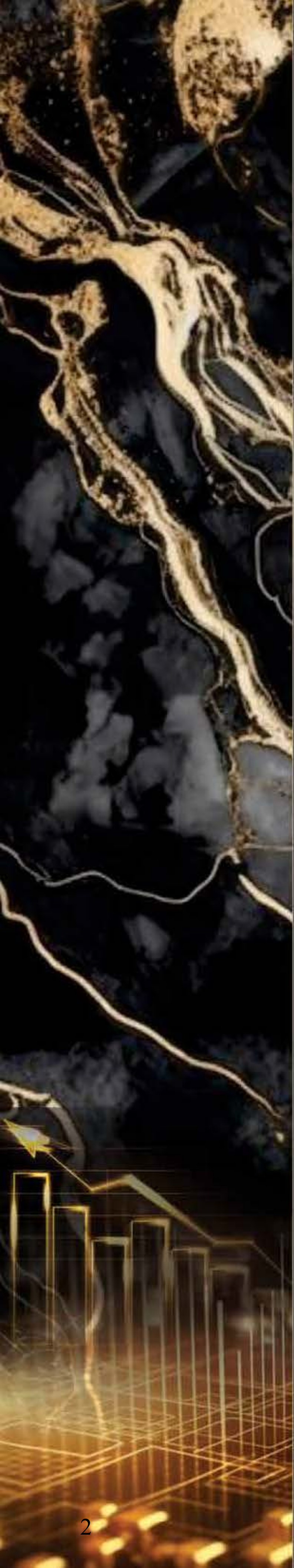
COMMOMWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

ANNUAL REPORT

FOR FISCAL YEAR ENDED
JUNE 30, 2023

2023




OFFICIAL SHIELD

The sky-blue color represents loyalty and truth, essential values in public service.

The crossed keys with the gold coins mean fidelity, security and safe-keeping of the people's moneys and properties.

The satellite orbiting above the earth represents the era of information technology systems and telecommunications.

The planet symbolizes a new world, of which we are all a part thereof.

Bordering the shield, we have the eight values that are part of our public service philosophy.

Additional information related to the Office of the Comptroller of Puerto Rico is available through the Internet at www.ocpr.gov.pr

Committed to improving the oversight function and administration of property and government funds, to generate public value with good auditing practices.

ocpronline

@prensa_ocpr

ocpronline

contraloria_pr

MISSION

To oversee the transactions of public funds and property, with independence and objectivity, in order to ascertain that they have been carried out in accordance with the law, and address other matters entrusted. To promote the effective, economical, efficient, and ethical use of government resources for the benefit of our people.

VISION

To serve Puerto Rico with a modern and technological Comptrollership that will carry out advanced audits and investigations, to achieve good government through our experience and knowledge support.

VALUES

COMMITMENT

We offer the best of our capabilities, talent, energy and effort.

EXCELLENCE

We are relentless in our efforts to perform to the best of our capabilities.

INTEGRITY

We demonstrate honesty and reliability in the constant execution of our duties.

JUSTICE

We promote solutions, methods and processes based on maintaining balance and respect of rights. We observe and respect legal equality.

RESPECT

We are pleasant and considerate. We accept diversity and individual qualities.

RESPONSIBILITY

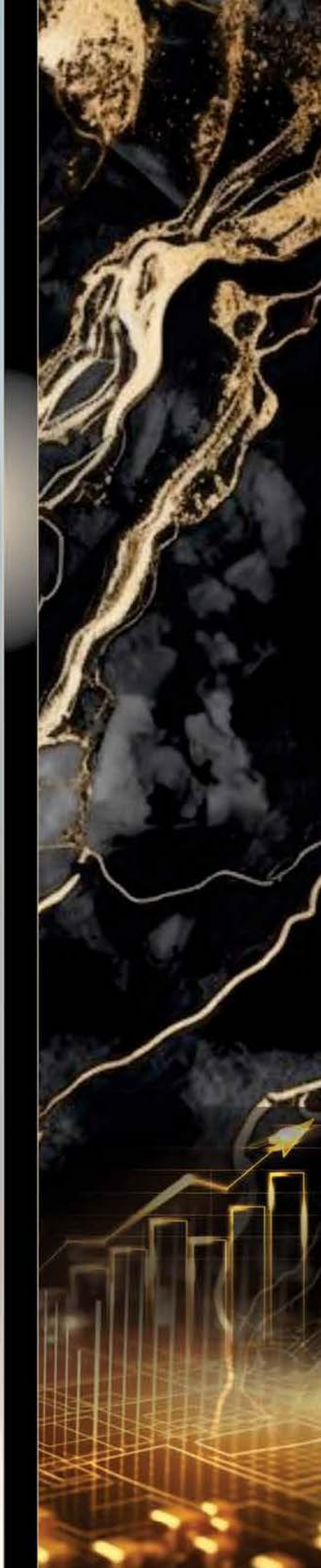
We are thorough in the manner in which we carry out our duties and accept the consequences of our actions and decisions.

