,444	2,788,773	1,153,671
Salaries and fringe benefits	3,625,264	2,924,678	700,586
Educational campaign	2,359,558	1,051,115	1,308,443
Insurance	774,033	555,377	218,656
Repairs and maintenance	348,514	329,007	19,507
Landfill project	-	3,616,372	(3,616,372)
Rent	6,310	11,690	(5,380)
Bad debt expenses	-	5,552,601	(5,552,601)
Total operating expense	<u>16,579,675</u>	<u>22,530,168</u>	<u>(5,950,493)</u>
<b>Operating loss before non-operating revenues (expenses)</b>	<u>(13,565,892)</u>	<u>(20,199,753)</u>	<u>6,633,861</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest and dividends income	281,885	52	281,833
Interest expenses	(5,724,424)	(5,662,543)	(61,881)
Loss on impairment of capital assets	(991,733)	(213,272)	(778,461)
Gain on sale of capital assets	-	9,163	(9,163)
Capital and grants contributions from the Commonwealth of Puerto Rico	<u>9,216,091</u>	<u>13,938,805</u>	<u>(4,722,714)</u>
<b>Total non-operating revenues (expenses)</b>	<u>2,781,819</u>	<u>8,072,205</u>	<u>(5,290,386)</u>
<b>Change in net position</b>	<u>(10,784,073)</u>	<u>(12,127,548)</u>	<u>1,343,475</u>
<b>Net position, beginning of year</b>	<u>58,218,597</u>	<u>70,346,145</u>	<u>(12,127,548)</u>
<b>Net position, end of year</b>	<u>\$ 47,434,524</u>	<u>\$ 58,218,597</u>	<u>\$(10,784,073)</u>

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**OPERATING & NON-OPERATING REVENUES 2014**



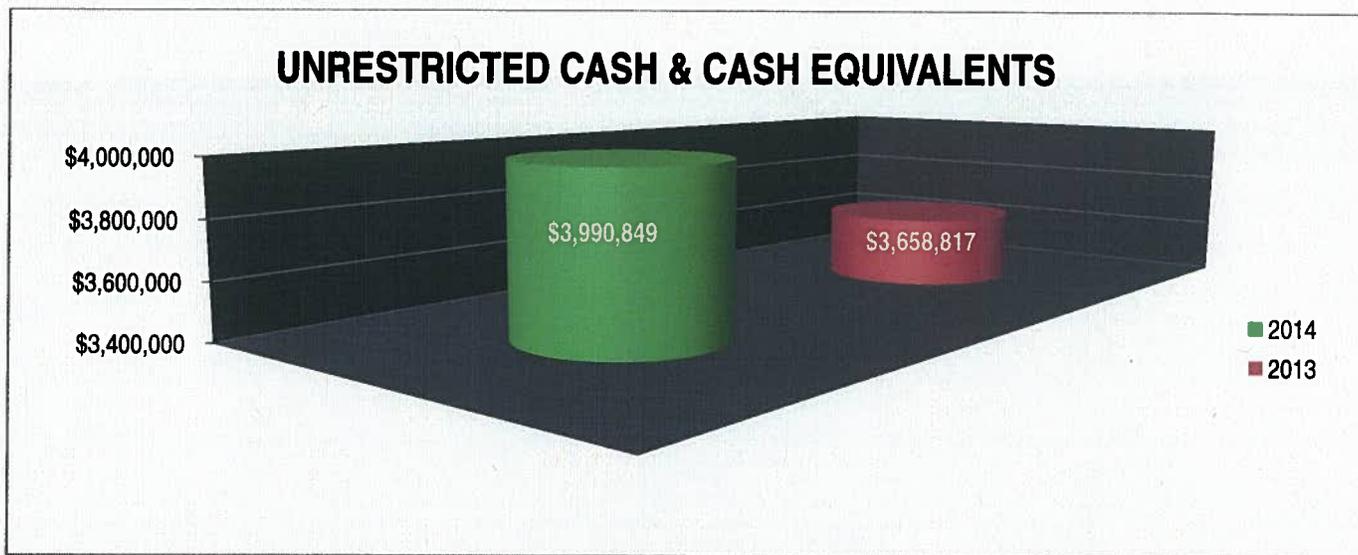
**OPERATING & NON-OPERATING EXPENSES 2014**



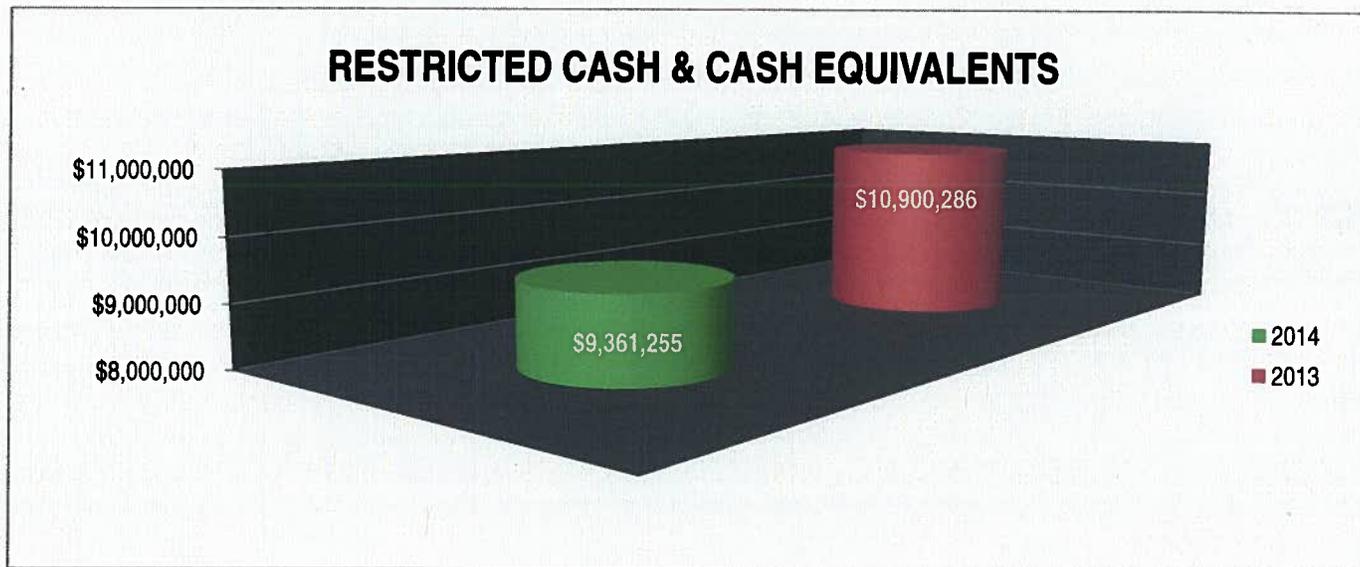
**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**Cash and Cash Equivalents**

As of June 30, 2014, cash and cash equivalents consist of cash deposited on Government Development Bank (GDB), which are classified in unrestricted cash and cash equivalents and restricted cash. At the end of fiscal year 2014, the Authority had an increase of \$332,032 of unrestricted cash and cash equivalents (See graphic below).



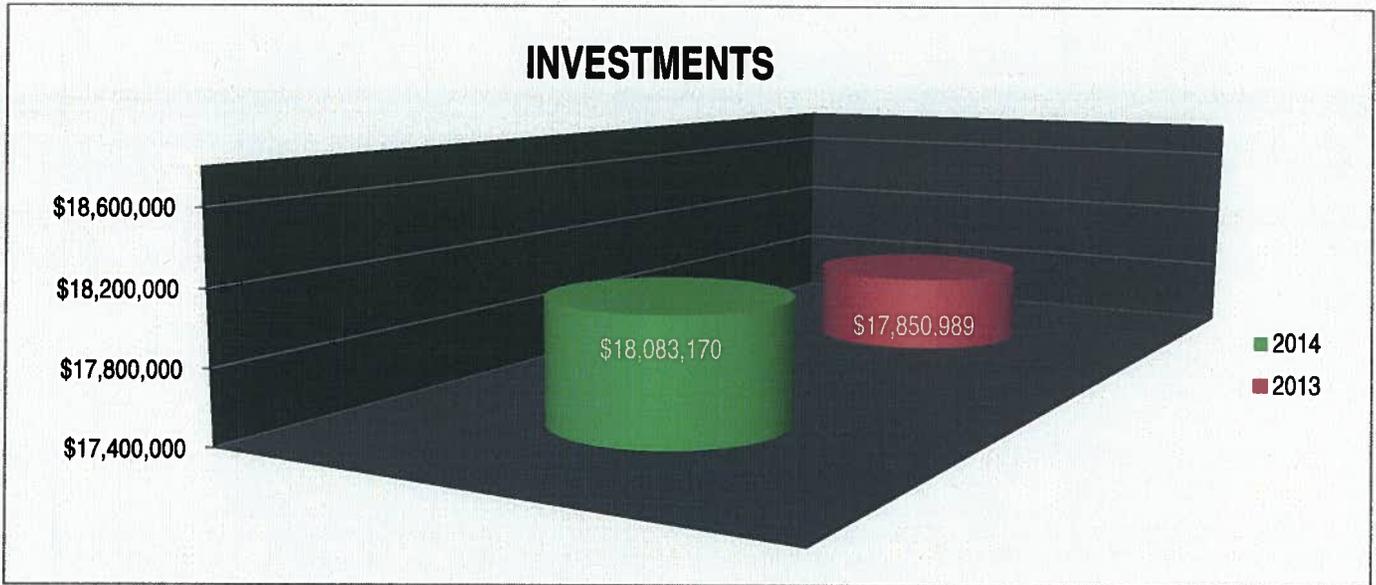
Otherwise, as observed in the graphic below, the Authority's restricted cash decreased from \$10,900,286 to \$9,361,255 or 14% percent. That represents a decrease of \$1,539,031 that is mainly related to the use of funds restricted for state projects. Construction in progress additions during the fiscal year 2014 amounted to \$1,078,427.



**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**Investments**

As of June 30, 2014, the Authority's investments increased from \$17,850,989 to \$18,083,170 or 1.30% percent. That represents an increase of \$232,181.



**CAPITAL ASSETS AND DEBT ADMINISTRATION**

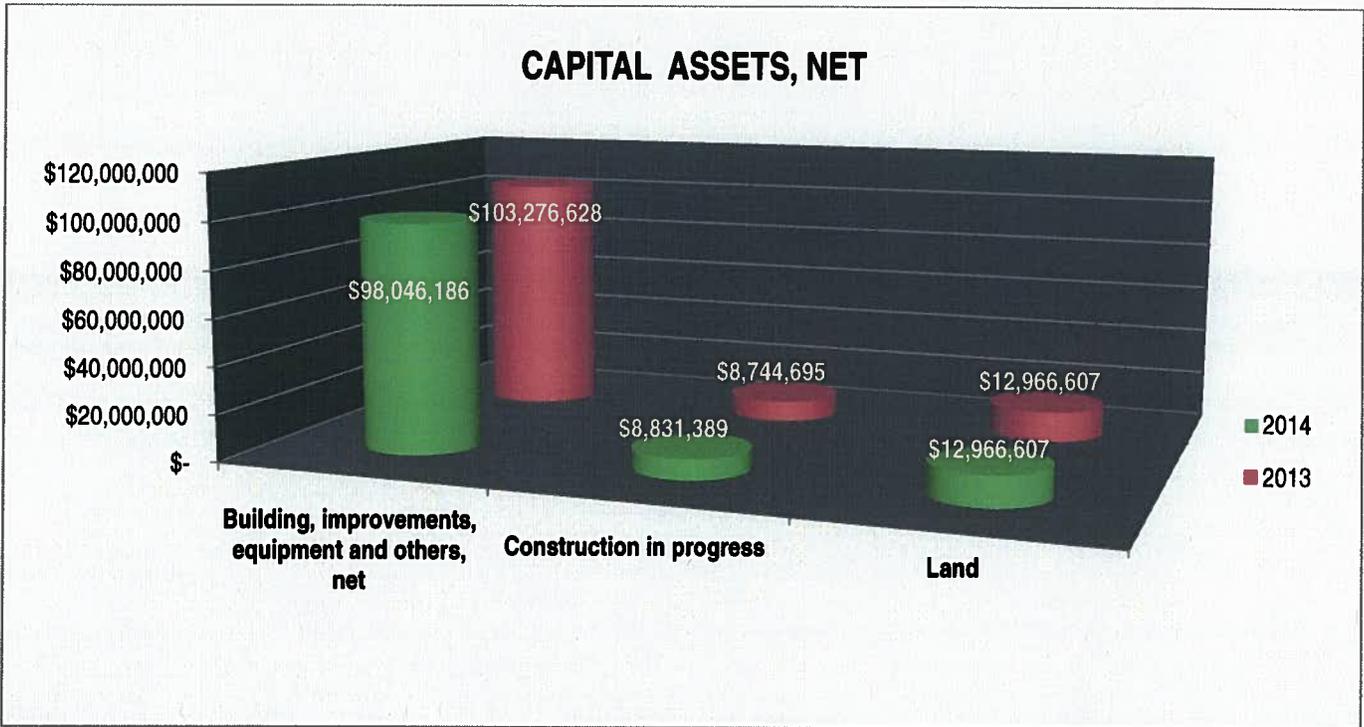
**Capital Assets**

Capital assets consist mostly of land and structures, the majority of which are acquired or constructed to provide alternatives for the collection and processing of solid waste. At the end of fiscal year 2013-2014, the Authority had \$119,844,182 invested in a broad range of capital assets (See Table 3). This amount represents a net decrease, including additions and deductions, of \$5,143,748 over the prior year. The decrease in capital assets is mainly related to current year depreciation expense of \$5,258,532.

**TABLE-3 CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION**

	2014	2013	Increase (Decrease)
Land	\$ 12,966,607	\$ 12,966,607	\$ -
Building, improvements, equipment and others, net	98,046,186	103,276,628	(5,230,442)
Construction in progress	8,831,389	8,744,695	86,694
<b>Total Capital Asset</b>	<b>\$119,844,182</b>	<b>\$124,987,930</b>	<b>\$ (5,143,748)</b>

**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**



**Debt Administration**

The increase in total liabilities of \$6,028,084 is mainly due to an increase in accounts payables trade (including due to governmental agencies) of \$958,252 and the increase in accrued interest by \$5,240,687. Total long-term debt decreased by \$315,793, and was principally caused by the decrease in line of credit by \$150,818 and the decrease in voluntary termination benefits by \$109,366.

The Authority is a defendant in various lawsuits. The Authority and its internal and external legal representatives are of the opinion that it is not possible to predict, as of the financial statements date, the outcome of these lawsuits.

During the fiscal year ended June 30, 2012, an increase in funds to pay the outstanding balances on all credit lines with Government Development Bank of Puerto Rico (GDB) had an impact on the Authority's budget. These credit lines were obtained for the acquisition, prior to June 30, 2008, to build the facilities that allowed the centralization of agencies related to the environment, such as the Solid Waste Authority, the Department of Natural and Environmental Resources, the Energy Office and the Environmental Quality Board. It also allowed continuing with the development of infrastructure projects directly related with the disposition of solid waste in the Commonwealth of Puerto Rico.

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**FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)**

**TABLE - 4 OUTSTANDING DEBT AT YEAR END**

<b>Current liabilities:</b>	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Accounts payable-trade, including due to governmental agencies	\$ 9,862,846	\$ 8,904,594	\$ 958,252
Accrued compensated absences	294,856	304,195	(9,339)
Accrued expenses	5,489,997	127,629	5,362,368
Voluntary termination benefits	464,402	431,806	32,596
<b>Total current liabilities</b>	<u>16,112,101</u>	<u>9,768,224</u>	<u>6,343,877</u>
<b>Noncurrent liabilities:</b>			
Bank credit lines	74,027,020	74,177,838	(150,818)
Bond payable	7,820,701	7,828,835	(8,134)
Accrued compensated absences	339,682	387,157	(47,475)
Voluntary termination benefits	5,210,408	5,319,774	(109,366)
Due to other governmental entities	4,541,117	4,541,117	-
<b>Total noncurrent liabilities</b>	<u>91,938,928</u>	<u>92,254,721</u>	<u>(315,793)</u>
<b>Total liabilities</b>	<u>\$ 108,051,029</u>	<u>\$ 102,022,945</u>	<u>\$ (6,028,084)</u>



## **AUTHORITY'S BUDGET**

For the fiscal year 2013-2014, the Authority's budget amounted to \$7,873,000, and consisted of Legislative Resolution of \$4,356,000, Special assignment of 2,000,000, Special State Funds of \$600,000 and other income of \$917,000.

## **CONTACTING THE ADMINISTRATION FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the funds it receives. If you have questions about this report or need additional information, contact the Management Affairs Director or Finance Director at (787) 765-7575.