SENSIBILITY

We are empathic and treat others without prejudgments.

TRANSPARENCY

We express ourselves with clarity and act with confidence and legality



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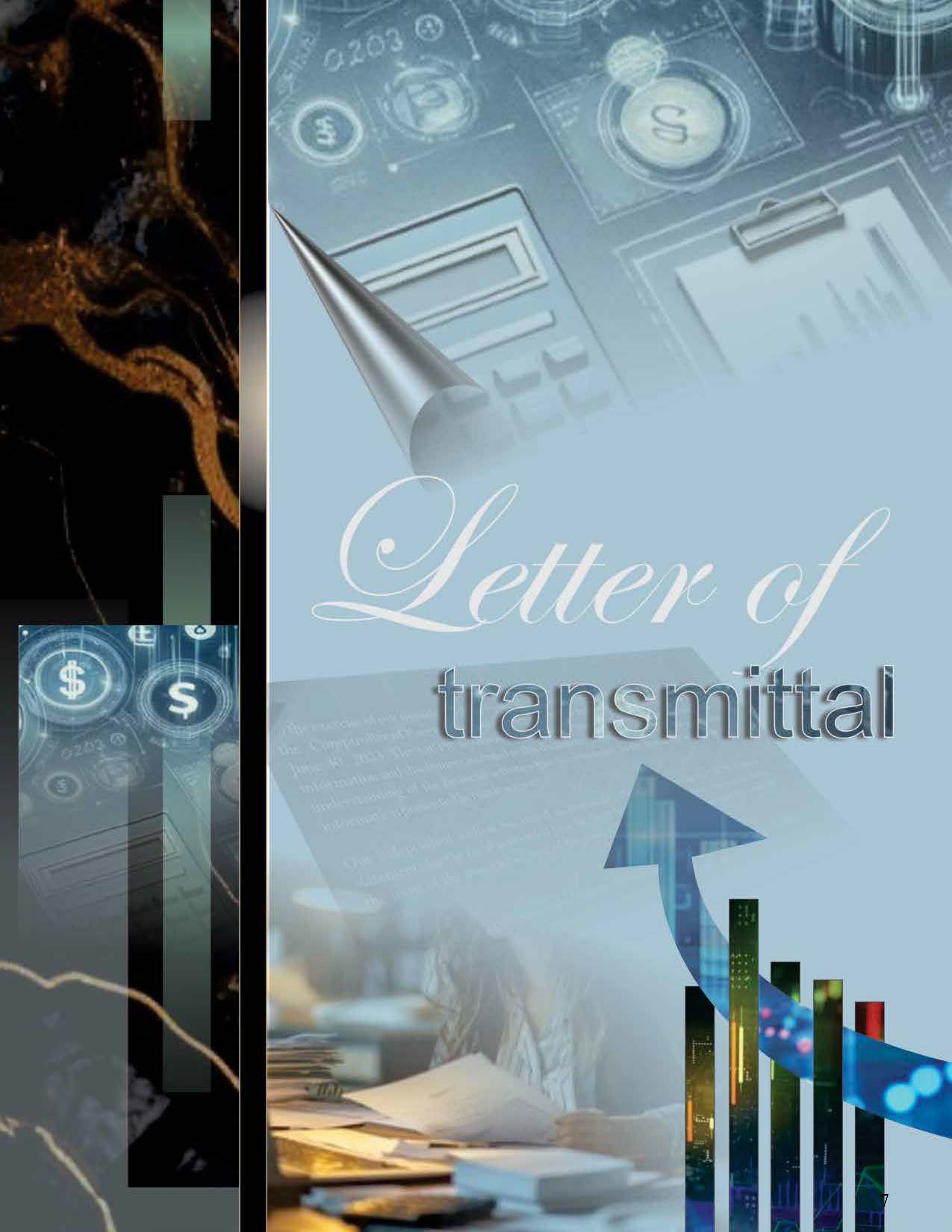

Letter of transmittal

Commonwealth of Puerto Rico
Office of the Comptroller

April 30, 2025

To the Governor of Puerto Rico,
the President of the Senate,
the Speaker of the House of Representatives,
Members of the Legislature,
and the People of Puerto Rico:

In the exercise of our ministerial duty, we are pleased to submit the Annual Report of the Office of the Comptroller of Puerto Rico, hereinafter referred to as the OCPR, for the fiscal year ended June 30, 2023. The OCPR is responsible for the accuracy, completeness, and fairness of the information and disclosures included in this document. All disclosures necessary for a reasonable understanding of the financial activities have been included. To the best of our knowledge, the information presented herein is accurate.

Our independent auditor has issued an unmodified ("clean") opinion on the OCPR financial statements for the fiscal year ended June 30, 2023. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Following the MD&A are the basic financial statements, including the general fund balance sheet and statement of net position, the statement of general fund revenue, expenditures and changes in fund balance and statement of activities, and the notes to financial statements. The statistical section completes this report. It provides information about finances, economics, and operational matters related to the OCPR that is generally presented on a comparative basis.

GENERAL INFORMATION

The Comptroller of Puerto Rico has the Constitutional duty to oversee all revenues, accounts, and disbursements of the Commonwealth of Puerto Rico, and to ascertain that all operations involving public funds and public property are performed according to applicable laws and regulations.

This authority arises from Section 22, Article III of the Constitution of the Commonwealth of Puerto Rico, and from the Public Law that created the Office of the Comptroller of Puerto Rico, Act No. 9 of July 24, 1952, as amended.

As required by Act 243-2015, for audits commenced on or after July 1, 2016 government agencies are audited through the application of the Generally Accepted Government Auditing Standards (GAGAS) published by the Government Accountability Office (GAO) and other pertinent investigative techniques adopted by the Comptroller. The OCPR has divided all government entities of the Executive, Legislative, and Judicial branches, into 501 units as of June 30, 2023 for auditing or examination purposes. This figure includes departments, agencies, public corporations, and municipalities.

Results, including findings and recommendations, are presented in audit and special reports, thus providing for appropriate corrective actions. Violations of law are referred to the appropriate administrative, civil, or criminal law enforcement agencies.

The chief executive of the audited agency is required to inform the OCPR of the actions taken or that will be taken in order to comply with the recommendations resulting from our audit.

STRATEGIC PLAN

The OCPR operates according to the four-year Strategic Plan 2022-2025, approved in December 2022. To achieve our mission and vision statements, and meet our statutory responsibilities, we developed our Plan which consists of two strategic goals, six strategic objectives, initiatives, and key projects to support what we want to achieve. The Plan was developed with the participation of executives through virtual consultation. The mission and values were revised and ideas to develop the goals, objectives and initiatives were considered to define the execution plans. The vision declaration was validated with a focus to serve Puerto Rico with a modern and technological Comptrollership that will carry out state of the art audits and investigations, to achieve good government through our experience and knowledge support.

Each year we establish the objectives that we propose to accomplish, depending on the resources that are assigned to the OCPR. During fiscal year 2022-2023 we attained significant goals using the managerial philosophy of Total Quality Management (TQM) to optimize the use of funds that have been assigned to conduct our operations. As of June 2023, we have completed 10 key projects and partly completed 12 key projects defined on Strategic Plan 2022-2025.

OVERSIGHT

During fiscal year 2022-23, we published 69 audit reports, and 1 special report. The reports correspond to the Legislative Branch (2), the Executive Branch (29), the Judicial Branch (0), and municipalities (39). The audit reports contained 663 situations: in the Legislative Branch (25), the Executive Branch (305), the Judicial Branch (0), and municipalities (333). In Chart 4 we present the classification of the most important findings. On these reports we included 703 recommendations: to the Governor (13), the President of the Senate and the Speaker of the House of Representatives (7), the Department of Justice (10), the Treasury Department (3), the Office of Government Ethics of Puerto Rico (3), the principal officers of the entities (547), and others (120).