**SOLID WASTE AUTHORITY**(A Component Unit of the  
Commonwealth of Puerto Rico)**Statement of Net Position**

June 30, 2014

**Assets****Current assets:**

Cash and cash equivalents	\$ 3,990,849
Investments, at fair value	18,083,170
Accounts receivable, net of allowance for doubtful accounts	2,745,924
Restricted funds, cash and cash equivalents	9,361,255
<b>Total current assets</b>	<b><u>34,181,198</u></b>

**Noncurrent assets:**

Due from Commonwealth of Puerto Rico	404,621
Capital assets, net of accumulated depreciation	119,844,182
Investments in preferred stocks	500,000
Other assets	555,552
<b>Total noncurrent assets</b>	<b><u>121,304,355</u></b>

<b>Total assets</b>	<b><u>\$ 155,485,553</u></b>
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**Liabilities and Net position****Current liabilities:**

Current portion of long-term obligations:	
Accrued compensated absences	294,856
Voluntary termination benefits	464,402
Accounts payable, trade	3,703,657
Accrued liabilities	5,489,997
Due to governmental entities	6,159,189
<b>Total current liabilities</b>	<b><u>16,112,101</u></b>

**Noncurrent liabilities:**

Credit lines	74,027,020
Bonds payable	7,820,701
Due to other governmental entities	4,541,117
Accrued compensated absences, net of current portion	339,682
Voluntary termination benefits, net of current portion	5,210,408
<b>Total noncurrent liabilities</b>	<b><u>91,938,928</u></b>

<b>Total liabilities</b>	<b><u>108,051,029</u></b>
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**Net Position:**

Net investment in capital assets	45,817,162
Restricted for federal projects	125,949
Restricted for state projects	1,231,600
Unrestricted	259,813
<b>Total net position</b>	<b><u>47,434,524</u></b>

<b>Total liabilities and net position</b>	<b><u>\$ 155,485,553</u></b>
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**SOLID WASTE AUTHORITY**

(A Component Unit of the  
Commonwealth of Puerto Rico)

**Statement of Revenues, Expenses  
and Changes in Net Position**

For the Year Ended June 30, 2014

<b>Operating revenues</b>	
Contract revenues	\$ 2,780,665
Miscellaneous	233,118
<b>Total operating revenues</b>	<u>3,013,783</u>
<b>Operating expenses</b>	
Depreciation and amortization	5,258,532
Voluntary termination benefits	265,020
General and administrative	3,942,444
Salaries and fringe benefits	3,625,264
Educational campaign	2,359,558
Insurance	774,033
Repairs and maintenance	348,514
Rent	6,310
<b>Total operating expenses</b>	<u>16,579,675</u>
<b>Operating loss before non-operating revenues (expenses)</b>	<u>(13,565,892)</u>
<b>Non-operating revenues (expenses)</b>	
Interest and dividend income	281,885
Loss on impairment of capital assets	(991,733)
Interest expenses	(5,724,424)
Capital and other grant contributions from the Commonwealth of Puerto Rico	9,216,091
<b>Total non-operating revenues (expenses)</b>	<u>2,781,819</u>
<b>Change in net position</b>	(10,784,073)
<b>Net position at beginning of fiscal year</b>	<u>58,218,597</u>
<b>Net position at end of fiscal year</b>	<u>\$ 47,434,524</u>

**SOLID WASTE AUTHORITY**(A Component Unit of the  
Commonwealth of Puerto Rico)**Statement of Cash Flows**

For the Year Ended June 30, 2014

<b>Cash flows from operating activities</b>	
Cash received from contracts and others	\$ 1,885,650
Cash paid to suppliers	(7,035,527)
Cash paid for salaries and fringes	(3,813,514)
Cash received from other sources	233,118
Net cash used in operating activities	<u>(8,730,273)</u>
<b>Cash flows provided by non-capital financing activities</b>	
Contributions from the Commonwealth of Puerto Rico	9,216,091
Net cash provided by non-capital financing activities	<u>9,216,091</u>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from credit lines and others	471,912
Purchase of property and equipment, and construction of property	(1,106,517)
Repayment of credit lines	(622,730)
Interest paid	(485,186)
Net cash used in capital and related financing activities	<u>(1,742,521)</u>
<b>Cash flows from investing activities</b>	
Interest and dividends received	281,885
Increase on investments	(232,181)
Net cash provided by investing activities	<u>49,704</u>
<b>Net decrease in cash and cash equivalents</b>	(1,206,999)
<b>Cash and cash equivalents at beginning of fiscal year</b>	<u>14,559,103</u>
<b>Cash and cash equivalents at end of fiscal year</b>	<u>\$ 13,352,104</u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>	
Operating loss before non-operating revenues and contributions	\$ (13,565,892)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:	
Depreciation and amortization	5,258,532
Change in assets and liabilities:	
(Increase) decrease in assets:	
Accounts receivable	(895,015)
Other assets	(474,247)
Increase (decrease) in liabilities:	
Accounts payable	1,870,228
Accrued liabilities	(421,362)
Total adjustments	<u>5,338,136</u>
<b>Net cash used in operating activities</b>	<u>\$ (8,227,756)</u>
<b>Reconciliation of cash and cash equivalents with the statement of net position</b>	
Cash and cash equivalents- unrestricted	3,990,849
Cash and cash equivalents- restricted	<u>9,361,255</u>
<b>Total cash and cash equivalents</b>	<u>\$ 13,352,104</u>

The notes to the basic financial statements are an integral part of this statement.

## **1. REPORTING ENTITY**

The Solid Waste Authority (the Authority) is a public corporation and a governmental instrumentality of the Commonwealth of Puerto Rico, created by Law No. 70 of June 23, 1978, as amended. The main purpose of the Authority is to provide alternatives for the processing of solid waste in Puerto Rico. Also, in accordance with the Law, the Authority has the responsibility of educating the community in this respect as well as the implementation of the required programs needed for the reduction and reuse of solid waste.

Pursuant to the Reorganization Plan Number 1 of 1993, the Authority is under the oversight of the Department of Natural and Environmental Resources of Puerto Rico (the Department). The Secretary of the Department is the President of the Governing Board of the Authority.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of Accounting**

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Proprietary funds are used to account for business-type activities, which are financed mainly by fees and charges to users for the services provided by the operations. Proprietary funds distinguish operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds principal ongoing operation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### **b) Basis of Presentation**

The financial statements are presented as an enterprise fund and conform to the provisions of Governmental Accounting Standards Board Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments" (GASB 34), as amended, which establishes standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows.

During fiscal year 2014, the Authority implemented new accounting standards, as follows:

- **GASB Statement No. 65, Items Previously Reported as Assets and Liabilities:** This statement establishes accounting and financial reporting standards to reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this statement are effective for periods beginning after December 15, 2012.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **b) Basis of Presentation (Continued)**

- **GASB Statement No. 66, Technical Corrections-2012** - an amendment of GASB Statements No. 10 and No. 62: This statement improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The requirements of this statement are effective for periods beginning after December 15, 2012.

### **c) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of 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 amount of revenues and expenses during the reported period. Actual results may differ from those estimates.

### **d) Statement of Cash Flows**

The Authority prepares its statements of cash flows using the direct method. For the purpose of this statement, the Authority includes as cash equivalents all unrestricted and restricted highly liquid debt instruments with original maturities of three months or less at time of purchase.

### **e) Fair Market Value**

The carrying amounts reported in the statement of Net Position for cash and cash equivalents and receivables, approximate fair value due to their short-term duration.

### **f) Non-exchange Transactions**

GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions" established accounting and financial reporting standards for non-exchange transactions involving financial or capital resources (for example, most taxes, grants and private donations). In non-exchange transactions, a government gives (or receives) value without directly receiving (or giving) equal value in return. This is different from an exchange transaction, in which each party receives and gives up essentially equal values. Under the provisions of this Statement, the provider and the recipient should recognize the non-exchange transaction as an expense and revenue, respectively, when all eligibility requirements are satisfied.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Contract Revenues**

Contract revenues arise from the lease of heavy equipment to different municipalities of Puerto Rico for the collection of solid waste and the operations of landfills, and with other agencies, principally the Department of Natural and Environmental Resources, for the collection of debris and vegetative materials.

**h) Accounting for Pension Costs**

The Authority accounts for pension costs in accordance with the provisions of GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers". This Statement establishes standards of accounting and financial reporting for pension expenditures/expenses and related pension liabilities, pension assets, note disclosures, and required supplementary information in the financial reports of state and local government employers. The Statement defines that the pension expense is equal to the statutory required contributions to the employees' retirement system. A pension liability or asset is reported equal to the cumulative difference between statutory required and actual contributions.

**i) Cash Equivalents**

Cash equivalents are defined as highly liquid investments with original maturities at the date of purchase of 90 days or less, excluding resources held in restricted accounts. The Commonwealth requires that public funds deposited in commercial banks must be fully collateralized for the amount deposited in excess of federal depository insurance. All securities pledge as collateral, if any, are held by the Secretary of the Treasury of the Commonwealth.

**j) Allowance for Doubtful Accounts**

The allowance for doubtful accounts is an amount that management believes will be adequate to absorb possible losses on existing receivables, excluding debt service rentals and maintenance charges that may become uncollectible based on evaluations of the collectability of each balance. Because of uncertainties inherent in the estimation process, management's estimate of losses in the receivables outstanding and the related allowance may change in the near term.

**k) Investments**

The Authority is permitted by law to invest on eligible corporations related to solid waste management. Investments in preferred stocks of such corporations are recorded at acquisition cost, as these are not held for investment purposes or to generate profit or gain on the investment, but rather as an incentive to assist organizations related to waste management.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Investments (Continued)**

Investments in debt instruments have been classified and presented in accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain Investments and for External Investments Pools". In accordance with this Statement, investments are presented at fair market value in the Statement of Net Position.

Unrealized holding gains or losses related to the evaluation of the investments are presented as an increase or reduction in the Statement of Revenues, Expenses and Change in Net Position, as part of the current period interest and dividends income. Realized gains and losses for investments are reported in as current earnings or losses in the Statement of Revenues, Expenses and Change in Net Position based on the adjusted cost of the specified investments sold.

**l) Capital Assets**

Capital assets, consisting mostly of land and structures, the majority of which are used to provide alternatives for the collection and processing of solid waste, are carried at cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Major renewals and betterments that materially extend the capacity or efficiency or extend the useful life of an asset are capitalized while replacements, maintenance, and repairs which do not improve or extend the life of the respective assets are charged to expense in the period incurred. Upon retirement or other disposal of properties, the related cost and accumulated depreciation and amortization are removed from the accounts. Gains or losses on sales or retirement of properties are reflected in the statement of revenues, expenses, and change in net position.

The Authority's capital assets are depreciated or amortized over the estimated useful lives of the related assets or the term of the lease agreement, whichever is shorter, using the straight-line method. Construction in progress is carried at cost during the construction stage and is not depreciated until completion of the related project. Major classification and related estimated useful lives of the capital assets are summarized as follows:

	<b>Estimated Useful Lives</b>
Building	30 years
Building improvement	30 years
Airplane	12 years
Project equipment	5 to 10 years
Vehicle	5 years
Furniture and fixtures	2 to 5 years

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l) Capital Assets (Continued)**

**Impairment of Capital Assets**

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Authority has evaluated events or changes in circumstances that may have affected the Authority's assets and has determined that impairment of a capital asset did occur in various circumstances.

The Authority periodically reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management evaluated the costs incurred in construction in progress and determined various projects to be impaired.

**m) Accrued Compensated Absences**

The vacations policy of the Authority generally provides for the accumulation of thirty (30) days of vacation and eighteen (18) days of sick leave annually. Vacation time is fully vested to the employees from the first day of work. In the event of resignation, an employee is reimbursed for accumulated vacations days up to the maximum allowed of sixty (60) days. Separation of employment prior to the use of all or part of the sick leave terminates all rights for compensation except that, in the event of retirement, an employee is reimbursed for accumulated sick leave days up to the maximum allowed of ninety (90) days. A liability is reported for accrued but unused vacation and sick leave days.

**n) Net Position**

Net Position has been reported pursuant to the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Net Position represents the difference between all assets plus deferred outflows of resources and all liabilities plus deferred inflows of resources. The Net Position consists of net resources restricted by external parties (such as debt covenants, creditors, grantors, contributions, laws or regulations of other governments, etc.), or net position for which constraints are imposed by the constitutional provisions or enabling legislation.

The classification of restricted net position identifies resources that have been received or earned by the Authority with an explicit understanding between the Authority and the resource providers that the resources would be used for specific purposes. Grants contributions and donations are often given under those kinds of conditions. Bond indentures also often limit the use of bond proceeds to specific purposes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### n) Net Position (Continued)

In the Statement of Net Position, The Authority's net position is segregated into three categories:

- a. **Net investment in capital assets:** Represent the component of the net position that consist of capital asset balances net of accumulated depreciation and amortization reduced by the outstanding balances of any bonds, notes and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. This category should not include cash that is restricted to capital assets acquisition or construction (unspent bond proceeds, if any).
- b. **Restricted net position:** Represents the component of the net position that is subject to restrictions beyond the Authority's control. These include restrictions that are externally imposed (by creditors, grantors, contributors, or laws and regulations of other governments) or restrictions imposed by the law through constitutional provisions or enabling legislation (including enabling legislation passed by the government itself).
- c. **Unrestricted net position:** Represents the component of the net position that do not meet the definition of net position invested in capital assets, net of related debt or restricted. Unrestricted assets are often designated to indicate that management does not consider them to be available for general operations. These types of constraints are internal and management can remove or modify them. Designations are not reported on the face of the Statement of Net Position.

### o) Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has an item that may qualify for reporting in this category:

- **Government-mandated or voluntary non-exchange transactions received before the time requirements have been met** – Federal and state grants received before the beginning of the fiscal year to which they pertain are recognized as deferred inflows of resources on the Statement of Net Position. The amounts deferred would be recognized as an inflow of resources (revenue) in the period in which the time requirements are fulfilled.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Adoption of Future Accounting Pronouncements**

The Governmental Accounting Standards Board has issued the following accounting standards that have effective dates after June 30, 2014 for the Authority:

- **GASB Statement No. 68, Accounting and Financial Reporting for Pensions** - an amendment of GASB Statement No. 27: This Statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pension and paying benefits to plan members as they come due. The requirements of this Statement are effective for periods beginning after June 15, 2014.
- **GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date-** an amendment of GASB Statement No. 68: The provisions of this Statement should be applied simultaneously with the provisions of Statement 68.

The impact of the adoption of these Statements, if any, has not yet been determined.

**3. CASH AND CASH EQUIVALENTS**

As of June 30, 2014, cash unrestricted and restricted includes certain cash, cash equivalents, certificates of deposit, money market and others, as follows:

**Unrestricted Cash and Equivalents**

Cash	\$ 3,990,849
Total	<u>\$ 3,990,849</u>

**Restricted Cash and Equivalents**

Development of Infrastructure Projects	\$ 4,832,133
Financial Assistance	3,414,778
Other Programs	<u>1,114,344</u>
Total	<u>\$ 9,361,255</u>

**4. INVESTMENTS**

The following reflects the amortized cost and estimated fair value of investments held at fair value as of June 30, 2014. In addition, gross unrealized gains and losses are as follow:

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
CD Investment	\$ 11,800,003	\$ 11,800,003	\$ -
Other Securities	6,054,148	6,283,167	229,019
Total	<u>\$ 17,854,151</u>	<u>\$ 18,083,170</u>	<u>\$ 229,019</u>

The maturities of investments and their approximate market value as of June 30, 2014, were as follows:

	<u>Cost</u>	<u>Market Value</u>
Within one (1) year or less	\$ -	\$ -
After one (1) year through five (5) years	17,635,421	18,083,170
Total	<u>\$ 17,635,421</u>	<u>\$ 18,083,170</u>

**a) Interest Rate Risk**

The Authority maintains investments in debt instruments with the United States Government and Corporate bonds. The market value of such investment instruments varies and is dependable of changes in interest rates. The Authority does have an investment policy that requires an evaluation of the investment portfolio every twelve (12) months as a means of managing its exposure to declines in fair value and losses arising from increasing interest rates, so the investment portfolio manager can take the necessary actions to protect the Authority's investment. Nevertheless, the Authority is exposed to the risk of not recovering the market value of such investments due to fluctuations in interest rates.

**b) Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2014, the Authority's external investment did not have any securities exposed to custodial credit risk and there was no securities lending.

The Authority maintains investment and cash accounts with stock brokerage firms. The Securities Investor Protection Corporation (SIPC) protects, in most cases, securities up to a ceiling of \$500,000 per customer, as long as it is invested in money market funds. For short-term securities it is directly related to their credit rating. Also, it provides protection up to \$100,000 in cash claims. The brokerage firm also maintains private insurance coverage, for custodial purposes only, which exceeds the balance of the investment. As of June 30, 2014, the balance of the investments in securities balance exceed the insured limits but they have been placed in high credit standing institutions and Authority's management believes that custodial credit risk related to these investments and deposits are minimum.

**4. INVESTMENTS (Continued)**

**c) Credit Risk**

The Authority is exposed to credit risk, since the investment policy does not set forth the minimum acceptable credit ratings from any of the nationally recognized statistical rating organizations, although the policy limits its investment choices for investments to bonds and notes of the Federal Treasury, bonds and notes of federal and state agencies, and any other investment that guarantees principal.

**d) Concentration of Credit Risk**

Although the investment policy limits its investment choices for investments to bonds and notes of the Federal Treasury, bonds and notes of federal and state agencies, and any other investment that guarantees principal, the Authority places no limit on the amount it may invest in any one issuer of investment instruments.

**5. ACCOUNTS RECEIVABLE**

As of June 30, 2014, accounts receivable consisted of the following:

Puerto Rico Department of Natural Environmental Resources	\$ 6,278,656
Puerto Rico Environmental Quality Board	3,644,269
Other governmental entities	1,254,538
Municipalities	695,159
Others	<u>2,779,789</u>
Totals	14,652,411
Allowance for doubtful accounts	<u>(11,906,487)</u>
Totals	<u><u>\$ 2,745,924</u></u>

**6. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2014, were as follow:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>Capital assets, not being depreciated:</b>				
Land	\$ 12,966,607	\$ -	\$ -	\$ 12,966,607
Construction in progress	8,744,695	1,078,427	(991,733)	8,831,389
<b>Total capital assets, not being depreciated</b>	<u>21,711,302</u>	<u>1,078,427</u>	<u>(991,733)</u>	<u>21,797,996</u>
<b>Capital assets, being depreciated:</b>				
Buildings	93,979,993			93,979,993
Mini transfer stations	42,121,900			42,121,900
Project equipment	15,875,565			15,875,565
Building improvements	15,009,137			15,009,137
Office furniture	7,411,700	28,090		7,439,790
Motor vehicles	849,130			849,130
Leasehold improvements	262,629			262,629
<b>Total capital assets, being depreciated</b>	<u>175,510,054</u>	<u>28,090</u>	<u>-</u>	<u>175,538,144</u>
<b>Less accumulated depreciation for:</b>				
Buildings	(26,960,331)	(3,132,667)		(30,092,998)
Mini transfer stations	(17,348,573)	(1,404,369)		(18,752,942)
Project equipment	(15,572,886)	(180,343)		(15,753,229)
Building improvements	(3,894,724)	(500,305)		(4,395,029)
Office furniture	(7,345,153)	(40,848)		(7,386,001)
Motor vehicles	(849,130)			(849,130)
Leasehold improvements	(262,629)			(262,629)
<b>Total accumulated depreciation</b>	<u>(72,233,426)</u>	<u>(5,258,532)</u>	<u>-</u>	<u>(77,491,958)</u>
<b>Total capital assets, being depreciated, net</b>	<u>103,276,628</u>	<u>(5,230,442)</u>	<u>-</u>	<u>98,046,186</u>
<b>Capital assets, net</b>	<u>\$ 124,987,930</u>	<u>\$ (4,152,015)</u>	<u>\$ (991,733)</u>	<u>\$ 119,844,182</u>

**Impairment Loss**

Management evaluated the costs incurred in construction in progress and determined various projects to be impaired. The total impairment reserve amounted to \$38,345,167 as of June 30, 2014. During fiscal year 2014, certain infrastructure projects were discontinued. The costs of those discontinued projects were considerable impair. The impairment provision for the year ended June 30, 2014 amounted to \$991,733.