PREVENTION

Professional guidance concerning sound public administration were offered 59 lectures to 6,707 government officials, executives, and employees during the fiscal year 2022-2023. This amount includes lectures offered to 51 officials on the proper use of public property and funds in compliance with Act No. 58-2020 and 29 executives appointed by the Governor of Puerto Rico in compliance with Act No. 190-2006. In addition, it includes lectures about government contracting offered to 2,983 government officials, executives, and employees, in compliance with the Circular Letter OC-21-11, dated May 12, 2021. On the other hand, it includes lectures offered to 3,644 officials, executives and employees from different state government agencies, public corporations and municipalities, and the private sector (academic institutions, professional associations, contractors, and others).

1. Attended the National Association of State Auditors, Comptrollers and Treasurers (NASACT) Annual Conference held in Charleston, South Carolina in August 2022.

2. Attended the Comptroller General's Domestic Working Group annual meeting of the Governmental Accountability Office (GAO) held virtually on July 13, 2022. Where emerging issues such as economic and fiscal outlook; corona virus state and local fiscal recovery funds; infrastructure; unemployment insurance; and cybersecurity, were discussed.

3. Participated virtually in the Ordinary General Assembly of the *Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores* (OLACEFS) held in Oaxaca, Mexico in September 2022.

4. Participated in the congress (INCOSAI) of the International Organization of Supreme Audit Institution (INTOSAI) held at Rio de Janeiro, Brazil from November 7th to 11th, 2022.

5. Attended the National Intergovernmental Audit Forum Meeting (NIAF) held in Washington, DC on May 16th to 17th, 2023 where the main topic was *Navigating Uncharted Waters: Critical Auditing Issues for a Post-Pandemic World*.

6. Attended the Comptroller General's Domestic Working Group annual meeting of the Governmental Accountability Office (GAO) held in Washington, DC on May 18th, 2023.

7. Participated as a keynote speaker about *La lucha contra el fraude desde la auditoría forense* at the *Primer Congreso Internacional de Control Fiscal y Gobernanza* hosted by the *Contraloría Distrital de Medellín* on June 15th, 2023, in Colombia.

8. Participated in various workshops hosted by OLACEFS and OCCEFS about different topics ranging from data mining to best practices in audit.

9. As a member of the OLACEFS Working Group on Gender Equality and Non-Discrimination -GTG continued to attend the various virtually held meetings. And continue participating in the coordinated audit on gender-based violence.

10. Continue working with the strategies to improve the OCPR webpage to comply with OLACEFS evaluation criteria on SAIs transparency standards.

11. Received 21 requirements for information from various Supreme Audit Institutions around the world about different topics.

12. Answered 7 surveys from various Supreme Audit Institutions around the world about different topics like: training and audit issues.

13. Auditors participated in 3 virtual courses offered by OLACEFS.

14. Participated in 3 webinars hosted by OLACEFS.

15. Published revised versions of publications regarding various topics as follows:
    a. Special Investigations Division – Complaints (August 2022)
    b. General Guide to the Contracting Process in the Government (February 2023)
    c. 12 Principles to Achieve a Public Administration of Excellence (June 2023)

16. Continue working with the strategies to improve the OCPR webpage to comply with OLACEFS evaluation criteria on SAIs transparency standards.

Thirty-five (35) Circular letters were issued during fiscal year 2022-23. Among the most important letters are:

1. Circular Letter OC-23-01 dated August 8, 2022 - Orientación sobre la concesión de *donativos bajo el Código Municipal.*

2. Circular Letter OC-23-02 dated August 9, 2022 - *Desembolso de fondos públicos para la publicación de anuncios gubernamentales y contratación de servicios de publicidad.*

3. Circular Letter OC-23-03 dated *August 9, 2022 - Certificación sobre la Notificación de Pérdidas o Irregularidades en el Manejo de Fondos o Bienes Públicos a la Oficina del Contralor durante el año fiscal 2021-22.*

4. Circular Letter OC-23-04 dated *August 9, 2022 - Certificación sobre el registro y envío de contratos a la Oficina del Contralor durante el año fiscal 2021-22.*

5. Circular Letter OC-23-05 dated August 25, 2022 - *Limitaciones en las actuaciones de los policías municipales.*

6. Circular Letter OC-23-13 dated October 14, 2022 - *Uso de tarjetas de crédito del Gobierno del Estado Libre Asociado de Puerto Rico.*