**6. CAPITAL ASSETS (Continued)**

As of June 30, 2014, construction in progress net of impairment loss reserve consisted of the following:

Total construction in progress	\$ 8,744,695
Increase in construction in progress during 2013-2014	1,078,427
Increase in impairment reserve	<u>(991,733)</u>
Construction in progress, net as of June 30, 2014	<u><b>\$ 8,831,389</b></u>

**7. INVESTMENTS IN PREFERRED STOCKS**

The Authority is allowed by its laws and regulations to invest directly in eligible corporations that are related with the collection, disposition, construction or operations of solid waste facilities. The eligible corporation must be established or must be authorized to do business in Puerto Rico and must exercise a role in the management of the solid waste and/or recycling infrastructure. The operations of the corporation must be in accordance with the Regional Plan for Disposition and Recycling of the Solid Waste of Puerto Rico and/or the Plan for Reduction, Reuse and Recycling for Puerto Rico.

As of June 30, 2014, the Authority has invested in two (2) eligible corporations dedicated to the recycling of plastic and battery waste and to the development and commercialization of anaerobic technology for the treatment of poultry wastes. The Authority also invested in other two (2) eligible corporations: Novo Recicladores, Inc., and Biorganic Energy, Inc. The value of the preferred stocks from those corporations was reduced to zero. The equity securities are all held by the Authority. The market value of the preferred shares is not available as of June 30, 2014.

The following summarizes the cost, preferences, special rights and restrictions of the preferred stocks as of June 30, 2014, as set forth in the stock purchase agreements among the Authority and the investees:

<u>Investee</u>	<u>Description</u>	<u>Amount</u>
The Battery Recycling Co., Inc.	200 shares of Class A, convertible preferred stock with a par value of \$1,000 per share. The preferred stockholder will receive a preferred cumulative dividend of 6% per annum payable quarterly.	\$ 200,000
Grupo Comunitario de Reciclaje, Inc. P.T.	3,000 shares of Class A preferred stock with a par value of \$100 per share. The preferred stockholder will receive a dividend that will vary from 0% to 15% through the five (5) years period that cover the stock purchase agreement.	300,000
Total		<u><b>\$ 500,000</b></u>

The shares of preferred stock have liquidation preferences, conversion, anti-dilutive clauses, pre-emptive rights, representation in the Board of Directors of the corporations and certain redemption provisions.

**8. DUE TO GOVERNMENTAL ENTITIES**

The balance due to governmental entities as of June 30, 2014, was as follows:

Puerto Rico Electric Power Authority	\$ 5,628,992
Puerto Rico Aqueduct and Sewer Authority	225,377
Puerto Rico Department of Natural Environmental Resources	217,165
Retirement System Administration	52,203
ELA Employees Association	14,623
Puerto Rico Treasury Department	19,327
General Service Administration	1,502
Due to governmental entities – current	<u>\$ 6,159,189</u>
State Insurance Fund Corporation	\$ 4,541,117
Due to other governmental entities – long-term	<u>\$ 4,541,117</u>

**9. PENSION PLAN**

The Employees' Retirement System of the Commonwealth and its instrumentalities (the "Retirement System"), created pursuant to Act No. 447 of May 15, 1951, as amended, is a cost-sharing multiple-employer defined benefit pension plan sponsored by, and reported as a component unit of the Commonwealth of Puerto Rico. All regular employees of the Authority hired before January 1, 2000 and with less than 55 years of age at the date of employment, became participants of the Retirement System as a condition to their employment. Employees hired after January 2000, were covered by Act No. 305 of 1999, also known as System 2000. Also, employees hired prior that date were also allowed to elect to participate in System 2000, instead of the prior plan. However, on April 4, 2013, the Governor of Puerto Rico signed into law Act No. 3 of 2013, which represents a comprehensive reform of Retirement System and which became effective on July 1, 2013.

A summarized description of the different benefits under each Act is as follows:

**a) Act No. 447 of 1951**

The Retirement System provides retirement, death and disability benefits pursuant to Act No. 447 enacted by the Commonwealth's Legislature. Retirement benefits depend upon age at retirement and the number of years of creditable service. Benefits vest after ten years of plan participation. Disability benefits are available to members for occupational and non-occupational disabilities.

However, a member must have at least ten years of service to receive non-occupational disability benefits.

## **9. PENSION PLAN (Continued)**

Participants who have attained at least 55 years of age and have completed at least 25 years of creditable service or members who have attained 58 years of age and have completed ten years of creditable service are entitled to an annual benefit, payable monthly for life. The amount of the annuity shall be one and one-half percent of the average compensation, as defined, multiplied by the number of years of creditable service up to twenty years, plus two percent of the average compensation, as defined, multiplied by the number of years of creditable service in excess of 20 years. In no case will the annuity be less than \$400 per month.

Participants who have completed at least 30 years of creditable service are entitled to receive a Merit Annuity. Participants who have not attained 55 years of age will receive 65% of the average compensation, as defined. Otherwise, they will receive 75% of the average compensation, as defined.

No benefits are payable if the participants receives a refund of his/her accumulated contributions upon termination.

Commonwealth Legislation requires employees to contribute 5.775% of the first \$550 of their monthly gross salary and 8.275% of the excess over \$550 of monthly gross salary. The Authority is required by the same statute to contribute 10.275% of the participant's gross salary. As required by Act. No. 116 of July 6, 2011, the employer's contribution will increase annually by 1.00% until June 30, 2016. Effective July 1, 2016, the employer's contribution will increase by 1.25% annually, until reaching 20.525%.

### **b) System 2000**

The Legislature of the Commonwealth of Puerto Rico enacted Act No. 305 on September 24, 1999, which amends Act No. 447, to establish among other provisions, a defined contribution savings plan program known as System 2000 (the "Program") to be administered by the Retirement System. All regular employees hired for the first time on or after January 1, 2000 and former employees who participated in the defined benefit pension plan, received a refund of their contributions and employee who are rehired on or after January 1, 2000 become members of the Program as a condition to their employment. In addition, employees who at December 31, 1999 were participants of the defined benefit pension plan, had the option, up to March 31, 2000, to irrevocably transfer their prior contributions to the defined benefit pension plan plus interest thereon to the Program.

Employees must contribute an 8.275% of their monthly gross salary to the Program and may elect to increase their contribution up to 10%. Employee contributions are credited to his/her individual account established under the program. Participants may direct their contributions to three different investments options. Investment income is credited to the participant's account semiannually.

Under this Act, the Authority is required to contribute 10.275% of the participant's gross salary. The Retirement System will use these contributions to increase its assets level to reduce the unfunded status of the defined pension plan.

## **9. PENSION PLAN (Continued)**

Upon retirement, the balance of the participant's account will be used to purchase an annuity contract, which will provide for a monthly benefit payable to the participant during his/her life, and upon death of the participant 50% of such benefit to the participant's beneficiaries. Participants with a balance of \$10,000 or less at retirement will receive a lump-sum payment. In case of death, this lump-sum payment will be made to his/her beneficiaries. Participants have the option of a lump-sum or purchasing an annuity contract in case of permanent disability.

### **c) Act No. 3 of 2013**

On April 4, 2013, the Governor of Puerto Rico signed into law Act No. 3 of 2013, which represents a comprehensive reform of the Retirement System. Act No. 3 became effective on July 1, 2013 and amends the provisions of the different benefits structures under the Retirement System, including, but not limited to the following:

- For active participants of the contributory defined benefit programs under Act No. 447 of 1952 and Act No. 1 of 1990, all retirement benefits accrued through June 30, 2014 will be frozen, and thereafter, all future benefits will accrue under the defined contribution formula used for System 2000 participants, and will be paid at retirement through a lifetime annuity.
- Increased the minimum pension for current retirees from \$400 to \$500 per month.
- The retirement age for Act No. 447 participants will be gradually increased from age 58 to age 61.
- The retirement age for current System 2000 participants is increased gradually from age 60 to age 65.
- Eliminated the Merit Annuity available to participants who joined the Retirement System prior to April 1, 1990.
- The retirement age for new employees is increased to age 67, except for new state and municipal police officers, firefighters, and custody officers, which will be age 58.
- The employee contribution rate was increased from 8.275% to 10%.
- Employer contribution rate was increased to 12.275%. This contribution will increase annually by 1.00% until June 30, 2016. Effective July 1, 2016, it will be increased by 1.25% annually until June 30, 2021.
- For System 2000 participants, the retirement benefits will no longer be paid as a lump sum distribution; instead, they will be paid through a lifetime annuity.
- Eliminated or reduced various retirement benefits previously granted by special laws, including Christmas and summer bonuses. The Christmas bonus payable to current retirees is reduced from \$600 to \$200 and is eliminated for future retirees. The summer bonus will be eliminated.

**9. PENSION PLAN (Continued)**

- Disability benefits will be eliminated and substituted for a mandatory disability insurance policy.
- Survivor benefits will be modified.

The following actuarial assumptions were used:

Interest rate	6.4% a year
Salary increases	3% a year
Actuarial frequency	Annual
Inflation	3% every third year

In addition, the Commonwealth has proposed incremental annual contributions from the General Fund of \$140 million per year, for the next 20 years, to increase the liquidity and solvency of the ERS. An appropriation for such annual contribution was included in the Commonwealth's budget for the fiscal year 2014.

Based on current census data, expectations of market conditions and other actuarial information provided by consulting actuaries, the changes instituted by Act No. 3, along with the additional annual contributions of \$140 million to be received from the Commonwealth during the next 20 years, will be sufficient to cover the System's current and future obligations. The successful implementation of these measures cannot be assured, as it is dependent upon future events and circumstances whose outcome cannot be anticipated.

The annual employer contribution for the year ended June 30, 2014 amounted to approximately **\$267,822**. Total payroll covered was approximately **\$2,585,855**.

Additional information on the Administration for the Retirement System of the Commonwealth of Puerto Rico is provided in its financial statements for the year ended June 30, 2014, a copy of which can be obtained directly from the Administration of Retirement Systems of the Commonwealth of Puerto Rico.

**10. ACCRUED LIABILITIES**

The balance accrued liabilities as of June 30, 2014, was as follows:

Interest payable on lines of credit	\$ 5,240,687
Bonus payable	53,610
Accrued contingency	80,000
Retirement System Administration	42,362
General Service Administration	73,338
	<hr/>
Total Accrued Liabilities at end of year	<b>\$ 5,489,997</b>

**11. CREDIT LINES**

On January 4, 2000, the Authority entered into a loan agreement with the Government Development Bank for Puerto Rico (GDB) for a non-revolving line-of-credit in an amount not to exceed \$112,000,000 for the development of infrastructure projects. Infrastructure project costs incurred are disbursed by the GDB to the Authority. The interest, based on the lender's cost of funding for tax exempt variable rate loan transactions or the cost of any similar obligations to fund the loan is payable quarterly. The credit line was due originally and payable on June 30, 2006. On December 4, 2007, the availability of the credit line was extended to June 30, 2009. On November 23, 2009 was extended to June 30, 2018. On June 27, 2012, was extended to June 30, 2040. Per approved budget for fiscal year 2001-2002 of the Commonwealth of Puerto Rico, as submitted by the Office of Management and Budget, \$25,000,000 have been used for amortizing this bank's credit line. The credit line was to be paid in four (4) annual installments of \$25,000,000 and the remaining final balance during the next (6) years. The outstanding balance at June 30, 2014 amounted to **\$28,250,858**.

On May 5, 2003, the Authority entered into a loan agreement related to another non-revolving line-of-credit in an amount not to exceed \$75,000,000 with the GDB of Puerto Rico for the acquisition of building facilities (See Note 6). The credit line carries interest based on quarterly variable LIBOR rate plus 1.25% with a minimum annual interest rate of five percent (5%). On June 26, 2008, the availability of the credit line was extended to June 30, 2011. To temper the terms and conditions of the line of credit to economic facts of the Commonwealth of Puerto Rico on January 29, 2010 extends the availability to June 30, 2018. On June 19, 2012 was extended to June 30, 2040. The outstanding balance at June 30, 2014 amounted to **\$45,776,162**.

The Credit lines activity for the year ended June 30, 2014, was as follows:

Non-revolving credit line of \$112,000,000:	
Balance at beginning of year	\$ 28,401,676
Additions	471,912
Payments	(622,730)
Balance at end of year	<u>\$ 28,250,858</u>
Non-revolving credit line of \$75,000,000:	
Balance, beginning of year	\$ 45,776,162
Payments	-
Balance at end of year	<u>\$ 45,776,162</u>
Total line of credit balances at end of year	<u><u>\$ 74,027,020</u></u>

## **12. BOND PAYABLE**

On December 17, 2001, Act No. 164 was approved, which authorized certain government agencies and discretely presented component units to refund approximately \$2.4 billion of their outstanding obligations with GDB, for which no repayment source existed, over a period not exceeding 30 years, and to be repaid with annual Commonwealth appropriations not to exceed \$225 million. This refunding was originally executed with Commonwealth appropriation bonds through several series issued by Puerto Rico Public Finance Corporation (PFC) during the period between December 2001 and June 2002. Subsequently, additional refunding's (current and advance) and/or redemptions of the Act No. 164 restructuring have been executed through PFC and COFINA bond issuances.

On May 13, 2006, the Legislature of the Commonwealth approved Act No. 91 and created the Puerto Rico Sales Tax Financing Corporation (the "Tax Financing Corporation"). Act No. 91 was amended by Act No. 291 of December 26, 2006, and by Act No. 56 of July 6, 2007. The purpose of the Tax Financing Corporation is to finance the payment, retirement, or defeasance of certain debt obligations of the Commonwealth, outstanding as of June 30, 2006, which are payable to the GDB and PFC. During the year ended June 30, 2008, the Tax Financing Corporation issued 2007 Series A, B and C and 2008 Series A Bonds, and with those proceeds refinanced certain obligations of the Commonwealth of Puerto Rico.

The bond discount/premium in proportion with the portion of the bonds not refunded or not retired in connection with the above transactions, remained in the statement of net position and continued to be deferred throughout the remaining term of the non-refundable portion of the bonds. The aggregate debt service requirements of the refunding and non-refundable bonds will be funded with annual appropriations from the Commonwealth.

During the year ended June 30, 2012, the PFC refinanced the debt of the Authority by the issuance of 2011 Series A, 2011 Series B and 2012 Series A. The outstanding balance of the bond at June 30, 2014 was **\$7,820,701** including the premium on bond refunding and the deferred losses arising from bond refunding and matures on June 30, 2031. Interest on the unpaid principal amount of the bond is equal to the applicable percentage of the aggregate interest payable on the PFC Bonds. Applicable percentage is the percentage representing the proportion of the amount paid by the PFC of the PFC Bonds serviced by the bond to the aggregate amount paid by the PFC on all PFC Bonds issued by the PFC. The bonds will be paid from legislative appropriations.

**12. BOND PAYABLE (Continued)**

In addition, during the year ended June 30, 2012, the Puerto Rico Sales Tax Financing Corporation contributed approximately \$3.9 million for the payment of principal and interests due on such bond payable. Such transactions have been reflected as a contribution from the Puerto Rico Sales Tax Financing Corporation in the prior year statement of Revenues, Expenses and Changes in Net Position.

During the current year, the PFC contributed \$183,281 for the interest payment of Bond 2011, Series A. Also the prior year, due from PFC was decrease for the portion applicable for the interest payment of bond 2011 Series B, for approximately \$179,652 and bond 2012 Series A, for approximately \$71,693.

Aggregate maturities and interest payments of the bond, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ -	\$ 434,626	\$ 434,626
2016	228,958	428,711	657,669
2017	185,735	422,188	607,923
2018	192,140	415,116	607,256
2019	199,333	407,271	606,604
2020-2024	954,142	1,899,589	2,853,731
2025-2029	4,568,250	1,407,076	5,975,326
2030-2031	1,449,337	80,811	1,530,148
Total	7,777,895	\$ 5,495,388	\$ 13,273,283
Add: Premiums on bond refunding	42,806		42,806
Total	<u>\$ 7,820,701</u>	<u>\$ 5,495,387</u>	<u>\$ 13,316,089</u>

**13. ACCRUED COMPENSATED ABSENCES**

The vested compensated absences liability balance at June 30, 2014 consists of the following activity:

	<u>Balance as of June 30, 2013</u>	<u>Net Change</u>	<u>Balance as of June 30, 2014</u>	<u>Due within One year</u>
Accrued vacations and sick leave	<u>\$ 691,352</u>	<u>\$ (56,814)</u>	<u>\$ 634,538</u>	<u>\$ 294,856</u>

**14. VOLUNTARY TERMINATION BENEFITS**

On July 2, 2010, the Commonwealth enacted Act No. 70 to establish a program that provides benefits for early retirement or economic incentives for voluntary employment termination to eligible employees, as defined, including employees of the Authority. Act No. 70 established that early retirement benefits will be provided to eligible employees that have completed between 15 to 29 years of credited service in the Retirement System and will consist of biweekly benefits ranging from 37.5% to 50% of each employee's salary, as defined. In this early retirement benefit program, the Authority will make the employer contributions to the Retirement System and pay the corresponding pension until the employee complies with the requirements of age and 30 years of credited service. Economic incentives are available to eligible employees who have less than 15 years of credited service or who have at least 30 years of credited services and the age for retirement; or for those who have the age for retirement. Economic incentives will consist of a lump-sum payment ranging from one-month to six-month salary based on employment years. Additionally, eligible employees that choose the economic incentive and have less than 15 years of credited service are eligible to receive health plan coverage for up to 12 months in a health plan selected by management of the Authority.

The financial impact resulting for the benefits granted to participants on this program was the recognition within the Authority's financial statements of a liability of **\$5,674,810** in the statement of Net Position as of June 30, 2014 and a charge of **\$265,020** in the statement of activities for the year ended June 30, 2014. At June 30, 2014, unpaid long-term benefits granted on this program were discounted at 3.34%.

	<u>Balance as of June 30, 2013</u>	<u>Net change</u>	<u>Balances of June 30, 2014</u>	<u>Due within One year</u>
Accrued termination Benefits	<u>\$ 5,751,580</u>	<u>\$ (76,770)</u>	<u>\$ 5,674,810</u>	<u>\$ 464,402</u>

**15. CONTINGENCIES**

**a) Litigations**

The Authority is a defendant in lawsuits arising in the normal course of operations, principally from claims for contract cancellations. According to the laws of the Commonwealth of Puerto Rico, the Authority is fully represented by the Puerto Rico Department of Justice in defense of all legal cases against the Authority. Any claims with negative financial impact would be paid from the resources of the Authority and the Commonwealth of Puerto Rico.

**15. CONTINGENCIES (CONTINUED)**

**a) Comptroller's Office of Puerto Rico**

This entity has issued several reports on audits over the operations of the Authority. The oversight entities, such as the Puerto Rico Department of Justice, are evaluating actions to be taken against the Authority and its employees.

The financial impact, if any, of the possible actions to be taken by the oversight entities cannot be presently determined.

**b) Environmental Concern**

The Authority's operations include activities which are subject to state and federal environmental regulations. The Authority is currently involved in the implementation and development of the Infrastructure Regional Plan for Recycling and Disposal of Solid Waste in Puerto Rico. As of June 30, 2014, management of the Authority believes that, at this time, there is no sufficient information available to determine the potential amount of related losses, if any, and no provision for losses has been made in the accompanying financial statements. Nevertheless, preventive infrastructure has been constructed to minimize any possible impact or events that occur. In addition, operational plans have been developed to incorporate good maintenance practice.

**c) Closure and Post-closure Care Costs**

The Authority administers a tract of land in the Municipality of Lajas, Puerto Rico, to deposit acceptable sludge. The Commonwealth of Puerto Rico and federal laws and regulations require certain procedures when the tract of land stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. Subsequent to June 30, 2007, the Authority commenced the closing of this tract of land. The Authority's management has estimated the obligation for closure and post-closure care costs at **\$80,000**, based on the nature of the waste being deposited. However, as of June 30, 2014, management of the Authority believes that, at this time, there is no sufficient information available to determine the potential amount of related losses, if any, and no provision for losses has been made in the accompanying financial statements. Also, no studies have been performed by outside independent sources to evaluate the amount estimated and it changes are currently needed in the cost estimated by management for the closing of this tract of land facility.

## **15. CONTINGENCIES (Continued)**

### **d) Federal Grants**

During the normal course of its operations, the Authority sometimes receives grants from the Environmental Quality Board and the Federal Emergency Management Agency. The grant programs are subject to audit by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of the audits is not considered by management to have a significant effect in the accompanying financial statements.

## **16. COMMITMENTS**

### **a) Strategic Plan for Recycling**

The Authority initiated in years prior to the year ended June 30, 2014, the implementation and development of the Strategic Plan for Recycling and Disposal of Solid Waste in Puerto Rico at an estimated cost of approximately \$112 million (See Note 10). The first stage consists of the construction of thirty-nine (39) projects to be financed through an interim financing agreement with the Government Development Bank for Puerto Rico. The credit lines under the agreement were paid by the Treasury Department through joint resolutions approved by the Legislature of Puerto Rico. The Authority has continued with the planning and construction of the projects.

During June 2014, the Authority actualized the line of credit drawdown schedule and presented disbursements projection for infrastructure projects from July 2014 through June 2015. Total estimated costs amounting to **\$30,368,862** were identified and assigned for the development and construction of projects related to the solid waste management.

### **b) Dynamic Itinerary for Infrastructure Projects**

During May, 2008, the Authority approved the "Dynamic Itinerary for Infrastructure Projects of Solid Waste in Puerto Rico". This itinerary defines the strategies for safe and efficient handling of solid waste in Puerto Rico for the next twenty-five (25) years in compliance with all applicable regulations. The Authority proposes this itinerary for the purpose of adopting this plan as the official instrument to guide public policy for the development of infrastructure projects for handling and final disposition of solid waste in Puerto Rico. The projects proposed in the itinerary includes programs to develop facilities for the recovery of recyclable materials (MRP's), facilities for the deposit of acceptable sludge, facilities to convert solid waste to energy, transshipment facilities and lateral expansions to sanitary stuffing systems (SRS). The development of those projects takes into consideration the closing of various SRS. The construction investment is estimated in approximately \$1.9 billion. The Authority projects that financing for these projects will come from both the public and private sectors.

## **17. CONCENTRATION CREDIT RISK**

### **a) Cash and Cash Equivalent**

As of June 30, 2014, the Authority had all of its cash deposited with GDB for \$13,352,104 which is unsecured and uncollateralized. This amount is uncollateralized since by law, the governmental bank of the Commonwealth of Puerto Rico is exempt of the requirement of insuring the deposits of funds of the entities of the Commonwealth of Puerto Rico.

### **b) Accounts Receivable**

The accounts receivable balance as of June 30, 2014 is mainly from several municipalities and governmental agencies of Puerto Rico. Nevertheless, management of the Authority considers that concentration to credit risks related to these receivables are minimal because, although the Authority generally does not require collateral and credit losses are provided currently through an allowance for doubtful accounts, they will be collected according to their terms.

## **18. SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 23, 2014, the date the financial statements were available to be issued. No significant events that should have been recorded or disclosed in the financial statements were noted, except as described and disclosed in the following paragraph.

On June 17, 2014, the Government of Puerto Rico signed into Law the "Government of the Commonwealth of Puerto Rico Special Fiscal and Operational Sustainability Act" (Act 66-2014), which declares a state of emergency for fiscal and economic recovery in order to enable budgetary balance, phase out market financing of operating budgets and maximize liquidity to ensure the payment of debt and continuity of public services. The Act establishes several saving measures and governance provisions for fiscal year beginning on July 1, 2014 and applies to all entities of the Executive Branch of the Commonwealth of Puerto Rico, including agencies, instrumentalities with independent treasury and public corporations.

	<b>Administration</b>	<b>Federal Projects</b>	<b>Infrastructure</b>	<b>Total</b>
<b>Operating revenues</b>				
Contract revenues	\$ 2,780,665	\$ -	\$ -	\$ 2,780,665
Miscellaneous	233,118	-	-	233,118
<b>Total operating revenues</b>	<b>3,013,783</b>	<b>-</b>	<b>-</b>	<b>3,013,783</b>
<b>Operating expenses</b>				
Depreciation and amortization	3,657,834	660	1,600,038	5,258,532
Voluntary termination benefits	265,020	-	-	265,020
General and administrative	3,935,442	-	7,002	3,942,444
Salaries and fringe benefits	3,625,264	-	-	3,625,264
Educational campaign	2,359,558	-	-	2,359,558
Insurance	774,033	-	-	774,033
Repairs and maintenance	338,016	-	10,498	348,514
Rent	6,310	-	-	6,310
<b>Total operating expenses</b>	<b>14,961,477</b>	<b>660</b>	<b>1,617,538</b>	<b>16,579,675</b>
<b>Operating income (loss)</b>	<b>(11,947,694)</b>	<b>(660)</b>	<b>(1,617,538)</b>	<b>(13,565,892)</b>
<b>Non-operating revenues (expenses)</b>				
Interest and dividend income	281,833	52	-	281,885
Loss on impairment of capital assets	(991,733)	-	-	(991,733)
Interest expense	(3,687,877)	-	(2,036,547)	(5,724,424)
Capital contributions and other grants from the Commonwealth of Puerto Rico	8,592,728	-	623,363	9,216,091
<b>Total non-operating revenues (expenses)</b>	<b>4,194,951</b>	<b>52</b>	<b>(1,413,184)</b>	<b>2,781,819</b>
<b>Change in Net Position</b>	<b>\$ (7,752,743)</b>	<b>\$ (608)</b>	<b>\$ (3,030,722)</b>	<b>\$ (10,784,073)</b>

The notes to the basic financial statements are an integral part of this statement.

**INFORMES FINANCIEROS DE LAS UNIDADES COMPONENTES  
AL 30 DE JUNIO DE 2014  
PARA LA PREPARACION DE LOS  
ESTADOS FINANCIEROS DEL  
ESTADO LIBRE ASOCIADO DE PUERTO RICO**

Unidad Componente: Autoridad de Desperdicios Sólidos

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## INDICE DE FORMULARIOS

### Sección

00	Aleria Sobre Nuevos Pronunciamientos GASB para Año Fiscal 2014 y Recordatorios de Cambios en Algunos Formularios
01	Información General
02	Información Relacionada con los Estados Financieros Auditados de la Unidad Componente
03	Depósitos e Inversiones
04	Cuentas por cobrar
05	Activos Fijos e Intangibles
06	Activos Restrictos
07	"Deferred outflows" y "Deferred inflows"
08	Cuentas por Pagar a Otras Entidades Gubernamentales
09	Ausencias Compensadas
10	Obligaciones por Pagar a Largo Plazo (Bonos, "appropriations bonds" y notas a pagar)
11	Presentación de Obligaciones
12	Presentación del Estado de Situación y Estado de Ingresos y Gastos, Cambios en Políticas, Posición Neta y Manejo de Riesgo
13	Eventos Subsiguientes
14	Asignaciones Legislativas
15	Derivativos
16	Pagos efectuados por COFINA u otra corporación pública
17	Certificado por Auditores Externos y Director Ejecutivo
18	Guías de presentación de los Estados Financieros de las Unidades Componentes Integradas y no Integradas

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00

## !!!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB EFFECTIVO AÑO FISCAL 2014

### **GASB No. 65- "Items Previously Reported as Assets and Liabilities"**

Este pronunciamiento tiene como objetivo una de dos cosas: a) clasificar correctamente como salidas o erogaciones de recursos diferidas ("*deferred outflows of resources*") o como inlujos o recibos de recursos diferidos ("*deferred inflows of resources*"), ciertas partidas y transacciones que antes se presentaban como activos y pasivos; o b) clasificar correctamente como salidas o erogaciones de recursos (gastos o erogaciones) ("*outflows of resources*") o como inlujos o recibos de recursos (ingresos) ("*deferred inflows of resources*"), ciertas partidas y transacciones que antes se presentaban como activos y pasivos. Estas determinaciones hay que basarlas en las definiciones de estos elementos que se encuentran en el Concept Statement No. 4, "*Elements of Financial Statements*".

En resumen práctico, este pronunciamiento y el Concept Statement No. 4 define estas categorías y elementos; y ahora se deben colocar dentro de *Deferred Outflows/Deferred Inflows* o *Outflows/Inflows*, partidas que anteriormente pudieran haber estado incluidas en otras líneas de activos y pasivos tradicionales, en activos diferidos o en ingresos diferidos. Con este pronunciamiento, el término diferido ("*deferred*") se utiliza **SOLO** para presentar ahora "*deferred outflows*" y "*deferred inflows*". Si no cumple con las definiciones de "*deferred outflows*" y "*deferred inflows*", no se puede usar el término "*deferred*" y habría que colocarlo dentro de otra partida de activo o pasivo; o como una partida de gasto/erogaciones o de ingresos.

Para los estados de fondos ("*fund financial statements*"), siguen aplicando estas categorías o elementos de "*deferred outflows*" y "*deferred inflows*"; SIN EMBARGO, el balance de fondos ("*fund balance*") se sigue presentando de igual manera sin ningún cambio de categoría o nombre. Para el estado "*governmentwide*", se mantiene el concepto de "*Net Position*" (Posición Neta).

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

## !!!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

### ❖ DEFINICIONES:

#### “Deferred Outflows”

- Consumo o erogaciones de activos netos por el gobierno que es aplicable a un periodo de información/presentación futura.
- Tiene un balance debito natural; por lo tanto, aumenta la posición neta similar a un activo.

#### “Deferred Inflows”

- Advenimiento o recibo de activos netos por el gobierno que es aplicable a un periodo de información/presentación futura.
- Tiene un balance crédito natural; por lo tanto, disminuye la posición neta similar a una obligación o pasivo.

#### “Net Position”

- El residual de todos los elementos presentados en el estado de situación financiera del “governmentwide”.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

!!!!ALERTAI!!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

## ❖ EJEMPLOS:

### “Deferred Outflows”

➤ Resources provided to another government in relation to a government-mandated nonexchange transaction or a voluntary non exchange transaction when *time requirements* are the *only* eligibility requirements that *have not been met* by the other government (GASB No. 33, paragraph 19). Contribuciones y pagos a otros gobiernos, unidades componentes y/o al gobierno central (ordenadas por el gobierno o voluntarias sin recibir nada a cambio) antes de que esa entidad gubernamental recipiente haya cumplido con los requerimientos de tiempo (adelantadas al tiempo que le correspondería dicho pago o contribución).

➤ Deferred debit amounts resulting from the refunding of debt (GASB No. 23, paragraph 5). Las pérdidas diferidas resultantes en refinanciamientos (“refunding”) de deuda YA NO SE PRESENTAN NETOS DE LA DEUDA. ESTO SIGNIFICA QUE A LOS BALANCES INICIALES DE DEUDA, HAY QUE AJUSTARLOS SACANDOLES LAS PORCIONES QUE REPRESENTABAN “PERDIDAS DIFERIDAS” EN “REFUNDING” Y RECLASIFICARLAS BAJO LAS CATEGORIAS DE “DEFERRED OUTFLOW”.

➤ Accumulated decrease in fair value of hedging derivative. El uso de este “deferred outflow” ya se permitía antes bajo el GASB No. 53 de “derivative instruments” y ya se presentaba en una categoría separada de “deferred outflow” bajo el GASB No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position).

**ESTADOS FINANCIEROS DEL  
ESTADO LIBRE ASOCIADO DE PUERTO RICO**

Sección 00 (continuación)

**!!!ALERTA!!! NUEVOS PRONUNCIAMIENTOS GASB  
EFECTIVO AÑO FISCAL 2014 (Continuación)**

**“Deferred Outflows”-continuación**

- Deferred debit amounts as a result of service concession arrangement transactions (GASB No. 60). Estas transacciones ya se presentaban en una categoría separada de “deferred outflow” bajo el GASB No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*).
- Purchase of future revenues within the same reporting entity (GASB No. 48, paragraphs 13-16).
- Intra-entity transfers of future revenues (GASB 48). El que recibe (“transferee”) presenta la cantidad pagada como “deferred outflow”.
- Deferred loss resulting from sale-leaseback transactions (GASB No. 62 paragraph 242).
- Net balance (debit) of direct loan origination costs, including points, for mortgage loans held for resale prior to the point of sale (GASB No. 62, paragraph 467).
- Fees paid to permanent investors to ensure the ultimate sale of loans, prior to the point of sale (GASB No. 62, paragraph 469).

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

## !!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

### **“Deferred Inflows”**

- Resources received in advance in relation to a government-mandated nonexchange transaction or a voluntary non exchange transaction when **time requirements** are the **only** eligibility requirements that **have not been met** by the receiving government (GASB No. 33, paragraph 19). Contribuciones y pagos recibidos de otros gobiernos, unidades componentes y/o al gobierno central (ordenadas por el gobierno o voluntarias sin dar nada a cambio) antes de que esa entidad gubernamental recipiente haya cumplido con los requerimientos de tiempo (adelantadas al tiempo que le correspondería dicho pago o contribución).

- Resources received in advance in relation to an imposed nonexchange transaction (ex. property or other applicable taxes) (GASB No. 33, paragraphs 7 and 18). [Ejemplo clásico es el impuesto sobre la propiedad recibido antes del periodo para la cual se está levantando o imponiendo. (Favor de no confundir con “income taxes”, IVU u otro impuesto derivado (“derived tax”) de transacciones de intercambio (“exchange transaction”), que se reciban por adelantado; en estos casos no se consideraran “deferred inflows” y hay que presentarlos como cualquier otro pasivo sin usar la terminología “deferred”).]

- Deferred credit amounts resulting from the refunding of debt (GASB No. 23, paragraph 5; GASB No. 62, paragraph 221). Las ganancias diferidas resultantes en refinanciamientos (“refunding”) de deuda YA NO SE PRESENTAN NETOS DE LA DEUDA. ESTO SIGNIFICA QUE A LOS BALANCES INICIALES DE DEUDA, HAY QUE AJUSTARLOS SACANDOLES LAS PORCIONES QUE REPRESENTABAN “GANANCIAS DIFERIDAS” EN “REFUNDING” Y RECLASIFICARLAS BAJO LAS CATEGORIAS DE “DEFERRED INFLOW”.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

!!!!ALERTAAAA!!! NUEVOS PRONUNCIAMIENTOS GASB  
EFECTIVO AÑO FISCAL 2014 (Continuación)

## **“Deferred Inflows”-continuación**

- Accumulated increase in fair value of hedging derivative. El uso de este deferred inflows ya se permitía antes bajo el GASB No. 53 de “derivative instruments” y ya se presentaba en una categoría separada de “deferred inflow” bajo el GASB No. 63, *“Financial Reporting of Deferred Outflows of Resources, and Net Position”*.
- Deferred credit amounts as a result of service concession arrangement transactions (GASB No. 60). Estas transacciones ya se presentaban en una categoría separada de “deferred inflow” bajo el GASB No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”*.
- Proceeds from the sale of future revenues within the same reporting entity (GASB No. 48, paragraphs 13-16).
- Intra-entity transfers of future revenues (GASB 48). El que transfiriere (“transferor”) presenta la cantidad recibida como “deferred inflow”.
- Unavailable revenue related to the application of modified accrual accounting (GASB No. 6 and No. 33). Excepto adelantos de “derived taxes”, que se siguen presentando como cualquier otro pasivo, sin usar la terminología “deferred”.
- Deferred gain resulting from sale-leaseback transactions (GASB No. 62 paragraph 242).
- Net balance (credit) of loan origination fees related to points, for lending activities and mortgage loans held for investment (GASB No. 10, paragraph 45; GASB No. 62, paragraph 434 and 467).