7. Circular Letter OC-23-14 dated October 24, 2022 - *Franquicias, Empresas Municipales o Corporaciones Municipales con Fines de Lucro del Artículo 1.010(t) de la Ley 107-2020, Código Municipal de Puerto Rico.*

8. Circular Letter OC-23-15 dated October 24, 2022 - *Aspectos a considerar en el proceso y el control de las transferencias electrónicas por la red Automated Clearing House y otras aplicaciones.*

9. Circular Letter OC-23-16 dated November 1, 2022 - *Orientación sobre el Gasto Público en la Realización de Actividades Durante la Época Navideña.*

10. Circular Letter OC-23-17 dated December 12, 2022 - *Orientación sobre el desembolso de fondos públicos para llevar a cabo actividades de conmemoración y de recordación durante los días feriados de cada año natural.*

11. Circular Letter OC-23-18 dated December 12, 2022 - *Orientación sobre el uso de fondos públicos relacionados con el recogido y la disposición de los escombros.*

12. Circular Letter OC-23-23 dated December 15, 2022 - *Orientación sobre el uso de los fondos públicos relacionados con la contratación del recogido y la disposición de los desperdicios sólidos.*

13. Circular Letter OC-23-30 dated March 7, 2023 - *Guías Generales de Contratación del Gobierno de Puerto Rico.*

14. Circular Letter OC-23-32 dated May 26, 2023 - *Uso de fondos públicos para atender situaciones de emergencias relacionadas con disturbios atmosféricos.*

15. Circular Letter OC-23-33 dated June 6, 2023 -*Contratación de corporaciones privadas y compañías de responsabilidad limitada para brindar servicios profesionales de ingeniería, de agrimensura, de arquitectura y de arquitectura paisajista; cumplimiento con la Política Institucional El Contrato de Diseño-Construcción (Design-Build) del Colegio de Ingenieros y Agrimensores de Puerto Rico.*

16. Circular Letter OC-23-35 dated June 27, 2023 - *Informe Anual sobre el Estado de las Privatizaciones.*

HUMAN CAPITAL

1. Office-wide training was offered on techniques for the detection of illegal use of controlled substances, sexual harassment, and other forms of discrimination.

2. All personnel were trained on Government Ethics.

3. Fringe benefits and government contributions to the medical plan were maintained to retain and attract highly qualified personnel.

4. The OCPR continued providing services as established in the Personnel Support Program empowered by Act No. 9 of July 24, 1952, as amended. The Program's philosophy and goals are directed to assist our fellow-workers and their families, primarily with problems related to marital or family situations, work conditions, emotional aspects, and adolescence guidance, among others. The Program is voluntarily guided, and it is considered an innovative initiative to improve the quality of life of our personnel.

5. Internship Program: provided two qualified university students the opportunity for learning government operations through the audits that the Office performs. Also, to develop and encourage interest in public service.

TECHNOLOGY

1. A new feature was integrated into the application to automate financial processes to incorporate the Proof of Expenses Form into the workflow.

2. A new version of the configuration manager has been implemented for device security updates and patches.

3. A new application was implemented to network monitoring.

4. A new information storage system was integrated.

5. A new application to provide access to the historical data of the complaints documents was completed.

TOTAL QUALITY MANAGEMENT

IMPROVING PROCESSES

Continued with our commitment to analyze existing processes in our organization, improving them, and identifying the pertinent variables and factors to monitor behavior, measure progress, and control the processes. During fiscal year 2022-2023, we continued updating internal data to the *Centro de Información Gubernamental (CIG)*, to support the auditors. We published the results reports associated with the surveys conducted to public officials (mayors and state legislators) to know their opinions with the services of the OCPR.

ISO (INTERNATIONAL ORGANIZATION FOR STANDARDIZATION)

ISO (word derives from the Greek isos, meaning “equal”) is the world’s largest developer and publisher of International Standards. ISO is a network of the national standards bodies of 169 countries, on the basis of one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

The certification of our Quality Management System (QMS) against the 9001:2008 standard expired on September 15, 2018. Subsequent certifications must be to the new standard 9001:2015. The OCPR management decided strategically to use this new standard as a reference to improve our processes as defined in one of our key projects for the Strategic Plan 2022-25.