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

## !!!!!!ALERTAAAA!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

### ***“Deferred Inflows”-continuación***

- Resources generated by current rates intended to recover costs that are expected to be incurred in the future (GASB 62, paragraph 482). Usualmente se ven en transacciones de operaciones reguladas o utilidades públicas.
- Gains or other reductions in allowable costs intended to reduce rates over future periods (GASB 62, paragraph 482). Usualmente se ven en transacciones de operaciones reguladas o utilidades públicas.

NOTA (1): Este pronunciamiento va a requerir que cada Unidad Componente (Integrada y Discreta) divulgue y desglose la composición de sus “deferred outflows” y “deferred inflows” por tipo. Favor usar las tablas presentadas en la Sección 07.

NOTA (2): Con el pronunciamiento GASB No. 65, lo que antes se reconocía y presentaba como “deferred charges” (o quizás en “other assets”) y como “deferred revenue”, ahora pudiese cumplir con los criterios del GASB No. 65 para ser presentado en una sección aparte bajo “Deferred Outflows” y “Deferred Inflows”; O no cumplir con esos criterios y se consideraría un activo o pasivo normal. Esta determinación la tienen que hacer la gerencia de las unidades componentes en conjunto con sus respectivos auditores externos. En caso de que lo que antes se presentaba como “deferred charges” y “deferred revenue” no cumpla con el criterio de presentarlo ahora como “deferred outflow” y “deferred inflow”, entonces se consideraría un activo normal (“an asset”) o un pasivo normal (“a liability”). En ese caso, cualquier descripción o terminología que describa la naturaleza de la cuenta o la transacción es aceptada; PERO SE DEBE EVITAR SEGUIR USANDO la palabra “DEFERRED”. Por ejemplo, usar términos como “unearned revenue”, “advances” o algo parecido sería aceptable.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

**!!!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB  
EFECTIVO AÑO FISCAL 2014 (Continuación)**

## ❖ **COSTOS DE EMISION DE DEUDA ("DEBT ISSUE COSTS"):**

➤ Bajo el GASB No. 65, comenzando con el año fiscal 2014, los costos de emisiones de deuda se reconocen como gastos al momento de incurrirse (**YA NO SE PUEDEN DIFERIR**). La única excepción sería si hay alguna porción de esos gastos que representen prepagos de costos de seguros ("prepaid insurance costs"), en cuyo caso estos se presentan como un activo amortizable a gasto de una manera sistemática y racional a través de la vida o duración de la deuda relacionada).

El balance inicial que se traiga de costos de emisiones de deuda diferidos ("deferred issue costs") al 1ro de Julio de 2013, se eliminarán contra el balance inicial de posición neta (net position) en el estado "governmentwide" o en fondo empresarial, según aplique, al 1ro de Julio de 2013, y ese ajuste al balance inicial de posición neta representará un reajuste ("restatement") por adopción de un pronunciamiento contable.

**ESTADOS FINANCIEROS DEL  
ESTADO LIBRE ASOCIADO DE PUERTO RICO**

Sección 00 (continuación)

**!!!!ALERTAAAA!!! NUEVOS PRONUNCIAMIENTOS GASB  
EFECTIVO AÑO FISCAL 2014 (Continuación)**

**GASB No. 67. "Financial Reporting for Pension Plans – an amendment of  
GASB Statement No. 25"**

Este pronunciamiento establece cambios en la presentación y contabilidad financiera de planes de pensiones gubernamentales; en este caso, de los tres (3) Sistemas de Retiro del Estado Libre Asociado. El cambio fundamental de este pronunciamiento es moverse del modelo contable actual ("funding based") donde la Contribución Anual Requerida (Annual Required Contribution-ARC) es comparada con los pagos actuales hechos para determinar la Obligación de Pension Neta ("Net Pension Obligation") del Estado Libre Asociado; al modelo contable "full accrual" similar a lo que establecen los pronunciamientos FASBs existentes donde la Obligación de Pension Total ("Total Pension Obligation"), determinada actuarialmente, se compara con la Posición Neta del Plan ("Net Plan Position) para establecer la nueva Deuda de Pensiones ("Net Pension Liability") del Estado Libre Asociado.

Repetimos que este pronunciamiento es relevante y aplicable en el año fiscal 2014, **SÓLO PARA LOS TRES (3) SISTEMAS DE RETIRO**, no para las agencias del gobierno central ni las corporaciones públicas.

(Sin embargo, la agencias de gobierno central y las corporaciones públicas **DEBEN ESTAR PENDIENTES A LOS EFECTOS DE ESTE PRONUNCIAMIENTO EN LOS SISTEMAS DE RETIRO DEL ESTADO LIBRE ASOCIADO, YA QUE SU EFECTO EN LOS SISTEMAS DE RETIRO, SE VERÁ DISTRIBUIDO A LAS AGENCIAS DE GOBIERNO Y CORPORACIONES PUBLICAS CUANDO ESTAS ADOPTEN EL GASB NO. 68, "ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS-AN AMENDMENT TO GASB NO. 27" DURANTE EL AÑO FISCAL 2015).**

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

## !!!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

### **GASB No. 70- "Accounting and Financial Reporting for Nonexchange Financial Guarantees"**

Este pronunciamiento establece estándares en la presentación y contabilidad financiera para garantías financieras otorgadas o recibidas por una entidad gubernamental sin recibir u otorgar el mismo o equivalente valor a cambio ("*nonexchange financial guarantees*"). Cuando una entidad gubernamental extiende una garantía financiera, esa entidad ha acordado indemnificar a una tercera persona, si la entidad o el individuo que emite la obligación garantizada no cumple con los requerimientos de esa obligación.

La entidad gubernamental que ha extendido la garantía financiera debe considerar ciertos factores cualitativos para determinar la probabilidad ("*likelihood*") de que se le requiera honrar el pago que está atado a dicho garantía. Ejemplos de estos factores cualitativos relevantes a la entidad o individuo que emite la obligación garantizada incluyen, pero no están limitados a los siguientes:

- a) La entidad está iniciando un proceso de quiebra o de reorganización financiera
- b) La entidad ha violado el contrato de deuda con relación a la obligación garantizada, como por ejemplo, violación de convenios de tasas ("*rate covenants*"), fracasar en cumplir con las métricas de coberturas establecidas ("*coverage ratios*"), o incumplir o caer en delincuencia con los pagos requeridos de principal o intereses.
- c) Existen indicadores de dificultad financiera significativa como por ejemplo: i) fracasar en retirar del fondo de reserva para cumplir con el servicio de la deuda, iii) iniciando un proceso de interceptar recibos para poder cumplir con pagos del servicio de la deuda, iv) otorgando concesiones al tenedor de la deuda garantizada, v) pérdidas de inversiones significativas, vi) pérdidas de fuentes de ingresos principales, vii) aumentos significativos en desembolsos no capitalizables ("*noncapital*") en relación a los ingresos operacionales y corrientes y viii) comienzo de supervisión financiera por otro gobierno.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

## !!!!ALERTAAAA!!! NUEVOS PRONUNCIAMIENTOS GASB EFECTIVO AÑO FISCAL 2014 (Continuación)

### **GASB No. 70-Requerimientos Principales de Reconocimiento y Medición:**

#### ***Bajo el Método de Recursos Económicos ("Full Accrual"):***

Cuando la evaluación de los factores cualitativos mencionados arriba indica que es "more likely than not" (más de 50% probable) que la entidad gubernamental garantizadora va a ser requerida a honrar los pagos relacionados a la deuda garantizada, dicha entidad deberá reconocer un pasivo u obligación ("liability") y un gasto. La cantidad reconocida debe ser el valor presente descontado del mejor estimado de flujos futuros de efectivos ("future outflows") que se espera se desembolsen como resultado de tener que honrar la garantía. Si no existe un mejor estimado, se puede usar el valor presente descontado de la cantidad mínima dentro de un rango de estimados de flujos futuros de efectivos a desembolsarse en donde ninguna de las cantidades dentro del rango aparente ser mejor que otras dentro del mismo rango.

#### ***Bajo el Método de Recursos Financieros Corrientes ("Modified Accrual"):***

Cuando la evaluación de los factores cualitativos mencionados arriba indica que es "more likely than not" (más de 50% probable) que la entidad gubernamental garantizadora va a ser requerida a honrar los pagos relacionados a la deuda garantizada, dicha entidad deberá reconocer un pasivo u obligación en el fondo ("fund liability") y un gasto ("expense"), solamente hasta el monto en que dicha obligación se espere normalmente a que sea liquidada con recursos financieros corrientes disponibles ("normally expected to be liquidated with expendable available financial resources"). Esta obligación se espera normalmente a que sea liquidada con recursos financieros corrientes disponibles cuando los pagos de la obligación garantizadas ya estén vencidos ("due and payable").

Hay otras provisiones de reconocimiento y medición desde el punto de vista de la entidad gubernamental emisora de la deuda garantizada y va a depender de si esa entidad tiene o no que repagarle al garantizador. Para más detalles de estas y otras provisiones relacionadas a garantías financieras entre unidades componentes ("blended") dentro del mismo gobierno primario, deben referir a los párrafos 11, 12 y 13 del GASB No. 70.

**ESTADOS FINANCIEROS DEL  
ESTADO LIBRE ASOCIADO DE PUERTO RICO**

Sección 00 (continuación)

**!!!!ALERTA!!!! NUEVOS PRONUNCIAMIENTOS GASB  
EFECTIVO AÑO FISCAL 2014 (Continuación)**

**GASB No. 70-** Cada unidad componente (integrada y discreta) deberá evaluar sus actividades operacionales y determinar si alguna de ellas representa que es participe como recipiente u otorgador de una garantía financiera de acuerdo al GASB No. 70 , para entonces aplicar las provisiones pertinentes de este pronunciamiento; y que sus respectivos auditores externos puedan pasar juicio sobre la contabilidad ejecutada sobre esas garantías.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

**!!!!!!ALERTA!!!!!! RECORDATORIO DE CAMBIOS EN ALGUNOS FORMULARIOS**

➤ **La tabla de la sección 03 B** que presenta la clasificación crediticia de las inversiones fue enmendada para expandir las columnas con una mayor segregación de clasificaciones de crédito. También se presenta la leyenda de clasificaciones de crédito según las diferentes casas acreditadoras como referencia; para que identifiquen cual están usando al preparar dicha tabla.

➤ **Unidades Componentes Integradas ("Blended") o Agencias de Gobierno con Tesoro o Contabilidad Independiente luego de Adopción de GASB No. 61 durante 2013.**

Algunos formularios ya están actualizados con la nueva composición de unidades componentes integradas ("blended") o aquellas agencias con tesoro o contabilidad independiente después de la adopción del GASB No. 61. Esta nueva composición es la siguiente:

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 00 (continuación)

!!!!ALERTAAAA!! RECORDATORIO DE CAMBIOS EN ALGUNOS FORMULARIOS (Continuación)

## ✓ Bajo Actividades Gubernamentales ("Governmental Activities"):

1. Autoridad de Edificios Públicos (AEP)
2. Fideicomiso de los Niños
3. Corporación para el Financiamiento de Impuesto de Venta (COFINA)
4. Autoridad de Exportación Marítima de Puerto Rico (Navieras)
5. Autoridad para el Financiamiento de la Infraestructura (AFI)
6. Fideicomiso Perpetuo de Comunidades Especiales
7. Oficina para el Mejoramiento de Escuelas Públicas (OMEP)
8. CRUV
9. Administración del Desarrollo Laboral
10. Administración de Vivienda Pública (PHA)

## ✓ Bajo Actividades Empresariales ("Business-Type Activities"):

1. Administración de Servicios Médicos (ASEM)
  2. Junta de Gobierno de Servicio 9-1-1
  3. Lotería Tradicional
  4. Lotería Electrónica (Lotto)
  5. Fondo del Seguro por Desempleo
  6. Fondo del Seguro por Incapacidad
  7. Fondo del Seguro Choferil
  8. Fondo Rotatorio "PR Water Pollution Control Revolving Fund"
  9. Fondo Rotatorio "PR Safe Drinking Water Treatment Revolving Fund."
- ## ✓ Bajo Actividades Fiduciarias ("Fiduciary Activities"):
1. Sistema de Retiro de Empleados del Gobierno Central
  2. Sistemas de Retiro de Maestros
  3. Sistema de Retiro de la Judicatura

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01

## INFORMACIÓN GENERAL

### INFORMACION FINANCIERA REQUERIDA DE LAS UNIDADES COMPONENTES

Una unidad componente es un ente legal separado por la cual los oficiales electos de la entidad gubernamental primaria (en este caso el Gobierno de Puerto Rico) son responsables por su administración financiera. También se considera una unidad componente a toda aquella entidad cuya relación, naturaleza e importancia de la interrelación con la entidad gubernamental primaria son de tal relevancia que su exclusión pudiera resultar en que los estados financieros de la entidad gubernamental primaria estén incompletos, esto según los criterios establecidos por el GASB No. 14, según enmendado por el GASB No. 39 y recientemente por el GASB No. 61.

La información financiera que se requiere será utilizada para la preparación de los estados financieros del Gobierno de Puerto Rico y sus unidades componentes al 30 de junio de 2014, por lo tanto, la información a ser suministrada debe ser a esa fecha o para el año terminado en dicha fecha, según se indique. Recuerde que la información financiera suministrada deberá estar de acuerdo con los estados financieros auditados. De entenderlo conveniente podrá añadir páginas adicionales.

Todos los encasillados deben ser debidamente completados con la información que se requiere. No se aceptará como respuesta que se hagan referencias a los estados financieros.

Si a su entidad no le aplica cualquiera de los encasillados, deberá indicarlo mediante (N/A) e indicar la razón del porque no le aplica. Favor de no dejar espacios en blanco.

Otro elemento importante que se debe tomar en consideración es que todas las unidades componentes del Gobierno de Puerto Rico *tienen* que implementar los requerimientos de preparación de los estados financieros en conformidad con el pronunciamiento número 34 de la Junta de Principios de Contabilidad Gubernamental, conocido como "GASB 34" (según enmendado) así como los pronunciamientos aplicables emitidos subsiguientemente a éste.

Estos formularios, junto con los estados financieros auditados, son requeridos por nuestros auditores externos y deben ser enviados al Sr. Jayson Padilla, Secretario Auxiliar de Contabilidad Central del Departamento de Hacienda oficina # 311. Los mismos deben ser recibidos no más tarde del 30 de septiembre de 2014. De no poder cumplir con esta fecha, se requiere que en o antes del 15 de septiembre de 2014 el Director Ejecutivo o jefe de la Entidad prepare una notificación oficial al Secretario de Hacienda indicando la razón por la cual se ve imposibilitado a cumplir con la fecha e informar por escrito al Secretario de Hacienda sobre la fecha en que estarán disponibles. Es importante para el Gobierno de Puerto Rico emitir unos estados financieros completos y en un tiempo razonable. Por lo tanto, su pronta atención a esta solicitud es necesaria para cumplir con el objetivo propuesto.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

### INFORMACION FINANCIERA REQUERIDA DE LAS UNIDADES COMPONENTES (Continuación)

En el espacio que se solicita el nombre de la unidad componente, se debe indicar el nombre de la entidad gubernamental que complete estos formularios aunque no sea una unidad componente. Si el cierre para los estados financieros de la unidad componente no es el 30 de junio, la información solicitada se debe someter al cierre de año que se encuentra dentro del período que terminó el 30 de junio de 2014. Es importante que una vez estén cumplimentados los formularios, **sean revisados por sus auditores externos**, ya que la información suministrada debe estar a tono con los estados financieros.

Cualquier pregunta sobre la información solicitada, favor de comunicarse con Eduardo Herencia, Miguel Álvarez, Reyliam Guerra o con Omar Denizard al Departamento de Hacienda al teléfono 721-2020 ext. 2344 ó 2345.

## GUIAS Y PUBLICACIONES UTILES

Con el propósito de minimizar inconsistencias en la aplicación de los requisitos del GASB 34, y de otros pronunciamientos complejos, exhortamos a que todas las entidades obtengan las siguientes guías y publicaciones para utilizarlas en la preparación de los estados financieros básicos, y sus divulgaciones:

1. Contabilidad Gubernamental, Auditoría, y de Información Financiera - Uso del GASB 34 Modelo - Publicado por el GFOA - Puede obtenerse en [www.gfoa.org](http://www.gfoa.org).
2. Publicaciones del Consejo de Normas de Contabilidad Gubernamental (GASB) - Que pueden obtenerse

en [www.gasb.org](http://www.gasb.org).

- *Codificación de Contabilidad Gubernamental y las Normas de Información Financiera (Pronunciamiento 34)*. La Sección 2300.901 de esta publicación tiene una lista sumamente útil para determinar si tienes las divulgaciones básicas que aplican.
- *Aplicación de las Guías - Preguntas y respuestas:*

- Guía para la aplicación del pronunciamiento GASB 3 sobre depósitos en instituciones financieras, inversiones (incluyendo acuerdos de recompras) y acuerdos de recompras reversas ("reverse repurchase agreements")
- Guía para la aplicación del pronunciamiento GASB 9 en la presentación de informes de flujos de efectivo de fondos fiduciarios y entidades gubernamentales que utilizan fondos propietarios del fondo de Contabilidad - (Nota - GASB 34 enmendó este pronunciamiento y solamente se pueden preparar estados de Flujo de Efectivo utilizando el método directo).

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

### GUIAS Y PUBLICACIONES ÚTILES (Continuación)

- Guía para la implementación del pronunciamiento GASB 10 de contabilidad e información financiera relacionado a los riesgos y problemas relacionados con los seguros.
- Guía para la implementación del pronunciamiento GASB 14 (según enmendado por el GASB 61) en la entidad que reporta.
- Guías para la aplicación de los pronunciamientos 25, 26 y 27 sobre información financiera y divulgación para pensiones y patrones de estados y gobiernos locales.
- Guía para la implementación del pronunciamiento GASB 31 de contabilidad e información financiera de inversiones y de fondos de inversión externa.
- Guía para la implementación del pronunciamiento GASB 34 sobre los estados financieros básicos y discusión de la gestión y análisis para los gobiernos estatales y locales.
- Guía para la implementación del pronunciamiento GASB 34 y otros pronunciamientos relacionados.
- Guía para la implementación del pronunciamiento GASB 40 sobre la divulgación de depósitos y riesgos de inversiones.
- Guías para la implementación de los pronunciamientos GASB 43 y 45 relacionado a información financiera de los beneficios "postemployment" de los planes de pensiones y presentación de informes financieros de los empleadores para beneficios de pensiones "postemployment".
- Guía para la implementación del pronunciamiento GASB 53 sobre la contabilidad e información financiera de instrumentos derivados.
- Guía para la implementación del pronunciamiento GASB 67 y 68 sobre la contabilidad e información financiera sobre pensiones (para Planes y Patronos, respectivamente).

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

### OTROS PRONUNCIAMIENTOS PARA ADOPCION CORRIENTE O FUTURA

Con el propósito de minimizar inconsistencias, todas las Corporaciones Públicas deben revisar los nuevos pronunciamientos contables y verificar si estos le aplican. De estos pronunciamientos ser aplicables a su Corporación deberán hacer todo el trabajo necesario para implementarlo en el periodo que el pronunciamiento requiere. Los nuevos pronunciamientos son siguientes:

- A. GASB Statement No. 65- "Items Previously Reported as Assets and Liabilities". *Efectivo para periodos que comienzan luego del 15 de diciembre de 2012 (Año fiscal 30 de junio de 2014).*
- B. GASB Statement No. 66- "Technical Corrections 2012- an amendment of GASB Statements No. 10 and No. 62". *Efectivo para periodos que comienzan luego del 15 de diciembre de 2012 (Año fiscal 30 de junio de 2014).*
- C. GASB Statement No. 67, "Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25". *Efectivo solo para Planes de Pensiones/Sistemas de Retiro para periodos que comienzan luego del 15 de junio de 2013 (Año fiscal 30 de junio de 2014).*
- D. GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". *Efectivo para periodos que comienzan luego del 15 de junio de 2014 (Año fiscal 30 de junio de 2015).*
- E. GASB Statement No. 69, "Government Combinations and Disposals of Government Operations". *Efectivo para periodos que comienzan luego del 15 de diciembre de 2013 (Año fiscal 30 de junio de 2015).*
- F. GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees". *Efectivo para periodos que comienzan luego del 15 de junio de 2013 (Año fiscal 30 de junio de 2014).*

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

### INSTRUCCIONES PARA COMPLETAR EL "REPORTING PACKAGE"

A. Para las siguientes unidades componentes o agencias con tesoro y contabilidad independiente se requiere completar el Anejo D.1 y D.2 que esté identificado con el nombre de la entidad correspondiente para convertir de "Full Accrual" a "Modified Accrual Basis": *Autoridad de Edificios Públicos (AEP) y Administración de Vivienda Pública (PHA)*. Estas entidades preparan sus estados financieros bajo "Full Accrual" y necesitamos que se conviertan a través de este Anejo D.1 y D.2 a "Modified Accrual Basis".

Para las siguientes unidades componentes o agencias con tesoro y contabilidad independiente se requiere completar el Anejo D.1 y D.2 que esté identificado con el nombre de la entidad correspondiente. Para estas entidades hay que llenar la columna de "Governmentwide" y las columnas bajo "Modified Accrual Basis". Estas entidades ya preparan sus estados financieros bajo "Modified Accrual Basis": *"Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Autoridad para el Financiamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Corporación para el Financiamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras) y la Oficina para el Mejoramiento de Escuelas Públicas (OMEP)*. Favor seguir indicaciones de la Sección 12.

SE HA INCLUIDO UN ANEJO D.1 Y D.2 PARA CADA UNA DE LAS UNIDADES COMPONENTES INTEGRADAS ("BLENDED") O AGENCIAS CON TESORO INDEPENDIENTE.

B. Excepto por las entidades mencionadas en el punto A arriba, se requiere completar el anejo H e I donde se detallan los balances del Estado de Posición Neta y el Estado de Actividades, incluyendo a la *Administración de Servicios Médicos (ASEM), la Junta de Gobierno de Servicios 9-1-1, el Fondo de Seguro por Desempleo, el Fondo de Seguro por Incapacidad, el Fondo de Seguro Choeril, la Lotería Tradicional, la Lotería Electrónica (Lotto), el Fondo Rotatorio "PR Water Pollution Control Revolving Fund" y el Fondo Rotatorio "PR Safe Drinking Water Treatment Revolving Fund"*; que aunque son unidades componentes integradas ("blended") o fondos del Gobierno Central con tesoro y contabilidad independiente, se categorizan como fondos empresariales que usan el "full accrual" y no el "modified accrual basis". Favor seguir indicaciones de la Sección 12.

C. Se requiere completar las Secciones 03 A a la 03 D relacionadas a los depósitos e inversiones.  
D. Les recordamos que existe una línea para identificar los balances de los "securities lending transactions" en la Sección 03 B y 03 D.  
E. Se requiere que GDB y EDB completen la Sección 03 E.  
F. Se requiere que se detalle la composición de las cuentas por cobrar según se indica en las Secciones 04 A, 04 B y 04 C.  
G. Se requiere se detalle la reserva de cuentas incobrables al 30 de junio de 2014. Favor de completar columna relacionada en la Sección 04 A, 04 B y 04 C.

H. Se requiere información en relación a los activos fijos e intangibles y su amortización acumulada según GASB 51 recordamos que la Sección 05A contiene unas preguntas que DEBEN CONSTAR relacionadas al análisis presentado en la Sección 05 y Sección 05A (incluyendo el detalle de los compromisos de construcción). Les recordamos que la Sección 05A contiene unas preguntas que DEBEN CONSTAR relacionadas al análisis del GASB 42 sobre Menoscabo en el Valor de los Activos y el GASB 49 sobre Obligación de Reportar Contingencia Ambiental.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

### INSTRUCCIONES PARA COMPLETAR EL "REPORTING PACKAGE" (Continuación)

- I. Se requiere completar el desglose de Activos Restrictos en la Sección 06.
- J. Se requiere desglosar la composición de "Deferred Outflows" y "Deferred Inflows" en la Sección 07.
- K. Se requiere completar el detalle de cuentas por pagar a Agencias del Gobierno Central y a Corporaciones Públicas en las Secciones 08 A y 08 B, respectivamente. (Nota: NO SE DEBE incluir aquí notas o bonos por pagar a otras entidades gubernamentales o a GDB)

- L. Se requiere completar la Sección 09 con la información indicada de ausencias compensadas y contingencias.
- M. La información detallada, movimientos y tablas de vencimientos de bonos por pagar, bonos pagados con asignaciones legislativas ("appropriations") y notas por pagar deberá ser completada en los anejos E, F y G, respectivamente, según se explica en la Sección 10 (FAVOR EXCLUIR las NOTAS Y LINEAS DE CREDITO por PAGAR A GDB u otras corporaciones públicas).

- N. Se requiere segregar en la Sección 11 A las obligaciones entre las que vencen dentro de un (1) año y las que vencen en más de un (1) año. Favor de seguir las indicaciones de esa Sección.

- O. Se requiere completar la Sección 11 B Deuda Garantizada, que incluye; el detalle de Deuda Garantizada por el ELA, Deudas Pagaderas por Asignaciones Legislativas del Gobierno Central y/o el IVU y Deudas de Conducito.
- P. La información solicitada en la Sección 12 debe ser provista por las unidades componentes integradas ("blended") o agencias con tesoro y contabilidad independiente completando los anejos D.1 y D.2 (Excepto por la Administración de Servicios Médicos de PR, la Junta de Gobierno del Servicio 9-1-1 y los demás fondos empresariales listados en el inciso B arriba, que deben completar los Anejos H e I); mientras las unidades componentes discretas deben proveer la información completando los anejos H e I. También, se requiere proveer otros datos y explicaciones relacionadas con cambios en políticas, posiciones netas y manejo de riesgo.

- Q. Se requiere completar en la Sección 13 una breve descripción de eventos subsiguientes y su efecto monetario.
- R. Se requiere completar en la Sección 14 la información indicada sobre Asignaciones Legislativas recibidas (operacionales y de capital) y aquellas pendientes por cobrar al 30 de junio de 2014.
- S. Se requiere completar la sección 15 de Deudas atadas a Instrumentos Derivativos.

- T. Se requiere que todas las unidades componentes completen la sección 16, de ser aplicable.
- U. Se requiere que el "reporting package" sea verificado y certificado por los auditores externos y el Director Ejecutivo de la entidad (sección 17).

Favor referirse a la Sección 18 para guías explicativas de presentación aplicables a ciertas secciones.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 01 (continuación)

## INFORMACIÓN GENERAL

Indicar el nombre de la unidad componente, la ley que la creó, breve descripción de sus funciones, su organización y cualquier otra información de carácter general.

Nombre Legal: **Autoridad de Desperdicios Sólidos**

Ley Creadora: **Ley 70 del 23 de junio de 1978**

Descripción de sus funciones principales:

La función principal de la Autoridad de Desperdicios Sólidos (La Autoridad) es proveer alternativas para el procesamiento de desperdicios sólidos en Puerto Rico. Además, de acuerdo a la Ley, la Autoridad tiene la responsabilidad de educar a la comunidad con respecto a la implementación de los programas necesarios para la reducción y reuso de desperdicios sólidos. También, la Autoridad debe evaluar, planificar e implementar estrategias para el manejo racional de los desperdicios sólidos con el fin de proteger el ambiente, la salud pública y conservar los recursos naturales

# **ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO**

Sección 02

## **INFORMACIÓN RELACIONADA CON LOS ESTADOS FINANCIEROS AUDITADOS DE LA UNIDAD COMPONENTE**

Además de la información solicitada, deberá incluir copia de los estados financieros al 30 de junio de 2014 y el informe del auditor independiente sobre estos estados. Los estados financieros deben incluir los estados de situación, operaciones y flujo de efectivo y sus correspondientes notas.

Fecha del año fiscal: 30 de junio de 2014

Fecha del informe de los auditores independientes: 23 de diciembre 2014

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 A

## DEPÓSITOS E INVERSIONES – GASB 40 (ENMIENDA AL GASB 3)

### CATEGORIAS DE RIESGO DE EFECTIVO E INVERSIONES

La información referente a las Categorías de Riesgo de Efectivo e Inversiones es requerida por el Governmental Accounting Standard Board (GASB) Pronunciamiento Número 40 "Deposit and Investment Risk Disclosure".

Favor de completar la siguiente tabla relacionada con el efectivo y equivalentes de efectivo al 30 de junio de 2014:

Efectivo y equivalentes de efectivo:	NO RESTRICTO	RESTRICTO (2)	Total	Balance en Banco
Depósitos en bancos comerciales				
Depósitos en bancos gubernamentales	3,990,849	9,361,255	13,352,104	13,516,450
Equivalentes de efectivo en bancos comerciales (1)				
Equivalentes de efectivo en bancos gubernamentales (1)				
Caja menuda				
Total	\$ 3,990,849	\$ 9,361,255	\$ 13,352,104	\$ 13,516,450

### Riesgo de Crédito- Efectivo y equivalentes de efectivo al 30 de junio de 2014

Cantidad	\$
Valores y depósitos colateralizados	-
Valores y depósitos sin colateralizar. Esta línea incluye las cantidades depositadas en el Banco Gubernamental de Fomento y EDB ya que están exentas del requisito de colateral establecido por el Estado Libre Asociado y por tanto representan un riesgo crediticio de custodia porque en caso de una quiebra del Banco la entidad no podrá recuperar los depósitos.	\$ 13,352,104.00
<b>Total (3)</b>	<b>\$ 13,352,104.00</b>

**Nota (1)** - Equivalentes de efectivo son instrumentos financieros con un vencimiento original de 90 días o menos.

**Nota (2)** - Si tiene efectivo restringido debe de completar la sección 06 de activos restringidos.

**Nota (3)** - Este total debe cuadrar con el total presentado en la columna de balance en banco arriba.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 B

Inversiones al 30 de junio de 2014:

Ficha Tipo de inversión (3)	AAA	AA+ to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to CCC-	D		
U.S. government securities (1)										
U.S. government agencies notes:										
FHLB										
FNMA										
FHLMC										
FRCB										
Other										
Mortgage and asset-backed securities:										
GNMA (1)										
FNMA										
FHLMC										
Commercial mortgages										
Asset-backed securities										
Other										
U.S. corporate bonds and notes										
Foreign government bonds and notes										
U.S. municipal notes										
Commonwealth agency bonds and notes										
Money market funds (2)										
Negotiable certificates of deposit (2)										
Repurchase agreements										
PGITF (2)										
External investment pools — fixed-income securities										
Nonparticipating investment contracts										
Others (2)										
Total debt securities and fixed-income investment contracts									\$ 18,083,170	\$ 18,083,170
Security lending transactions										
									\$ 6,283,167	\$ 6,283,167

Nota (1) – Los valores con el gobierno de Estados Unidos de Norteamérica y los GNMA deben ser clasificados como sin riesgo y ser incluidos en dicha columna.

Nota (1) – Los valores con el gobierno de Estados Unidos de Norteamérica y los GNMA deben ser clasificados como sin riesgo y ser incluidos en dicha columna.

Nota (2) – Los valores clasificados como equivalentes de efectivo no deben ser incluidos en esta tabla sino que deben incluirse en la Sección 03A.

Nota (3) – Cualquier valor individual que iguale o exceda el 5% del total de inversiones debe ser añadido y presentado en una línea separada bajo el tipo de inversión correspondiente.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 B (continuación)

Riesgo de Crédito- Inversiones al 30 de junio de 2014

	\$	
Cantidad	-	Asegurado o registrado con los valores mantenidos por la entidad gubernamental o su agente a nombre de la entidad gubernamental.
	\$	No asegurado y no registrado, con los valores mantenidos por la división de fideicomiso de la institución financiera o su agente a nombre de la entidad gubernamental.
	\$	No asegurado y no registrado, con los valores mantenidos por la división de fideicomiso de la institución financiera o su agente. (Para completar esta categoría refiérase a la guía para entidades gubernamentales sección 9.37 para más detalles).
	\$	Total (1)
	18,083,170.00	
	18,083,170.00	

**Nota (1) – Este total debe cuadrar con el total de las inversiones presentado en la tabla anterior columna de valor de mercado.**

	SI	
No	X	Usa Standard & Pooors?
	X	Usa Moody's?
X		Usa Fitch?

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 C

## Concentración del Riesgo de Crédito

? Existe alguna concentración del Riesgo de Crédito? Si la contestación es sí, favor de explicar.

La Autoridad está expuesta al riesgo de crédito, según la política de inversiones no establece un mínimo aceptable de crédito de ninguna organización nacional reconocida de análisis crediticio a pesar de que las políticas limitan la opción para las inversiones en bonos y notas del tesoro federal, bonos y notas de agencias federales, y cualquier otra inversión que garantice el principal.

## Riesgo de la Tasa de Interés

Favor de proveer las políticas de su agencia relacionadas al riesgo de interés (si aplica).

La Autoridad mantiene sus inversiones en bonos y certificado de ahorro. El valor en el mercado de dichos instrumentos varía y dependen de los cambios en las tasas de intereses. La autoridad tiene una política de inversión que requiere la evaluación de las inversiones cada doce meses. La Autoridad pudiese estar expuesta al riesgo de no recuperar el valor en el mercado de sus inversiones debido a las fluctuaciones en las tasas de intereses.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 D

Favor de completar la siguiente tabla para inversiones al 30 de junio de 2014:

Tipo de inversión (3)	Vencimiento (En años)					Cantidad
	Menor de un año	1-5	5-10	10 años	Más de 10 años	
U.S. government securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Home Loan Bank (FHLB)	-	-	-	-	-	-
FNMA	-	-	-	-	-	-
FHLMC	-	-	-	-	-	-
Federal Farm Credit Bank (FFCB)	-	-	-	-	-	-
Other	-	-	-	-	-	-
Mortgage and asset-backed securities:	-	-	-	-	-	-
GNMA	-	-	-	-	-	-
FNMA	-	-	-	-	-	-
FHLMC	-	-	-	-	-	-
Commercial mortgages	-	-	-	-	-	-
Asset-backed securities	-	-	-	-	-	-
Other	-	-	-	-	-	-
U.S. corporate bonds and notes	-	-	-	-	-	-
Foreign government bonds and notes	-	-	-	-	-	-
U.S. municipal notes	-	-	-	-	-	-
Commonwealth agency bonds and notes	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-
Negotiable certificates of deposit	-	11,800,003	-	-	-	-
Repurchase agreements	-	-	-	-	-	-
PRGTF	-	-	-	-	-	-
External investment pools — fixed-income securities	-	-	-	-	-	-
Nonparticipating investment contracts	-	-	-	-	-	-
Others	6,283,167	-	-	-	-	6,283,167
Total debt securities and fixed-income investment contracts (1)	\$6,283,167	\$11,800,003	\$ -	\$ -	\$ -	\$18,083,170
Equity securities:	-	-	-	-	-	-
U.S. corporate stocks	-	-	-	-	-	-
Non U.S. corporate stocks	-	-	-	-	-	-
External investment pools — equity securities	-	-	-	-	-	-
Limited partnership/private equity	-	-	-	-	-	-
Total	-	-	-	-	-	-
Security lending transactions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) El total de esta línea debe ser igual al total que se presenta en la sección 3 B.

(2) Si posee inversiones restringidas deben completar la sección 06 de activos restringidos y especificar el propósito de la restricción.

(3) Cualquier valor individual que iguale o exceda el 5% del total de inversiones debe ser añadido y presentado en una línea separada bajo el tipo de inversión correspondiente.

## Riesgo de Moneda Extranjera

Favor de proveer las políticas de su agencia relacionadas a este riesgo.  
N/A

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 03 E

## Relación de Depósitos de Bancos Gubernamentales:

*Para ser completado por GDB y EDB solamente.*

El balance en banco de los depósitos de GDB y EDB al 30 de junio de 2013 se desglosa de la siguiente manera:

	Cantidad	\$			
Gobierno Central (1)		-			
Unidades Componentes discretas		-			
<b>Total del Gobierno Central</b>		<b>\$</b>			
Municipios		-			
Entidades privadas		-			
Certificados de Deuda		-			
Cuentas "escrow"		-			
<b>Total depósitos en GDB y EDB</b>		<b>\$</b>			

**Nota (1)** - Debe incluir todas las agencias del gobierno central incluyendo las siguientes unidades componentes integradas ("blended") o agencias con tesoro y contabilidad independiente: Autoridad de Edificios Públicos (AEP), Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Administración de Vivienda Pública (PHA), Corporación para el Financiamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras), Autoridad para el Financiamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Oficina para el Mejoramiento de Escuelas Públicas (OMEP), Administración de Servicios Médicos (ASEM), la Junta de Gobierno de Servicio 911, el Fondo del Seguro por Desempleo, el Fondo del Seguro por Incapacidad, el Fondo del Seguro Choteril, la Lotería Tradicional, la Lotería Electrónica (Lotto), el Fondo Rotatorio "PR Water Pollution Control Revolving Fund" y el Fondo Rotatorio "PR Safe Drinking Water Treatment Revolving Fund.

**Nota (2)** - Favor de enviar electrónicamente el subsidiario de depósitos que cuadre con estas tablas.



# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 04 B

## Cuentas por Cobrar a Corporaciones Públicas del Gobierno Central

Favor de presentar en esta sección todas las cuentas a cobrar de \$1 millón o más que posee con alguna Corporación Pública (Unidad Componente Discreta), que no sea ninguna de las que se consideran integradas ("blended") y que están listadas en la Sección 04 A).

Entidad gubernamental	30 de junio de 2014	Reserva de cuentas incobrables al 30 de junio de 2014
Autoridad de Acueductos y Alcantarillados	\$812,562	(\$637,902)
Compañía de Parques Nacionales	19,800	(14,850)
Administración de Asuntos Energéticos	50,000	(37,500)
Departamento de la Familia	324,409	(243,307)
Municipios	695,159	(536,693)
LM Waste Services	707,071	(526,553)
Cafetería Industrial	102,877	(77,157)
Ruber Recycling	256,874	(256,874)
Otras entidades	\$1,760,734	(1,438,852)
Subtotal	\$4,729,486	(\$3,769,688)
Gobierno de Puerto Rico - PFC	\$404,621	-
<b>Total</b>	<b>\$5,134,107</b>	<b>(\$3,769,688)</b>

**Nota:** El total de este listado debe cuadrar con la línea correspondiente del estado financiero o deberá proveer un cómputo de cómo esta cantidad cuadra con los estados financieros auditados.

### Cómputo para cuadrar las cuentas con los Estados Financieros:

Descripción	30 de junio de 2014	Reserva de cuentas incobrables al 30 de junio de 2014
Cuentas por cobrar a agencias del gobierno central	\$9,922,925	(\$8,136,799)
Otras cuentas por cobrar- excluyendo -PFC	4,729,486	(3,769,688)
<b>Total de cuentas por cobrar Según Estado Financiero</b>	<b>14,652,411</b>	<b>(11,906,487)</b>
Mas:		
Cuentas por cobrar al Gobierno de Puerto Rico-PFC según Estado Financiero	404,621	-
<b>Total</b>	<b>\$15,057,032</b>	<b>(\$11,906,487)</b>



# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 05 A

## ACTIVOS FIJOS E INTANGIBLES

La siguiente información es requerida para los activos fijos e intangibles:

- La política para capitalizar activos fijos, incluyendo la infraestructura.
- La política para estimar la vida útil de los activos fijos e intangibles que es usada para calcular el gasto de depreciación y amortización.

- Una descripción de los activos fijos de infraestructura que la corporación pública ha decidido presentar utilizando el enfoque modificado – entendiéndose que no se está calculando depreciación.

Además, el GASB 34 requiere presentar información detallada en las notas a los estados financieros con relación a los activos fijos e intangibles. El **costo histórico** así como la **depreciación y amortización acumulada** deben ser **segregados en las siguientes categorías:**

- Las principales clasificaciones de activos fijos e intangibles (por ejemplo: **terreno y mejoras a terrenos, infraestructura, edificios y mejoras, vehículos, equipo, construcción en progreso, intangibles** etc.) Se debe segregar el costo del terreno del de las estructuras edificadas en el mismo.
- Unidades componentes integradas (Blended)-Anejo B.
- Activos fijos que **NO** están siendo depreciados (incluyendo la infraestructura reportada bajo el enfoque modificado de depreciación).

La siguiente información debe ser presentada por las clasificaciones principales de activos fijos, intangibles y depreciación acumulada en las notas a los estados financieros:

- Balance inicial.
- Aumentos (por ejemplo, adquisiciones de activos fijos, mejoras capitalizables, gasto de depreciación corriente en relación con la depreciación acumulada, etc.).
- Retiros (por ejemplo, venta de activos fijos y otras disposiciones).
- Balance final.

GASB 51 exige que todos los activos intangibles que no estén específicamente excluidos por las disposiciones de su ámbito de aplicación se clasifiquen como bienes de capital.

GASB 51 también proporciona una guía autorizada que se refiere específicamente a la naturaleza de estos activos intangibles. El objetivo del GASB 51 es establecer guías contables aplicables a los activos intangibles para reducir las inconsistencias relativas al reconocimiento, medición inicial y amortización, lo que mejora la comparabilidad de la información contable y financiera de esos activos entre los gobiernos estatales y locales.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 05 A (continuación)

## ACTIVOS FIJOS E INTANGIBLES (Continuación)

1. Favor de indicar si sus activos fijos e intangibles fueron evaluados para detectar deterioro o menoscabo de valor siguiendo las guías del GASB 42 Menoscabo en el Valor de Activos y GASB 51 Contabilidad para intangibles.

SI  NO ; Efecto monetario \_\_\_\_\_.

2. Favor de indicar si sus activos intangibles fueron contabilizados bajo GASB 51 y fueron incluidos como parte de los activos de capital.

SI  NO  Ref. \_\_\_\_\_.

3. Favor de indicar si la entidad evaluó la contingencia de contaminación ambiental siguiendo los parámetros del GASB 49 Obligación de reportar contingencia Ambiental.

SI  NO ; Efecto monetario \$0.00.

Descripción	Costo	Depreciación Acumulada	Menoscabo

**Para el movimiento de Activos de Capital es necesario que las Unidades Componentes Integradas ("Blended") completen el anejo B y las Unidades Componentes Discretas deben completar el anejo C.**

Otros

Compromisos de Construcción:

Favor de describir los proyectos en construcción activos al 30 de junio de 2014, los costos incurridos a la fecha y el costo remanente para completar el proyecto.

Nombre del Proyecto	Costo al 30/06/14	Remanente	del Compromiso
Varios Proyectos de Infraestructura			
para el desarrollo y construcción de proyectos relacionados al manejo de desperdicios sólidos	\$ 8,831,389.00	\$ 30,368,862.00	

**Nota:** Esta información debe cuadrar con la divulgación correspondiente en los estados financieros auditados.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 06

## ACTIVOS RESTRICTOS

Los activos restringidos de la entidad consisten de efectivo, inversiones y otros activos a ser utilizados para los siguientes propósitos:

Descripción	Cantidad
Servicio de la Deuda y "sinking fund requirements"	
Colateral para "underlying securities"	
Fondos de mejoras y construcción de proyectos de infraestructura	\$ 4,832,133.00
Fondos de educación	
Fondos para la reserva de mantenimiento y "escrow accounts"	
Incentivos Industriales	
Fondos de seguros de mala conducta profesional	
Asistencia financiera para Municipios	3,414,778.00
Otros programas - Programa ingresos propios y aceite	1,114,344.00
<b>Total</b>	<b>\$ 9,361,255.00</b>

**Nota:** El total de este listado debe ser similar al balance de activos restringidos según el Estado de Situación o Posición Neta.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 07

Favor de proveer un desglose de las partidas que forman los componentes de los "deferred outflows" y de los "deferred inflows".

## "Deferred Outflows"

Concepto	Cantidad
Perdidas en refinanciamiento de deuda	-
Disminución acumulada en valor razonable de "hedging derivatives"	-
Contribuciones/pagos adelantados antes de cumplimiento con requerimientos de tiempo	-
Débitos diferidos como resultado de SCA ("service concession arrangement-GASB No. 60")	-
Compras o traspasos de ingresos futuros	-
Otros	-
<b>Total</b>	<b>\$ -</b>

## "Deferred Inflows"

Concepto	Cantidad
Recursos recibidos por adelantado en relación a contribuciones impuestas("imposed nonexchange transactions")	-
Ganancias acumuladas en refinanciamiento de deuda	-
Aumentos acumulados en valor razonable de "hedging derivative"	-
Recursos/contribuciones recibidos ("government mandated or voluntary nonexchange transactions") adelantadas al cumplimiento con requerimientos de tiempo	-
Recursos generados por tarifas corrientes para recobrar costos a incurrirse en periodos futuros	-
Créditos diferidos como resultado de SCA ("service concession arrangement-GASB No. 60")	-
Ventas o traspasos de ingresos futuros	-
Otros	-
<b>Total</b>	<b>\$ -</b>

**Nota:** La suma de las columnas para "deferred outflows" y "deferred inflows" deben cuadrar con las partidas presentadas en el estado de posición neta de los estados financieros.





# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 09

## AUSENCIAS COMPENSADAS – GASB 16

Indicar la cantidad acumulada para el pago de vacaciones y licencias por enfermedad y en que partida de los estados financieros está dicha acumulación.

Nombre de la partida en	los estados financieros	
		Vacaciones acumuladas
	Accrued compensated absences	Acumulación de licencias por enfermedad
	Accrued compensated absences	Total
\$ 294,505.00		
340,033.00		
\$ 634,538.00		
Balance a 30/06/14		

## CONTINGENCIAS

Por favor describa las contingencias de la entidad al 30 de junio de 2014, incluya las cantidades registradas en sus libros para cubrir posibles consecuencias negativas.

**Acumulación de \$80,000 para cubrir los costos de cierre relacionado a un terreno en el Municipio de Lajas. Retírase a la nota de contingencias que se incluye en los estados financieros.**

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 10

## OBLIGACIONES POR PAGAR A LARGO PLAZO

Proveer la información solicitada relacionada con las obligaciones por pagar a largo plazo y el movimiento de dichas obligaciones durante el año. Favor presentar por separado bonos, apropiaciones y notas a pagar e incluir la información en los anejos correspondientes E, F & G.

**Nota 1:** Toda Agencia que haya emitido deuda debe completar la tabla correspondiente. Los balances totales de principal deben cuadrar y estar de acuerdo con los balances presentados en los estados financieros auditados.

**Nota 2:** Favor de ver instrucciones más específicas y notas aclaratorias en cada uno de los Anejos E, F & G.

**RECORDATORIO IMPORTANTE:** Hay que excluir del balance inicial y del balance final las partidas relacionadas con pérdidas o ganancias diferidas por "refunding" de deudas. Ya no van aquí los balances de "deferred refunding loss" o "deferred refunding gains".

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 11 A

## PRESENTACIÓN DE OBLIGACIONES

	Cantidad
<b>Obligaciones que vencen dentro de un año:</b>	
Bonos por pagar (1)	294,856.00
Notas por pagar (2)	
Acumulación de ausencias compensadas	
Provisión para reclamaciones y casos legales	
Provisión para costos federales cuestionados (inadmisibles)	
Obligaciones bajo contratos de arrendamiento capitalizables	
Aportaciones patronales por pagar a Sistemas de Retiro	
Aportaciones retenidas a empleados por pagar a Sistemas de Retiro	
Bono de Navidad	
Otros: Acumulación de retiro voluntario incentivado	464,402.00
<b>Obligaciones que vencen en más de un año:</b>	
Bonos por pagar (1)	7,820,701.00
Notas por pagar (2)	74,027,020.00
Acumulación de ausencias compensadas	
Provisión para reclamaciones y casos legales	339,682.00
Provisión para costos federales cuestionados (inadmisibles)	
Obligaciones bajo contratos de arrendamiento capitalizables	
Aportaciones patronales por pagar a Sistemas de Retiro	
Aportaciones retenidas a empleados por pagar a Sistemas de Retiro	
Bono de Navidad	
Otros: Acumulación de retiro voluntario incentivado	5,210,408.00
<b>Total</b>	<b>\$ 88,157,069.00</b>

**Nota:** Los totales presentados en (1) y (2) deben coincidir con los totales presentados en los anejos E, F y G.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 11 B

## DEUDA GARANTIZADA

El ELA puede proveer garantías para el repago de préstamos para realizar ciertos proyectos de unidades componentes.

Al 30 de junio de 2014, la deuda garantizada por el ELA era la siguiente (expresado en miles):

Máximo garantizado	N/A
Balance por pagar	N/A

## DEUDAS PAGADERAS POR ASIGNACIONES DEL GOBIERNO CENTRAL

Descripción	Cantidad
N/A	

## DEUDA DE CONDUCTO ("Conduit Debt")

Estas deudas son emitidas para financiar ciertas adquisiciones del sector privado. Estas emisiones están aseguradas por la propiedad financiada y son pagaderas solamente por los pagos recibidos bajo el préstamo. Luego del repago del préstamo las facilidades adquiridas son propiedad del sector privado y el gobierno central o cualquiera de sus divisiones no es responsable por el repago del préstamo.

Descripción	Cantidad	Emitido hasta la fecha
	N/A	
	N/A	Cantidad por pagar

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 12

## PRESENTACION DEL ESTADO DE SITUACION Y ESTADO DE INGRESOS Y GASTOS

Para las siguientes unidades componentes integradas ("blended") o agencias con tesoro independiente se requiere completar el Anexo D.1 y D.2 para convertir de "Full Accrual" a "Modified Accrual Basis": *Autoridad de Edificios Públicos (AEP)* y *Administración de Vivienda Pública (PHA)*. Estas entidades preparan sus estados financieros bajo "Full Accrual" y necesitamos que se conviertan a través de este Anexo D.1 y D.2 a "Modified Accrual Basis".

Para las siguientes unidades componentes integradas ("blended") o agencias con tesoro independiente se requiere completar el Anexo D.1 y D.2, pero solo las columnas bajo "Modified Accrual Basis" ya que estas entidades ya preparan sus estados financieros bajo "Modified Accrual Basis": "Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Autoridad para el Financiamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Corporación para el Financiamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras) y la Oficina para el Mejoramiento de Escuelas Públicas (OMEP).

SE HA INCLUIDO UN ANEJO D.1 Y D.2 PARA CADA UNA DE LAS UNIDADES COMPONENTES INTEGRADAS ("BLENDED") O AGENCIAS CON TESORO Y CONTABILIDAD INDEPENDIENTE.

## ESTADO COMBINADO DE POSICION NETA Y ESTADO COMBINADO DE ACTIVIDADES

Utilizando los balances presentados en los estados financieros auditados al 30 de junio de 2014, favor de completar los anejos H e I. Ambos anejos deben coincidir con los balances finales presentados en los estados financieros auditados. Favor de ver Sección 01, inciso B para referencia de las entidades que deben usar los Anejos H e I.

## CAMBIOS EN POLITICAS Y EN ENTIDAD INFORMANTE ("REPORTING ENTITY")

Favor describa cualquier cambio en su entidad durante el 2014. (ej., transferencia de operaciones, consolidaciones y cese de ciertas operaciones, creación de nuevas subsidiarias o afiliadas, cambio en la naturaleza de las operaciones, etc.)

N/A

## MANEJO DE RIESGO

Por favor describa los programas de riesgo manejados por su entidad (si aplica) (e.j., seguros por cuenta propia "self insured").

N/A



# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 14

## ASIGNACIONES LEGISLATIVAS

Favor proveer la siguiente información relacionada con las asignaciones legislativas recibidas del Gobierno de Puerto Rico al 30 de junio de 2014. Favor confirmar con el Gobierno de Puerto Rico para evitar diferencias con las cantidades presentadas en los estados financieros del Gobierno de Puerto Rico.

### 1. Asignaciones Operacionales

comprobantes	Resolución	Fecha de	Descripción	Cantidad recibida
relacionados	conjunta	recibo		
Varios	Varias	Gatos administrativos		\$ 3,506,974.00
Varios	Varias	Gatos operacionales		\$ 261,173.00
Varios	Varias	Programa recíaje		761,670.00
Total				\$ 4,529,817.00

### 2. Asignaciones de Capital

Numero de los comprobantes	Resolución	Fecha de	Descripción	Cantidad recibida
relacionados	conjunta	recibo		
N/A	N/A	Pagos línea de		\$ 622,730.00
		Credito		

### 3. Balance por cobrar al 30 de junio de 2014:

Asignaciones operacionales		404,621.00
Asignaciones de capitales - PFC - Bono Ley 164		404,621.00
Total		404,621.00

**Nota:** La información suministrada debe coincidir con los estados financieros.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 15

**Deudas Atadas a Instrumentos Derivativos Contabilizados bajo "Hedging Accounting"**

Para aquellas deudas de las unidades atadas a instrumentos derivativos donde aplica "hedging accounting", favor de proveer los pagos del servicio de la deuda ("debt service requirement") y los pagos o recibos netos de los instrumentos derivativos ("interest rate swaps") al 30 de junio de 2014. La información se proveerá por tipo de deuda, para los próximos cinco años individualmente y en múltiplos de cinco años combinados para los periodos restantes. Para las deudas con tasas variables se asumirá que la tasa vigente al 30 de junio de 2014 será la misma por el término remanente de la deuda. Los pagos se entrarán en la tabla en números positivos y los recibos en números negativos. Esta tabla incluirá **UNICAMENTE** la deuda atada a instrumentos derivativos donde aplica "hedging accounting".

## A- NOTAS A PAGAR - N/A

Año terminado  
June 30,

	Tasa Variable / Fija	Principales	Interés	Derivativos Netos	Total
	\$	\$	\$	\$	\$
2015	0				0
2016	0				0
2017	0				0
2018	0				0
2019	0				0
2020-2024	0				0
2025-2029	0				0
2030-2034	0				0
2035-2039	0				0
2040-2044	0				0
2045-2049	0				0
2050-2054	0				0
2055-2059	0				0
2060-2064	0				0
<b>Total</b>	<b>0</b>				<b>0</b>

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 15 (continuación)

## B- BONOS A PAGAR - N/A

	\$ 0	\$ 0	\$ 0	\$ 0	
Año terminado					
June 30,					
Tasa Variable / Fija Bonos a Pagar	Principal	Interés	Derivativos Netos	Total	
2015	-	-	-	-	2015
2016	-	-	-	-	2016
2017	-	-	-	-	2017
2018	-	-	-	-	2018
2019	-	-	-	-	2019
2020-2024	-	-	-	-	2020-2024
2025-2029	-	-	-	-	2025-2029
2030-2034	-	-	-	-	2030-2034
2035-2039	-	-	-	-	2035-2039
2040-2044	-	-	-	-	2040-2044
2045-2049	-	-	-	-	2045-2049
2050-2054	-	-	-	-	2050-2054
2055-2059	-	-	-	-	2055-2059
2060-2064	-	-	-	-	2060-2064
Total	-	-	-	-	Total

	\$ 0	\$ 0	\$ 0	\$ 0	
Año terminado					
June 30,					
Tasa Variable / Fija Otras Deudas a Pagar	Principal	Interés	Derivativos Netos	Total	
2015	-	-	-	-	2015
2016	-	-	-	-	2016
2017	-	-	-	-	2017
2018	-	-	-	-	2018
2019	-	-	-	-	2019
2020-2024	-	-	-	-	2020-2024
2025-2029	-	-	-	-	2025-2029
2030-2034	-	-	-	-	2030-2034
2035-2039	-	-	-	-	2035-2039
2040-2044	-	-	-	-	2040-2044
2045-2049	-	-	-	-	2045-2049
2050-2054	-	-	-	-	2050-2054
2055-2059	-	-	-	-	2055-2059
2060-2064	-	-	-	-	2060-2064
Total	-	-	-	-	Total

## C- OTRAS DEUDAS A PAGAR (ESPECIFIQUE EL TIPO DE DEUDA) - N/A



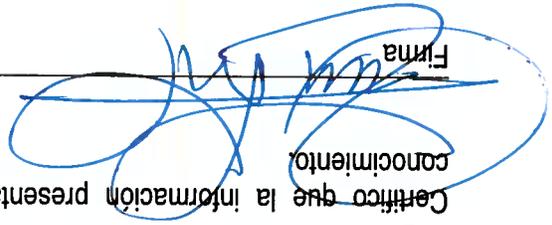
# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 17

## CERTIFICACION

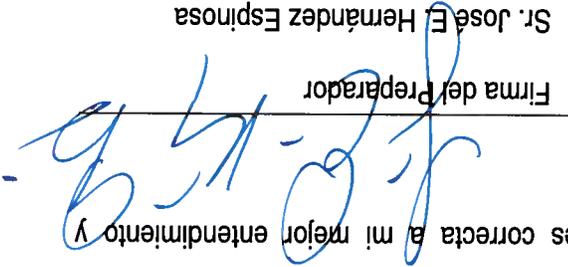
Certifico que la información presentada en los formularios es correcta a mi mejor entendimiento y conocimiento.

Firma



Ledo. Ariano Rivera Torres  
Director Ejecutivo Interino

Firma del Preparador



Sr. José E. Hernández Espinosa  
Nombre del Preparador

Director de Finanzas

Puesto

Fecha

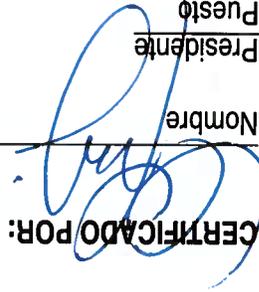
Autoridad de Desperdicios Sólidos  
Unidad Componente

Teléfono (787) 765-7575 ext. 4100

Fax (787) 281-1672

CERTIFICADO POR:

Nombre



Presidente

Puesto

López-Vega, CPA, PSC

Firma de Auditores Independientes

Fecha

Teléfono (787) 777-8044

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 18

## GUIAS DE PRESENTACION

Favor de utilizar las guías de presentación descritas abajo para completar los anejos D.1, D.2 (Unidades Componentes Integradas), H e I (Unidades Componentes Discretas y Aquellas Integradas Excluidas de Completar los Anejos D.1 y D.2) de manera que podamos minimizar las diferencias entre los estados financieros de las corporaciones públicas:

### PARA UNIDADES COMPONENTES DISCRETAS:

- A. El efectivo no restringido y restringido debe coincidir con la columna de no restringido y restringido en la sección 03 A y la línea del estado financiero que corresponda.
- B. Las acciones no deben ser clasificadas bajo categorías de riesgo en la sección 03 B.
- C. "US Government and agency securities" debe incluirse como SIN RIESGO en la presentación y los "mortgage backed securities" debe segregarse entre los garantizados con GNMA (SIN RIESGO) y los que no están garantizados. Refiérase a la Sección 03 B.

- D. Cuentas por cobrar o por pagar pertenecientes a una agencia del gobierno central incluyendo: Autoridad de Edificios Públicos (AEP), Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Administración de Vivienda Pública (PHA), Corporación para el Financiamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras), Autoridad para el Financiamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Administración de Servicios Médicos (ASEM), Junta de Gobierno de Servicios del 9-1-1 y Oficina para el Mejoramiento de Escuelas Públicas (OMEP), cuya cuantía exceda un millón de dólares (\$1 millón) tomando en consideración la porción corriente y a largo plazo de la misma entidad deben de presentarse como "Due from/to primary government" Refiérase al anejo H e I.

- E. Cuentas a cobrar o a pagar por debajo de un millón de dólares (\$1 millón) tomando en consideración la porción corriente y a largo plazo de la misma entidad se presentará como "Due to/Due from other governmental entities". Refiérase al anejo H e I.
- F. Cuentas a cobrar o a pagar a municipios se presentará como cuenta a cobrar o pagar a otras entidades gubernamentales ("Due to/Due from other governmental entities"). Refiérase al anejo H e I.

- G. Con relación a los activos fijos se debe presentar el costo histórico así como la depreciación y segregarlo según sus clasificaciones principales. Refiérase al anejo C.

- H. Líneas de crédito a pagar al Banco Gubernamental de Fomento (GDB) se presentará como cuenta a pagar a otras Corporaciones Públicas ("Due to Components Units"). Refiérase al anejo H e I.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

Sección 18 (Continuación)

## GUIAS DE PRESENTACION

1. En el estado de ingreso y gastos, los pagos recibidos de una agencia del gobierno central incluyendo Autoridad de Edificios Públicos (AEP), Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Administración de Vivienda Pública, Corporación para el Fianciamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras), Autoridad para el Fianciamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Administración de Escuelas Médicas (ASEM), Junta de Gobierno de Servicios Públicos (OMEP) y cualquier otra entidad que se clasifique como unidad componente integrada ("blended") se deben de presentar como "Payment from Primary Government" y los pagos recibidos de una Corporación Pública (Unidad Componente Discreta) se deben de presentar como "Payment to Component Unit" por la corporación pública que envía el dinero y "Payment from Component Unit" por la corporación pública que recibe el dinero.

## PARA UNIDADES COMPONENTES INTEGRADAS ("BLENDED") Y AGENCIAS CON TESORO INDEPENDIENTE:

Para las siguientes unidades componentes integradas ("blended") y agencias con Tesoro Independiente: Autoridad de Edificios Públicos (AEP), Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Administración de Vivienda Pública (PHA), Corporación para el Fianciamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras), Autoridad para el Fianciamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Administración de Servicios Médicos (ASEM), Junta de Gobierno de Servicios 9-1-1 y Oficina para el Mejoramiento de Escuelas Públicas (OMEP) favor de utilizar las siguientes guías de presentación además de A, B, E, F y G ya descritas arriba (Las guías D, H, e I no le aplican a las unidades componentes integradas).

- A. Cuentas por cobrar o por pagar pertenecientes a una agencia del gobierno central incluyendo Autoridad de Edificios Públicos (AEP), Fideicomiso de los Niños, CRUV, Administración del Desarrollo Laboral, Administración de Vivienda Pública (PHA), Corporación para el Fianciamiento de Impuesto de Venta (COFINA), Autoridad de Exportación Marítima de Puerto Rico (Navieras), Autoridad para el Fianciamiento de la Infraestructura (AFI), Fideicomiso Perpetuo de Comunidades Especiales, Administración de Servicios Médicos (ASEM), Junta de Gobierno de Servicios 9-1-1 y Oficina para el Mejoramiento de Escuelas Públicas (OMEP), cuya cuantía exceda un millón de dólares (\$1 millón) tomando en consideración la porción corriente y a largo plazo de la misma entidad deben de presentarse como cuenta a cobrar/pagar a otro fondo ("Due from/to other funds"). Refiérase al anejo D.1 y D.2.

- B. Líneas de crédito con el BGF se deberán presentar como una nota a pagar.

- C. "Fund balance" debe presentarse siguiendo las guías del GASB-54. Esta información debe ser completada en el Anejo D.1.

# ESTADOS FINANCIEROS DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO

- D. Cuentas por cobrar o por pagar pertenecientes a una unidad componente discreta cuya cuantía exceda un millón de dólares (\$1 millón) tomando en consideración la porción corriente y a largo plazo de la misma entidad deben de presentarse como "Due from/to component unit" Refiérase al anejo D.1, D.2.
- E. El uso de las líneas de crédito a corto plazo deben reconocerse en fondo como una deuda y las líneas de crédito a largo plazo debe registrarse como "other financing sources". Esta información debe ser completada en el anejo D.1 y D.2.
- F. Los pagos de línea de créditos clasificados a corto plazo deben registrarse como una reducción a la deuda en fondo y los pagos de línea de crédito a largo plazo deben reconocerse como gasto de pago de principal del servicio de la deuda. Esta información debe ser completada en el anejo D.1 y D.2.
- G. En el Estado de Ingresos y Gastos los pagos hechos o recibidos del gobierno central y otras unidades componentes integradas ("blended") se deben reconocer como "transfer in/transfer out". Esta información debe ser completada en el Anejo D.2.
- H. En el Estado de Ingresos y Gastos, los pagos hechos o recibidos de unidades componentes discretas se deben reconocer como "payments from/to component units". Esta información deber ser completada en el Anejo D.2.

Nota: Para ser completado por PBA, The Children Trust, PR Shipping Authority (Navieras), CORNA, PHA, Autoridad para el Financiamiento de la Infraestructura (AFI), Fideicomiso Pequeño de Comunidades Especiales, Administración de Derecho Laboral (ADL) y OMEP (ACTIVIDADES GUBERNAMENTALES); y por Fondo de Seguro por Desempleo, Fondo de Seguro por Incapacidad, Fondo de Seguro Chofenti, Lotería Tradicional, Lotería Electrónica, Administración de Servicios Médicos (ASEM), Junta de Gobierno de Servicios 9-1-1, Water Pollution Control Revolving Fund y Safe Drinking Water Treatment Revolving Fund (ACTIVIDADES EMPRESARIALES).

	7/1/2013	Adiciones	Retiros	Balance Final 6/30/2014
<b>Activos Fijos no depreciados:</b>				
Terrenos y mejoras a los terrenos	\$ -	\$ -	\$ -	\$ -
Infraestructura	\$ -	\$ -	\$ -	\$ -
Construcción en progreso	\$ -	\$ -	\$ -	\$ -
<b>Otros Activos Fijos:</b>				
Edificios y mejoras a la propiedad	-	-	-	-
Equipo y mobiliario	-	-	-	-
Infraestructura - Mini estación de transferencia	-	-	-	-
Intangibles	-	-	-	-
Otros (vehículos de motor)	-	-	-	-
<b>Total de otros activos fijos a costo histórico</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Menos Depreciación Acumulada:</b>				
Edificios y mejoras a la propiedad	-	-	-	-
Equipo y mobiliario	-	-	-	-
Infraestructura - Mini estación de transferencia	-	-	-	-
Intangibles	-	-	-	-
Otros (vehículos de motor)	-	-	-	-
<b>Total de depreciación acumulada</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total de activos fijos netos de actividades gubernamentales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Actividades Empresariales</b>				
<b>Activos Fijos no depreciados:</b>				
Terrenos y mejoras a los terrenos	\$ 12,966,607.00	\$ -	\$ -	\$ 12,966,607.00
Infraestructura	8,744,695.00	1,078,427.00	(991,733.00)	8,831,389.00
Construcción en progreso	21,711,302.00	1,078,427.00	(991,733.00)	21,797,996.00
<b>Otros activos fijos:</b>				
Edificios y mejoras a la propiedad	109,251,759.00	28,090.00	-	109,251,759.00
Equipo y mobiliario	23,287,265.00	-	-	23,315,355.00
Infraestructura - Mini estación de transferencia	42,121,900.00	-	-	42,121,900.00
Intangibles	849,130.00	-	-	849,130.00
Otros (vehículos de motor)	175,510,054.00	28,090.00	-	175,538,144.00
<b>Total de otros activos fijos a costo histórico</b>	<b>311,117,684.00</b>	<b>(3,632,972.00)</b>	<b>-</b>	<b>(34,750,656.00)</b>
<b>Menos depreciación acumulada:</b>				
Edificios y mejoras a la propiedad	(31,117,684.00)	(3,632,972.00)	-	(34,750,656.00)
Equipo y mobiliario	(22,918,039.00)	(221,191.00)	-	(23,139,230.00)
Infraestructura - Mini estación de transferencia	(17,348,573.00)	(1,404,369.00)	-	(18,752,942.00)
Intangibles	(849,130.00)	-	-	(849,130.00)
Otros (vehículos de motor)	(72,233,426.00)	(5,258,532.00)	(991,733.00)	(77,491,958.00)
<b>Total depreciación acumulada</b>	<b>(124,987,930.00)</b>	<b>(4,152,015.00)</b>	<b>(991,733.00)</b>	<b>(119,844,182.00)</b>
<b>Total de activos fijos netos de actividades empresariales</b>	<b>12,966,607.00</b>	<b>-</b>	<b>-</b>	<b>119,844,182.00</b>
<b>El gasto de depreciación fue cargado a las siguientes funciones:</b>				
<b>Actividades Gubernamentales:</b>				
Administración gubernamental	-	-	-	-
Seguridad pública	-	-	-	-
Otras públicas	-	-	-	-
Salud	-	-	-	-
Vivienda Pública	-	-	-	-
Bienestar Social	-	-	-	-
Educación	-	-	-	-
Desarrollo Económico	-	-	-	-
<b>Total gasto de depreciación de actividades gubernamentales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Actividades Empresariales:</b>				
Seguro por Incapacidad	-	-	-	-
Seguro Chofenti	-	-	-	-
Fondo de Lotería Tradicional	-	-	-	-
Lotería Electrónica (Loto)	-	-	-	-
Administración de Servicios Médicos (ASEM)	-	-	-	-
Junta de Gobierno de Servicios 9-1-1	-	-	-	-
"Puerto Rico Water Pollution Control Revolving Fund"	-	-	-	-
"Puerto Rico Safe Drinking Water Treatment Revolving Loan Fund"	-	-	-	-
<b>Total gasto de depreciación de actividades empresariales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTA: EL GASTO DE DEPRECIACION Y LA DEPRECIACION ACUMULADA DEBE DE SER PRESENTADO EN ESTE ANEXO POR CLASE DE ACTIVO.

Commonwealth of Puerto Rico  
 Appropriation Bonds- Rollforward and Amortization Schedule  
 6/30/2014

Anejo F

Series	Interest Rate	Maturity Through	Beginning Balance	Additions	Reductions	Ending Balance	Amount due within one year
2011A		2029	(3) 2,819,703			(3) 2,819,703	
2011B		2031	3,197,885			3,197,885	
2012A		2024	1,760,307			1,760,307	
Premium/Discount			50,940		(8,134)	42,806	
Total bonds- Component Units			\$ 7,828,835	-	(8,134)	7,820,701	-
						(1)	(2)

Year ending June 30	Principal	Interest	Total
2015	-	(2) 434,626	434,626
2016	228,958	428,711	657,669
2017	185,735	422,188	607,923
2018	192,140	415,116	607,256
2019	199,333	407,271	606,604
2020-2024	954,142	1,899,589	2,853,731
2025-2029	4,568,250	1,407,076	5,975,326
2030-2034	1,449,337	80,811	1,530,148
2035-2039	-	-	-
2040-2044	-	-	-
2045-2049	-	-	-
Premium (Discount)	42,806	-	42,806
<b>Total</b>	<b>7,820,701</b>	<b>5,495,388</b>	<b>13,316,089</b>
<b>Total</b>	<b>(1)</b>		

(1) Y (2) Debe cuadrar con la línea del estado financiero y sus respectivas notas.

(3) Hay que excluir del balance inicial y del balance final las partidas relacionadas con pérdidas o ganancias diferidas por "refunding" de deudas. Ya no van aquí los balances de "deferred refunding loss" o "deferred refunding gains".

COMMONWEALTH OF PUERTO RICO

Combining Statement of Activities - Discretely Component Units

Year ended June 30, 2014

(In thousands)

Anexo I

Entity Name	W/P Ref.	General Revenue and Transfers												Net Position, Beginning of Year (as restated)	Net Position, End of Year			
		Expenses	Charges for Services	Operating Grants and Contributions	Earnings and Investments	Capital Grants and Contributions	Net Revenues (Expenses) and Changes in Net Assets	Payments from Primary Government	Payments from (to) Other Component Units	(1) Contributions Not Restricted to Specific Programs	Taxes	Interest and Investment Earnings	Other			Special Item	Change in Net Position	
Autoridad de Desperdicios Sólidos	Operating	\$ 16,579,675	\$ 3,013,783	\$ -	\$ -	\$ -	\$ (13,565,892)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13,565,892)	\$ 58,218,597	\$ 44,652,705
Autoridad de Desperdicios Sólidos	Nonoperating	\$ 6,716,157	\$ -	\$ 8,593,361	\$ 281,885	\$ 622,730	\$ 2,499,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,781,819	\$ 2,781,819	\$ -	\$ 2,781,819
		\$ 23,295,832	\$ 3,013,783	\$ 8,593,361	\$ 281,885	\$ 622,730	\$ (11,065,958)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,784,073)	\$ 58,218,597	\$ 47,434,524	

(1) En estas columnas se debe presentar los fondos recibidos de otras corporaciones públicas no relacionado a las operaciones.  
Favor de completar el anexo relacionado a pagos a otras entidades componentes.