THE CORRECTIVE ACTION PLAN

The Corrective Action Plan (CAP) is a follow-up mechanism that ensures compliance with the recommendations made by the OCPR in its audit reports. This program was implemented pursuant to the provisions of Act No. 9, of July 24, 1952 which allows the Comptroller, in the exercise of her authority, to adopt practices and procedures generally accepted in current auditing practices. On May 6, 1988, the Governor issued Executive Order 5098D. This Order requires that the chief executive of an audited unit implement the corrective actions in compliance with the Comptroller’s recommendations. On November 1, 1990, the Office approved Regulation No. 26 implementing the CAP. On June 13, 1998, the Governor issued Executive Order OE-1998-16, superseding Executive Order 5098D. On March 1, 2010, we implemented a process which allows the government entities to send the CAPs and complementary reports information using electronic mail. In addition, on October 24, 2016, the Office approved Regulation No. 26 implementing the CAP, superseding previous regulation.

On March 12, 2012 the Governmental Ethics Office of Puerto Rico issued Circular Letter No. 2012-01 in which it stated that non compliance with CAPs could be considered a violation of Act 1-2012 if by not complying public funds or property were considered lost.

By June 30, 2023, the OCPR had received 691 and evaluated 712 CAPs to ascertain compliance with the recommendations contained in the audit reports. This figure includes initial CAPs and complementary reports. The Executive Order and Regulation No. 26 state that government entities should apply the same procedures applicable to the Comptroller’s audit report recommendations contained in the external auditors’ management letters. If, upon due consideration, the chief executive determines that the recommendations of the external auditors cannot be adopted, this determination should be appropriately documented and sustained.

The entire operation of the CAP continues to be reviewed, since optimum efficiency needs to be reached in the follow-up process, to increase compliance with the recommendations and develop quicker and accurate statistical data.

PUBLIC REGISTRY OF GOVERNMENT CONTRACTS

According to Act No. 18 of October 30, 1975, as amended, government agencies, including public corporations and municipalities, are required to maintain a registry of all their contracts and deeds, including amendments thereto. Additionally, they have to register and submit a copy of their contracts, deeds, and amendments to the OCPR within 15 consecutive days from the date of execution, or within 30 consecutive days if the contract is executed outside of Puerto Rico. Exceptions to this requirement are set forth in the statute and Regulation 33 of December 8, 2020.

The OCPR uses the Registry for verification purposes as part of its oversight role. On October 15, 2009, we implemented a version of the Registry which allows government agencies, among other enhancements, to send digitized copies of the contracts using the Internet. The Registry is accessible to the general public via Internet since 1999 at www.ocpr.gov.pr. Since October 1, 2018, copies of contracts are available without charge. If a copy of the contract is not available, it may be requested. As of fiscal year 2022-23, a total of 559,727 contracts are available to be downloaded.

The information system related to the Registry of Government Contracts established since 1990-91 has proven to be an efficient research tool related to contracts executed by government entities. This system has a search feature which allows for the retrieval of information using various reference fields such as: contract number, name of the contractor, date of execution, dollar amount and type of contract. In our opinion the Registry of Contracts is the most transparent tool in the Puerto Rico government.

REGISTRY OF LOSSES OR IRREGULARITIES OF PUBLIC FUNDS OR PROPERTY

The OCPR instituted a computerized registry system on October 30, 2013 in which government entities register the information related to losses or irregularities with public funds or property. This computerized system was established in compliance with the provisions of Act No. 96 of June 26, 1964, as amended. As per this statute, government entities are also required to report certain losses to the Treasury Department and the Justice Department.

REGISTRY OF PRIVATIZATIONS

Act No. 136-2003, as amended by Act No. 71-2007, requires all government entities, including public corporations and municipalities, to submit an annual report of all privatizations of functions, areas of administration, or duties of their entities to the Governor, the Legislature, and the Office of the Comptroller. Additionally, they have to submit information related to contracts, budget, projects, obligations, internal controls, real property and an independent financial and administrative evaluation of said privatizations. The OCPR is required to maintain a registry on all reports received. The Registry is accessible to the general public via Internet at www.ocpr.gov.pr.

GOVERNMENT EXPENSES AND EMPLOYMENT REGISTRY

According to Act No. 103-2006, every agency that receives funds from the government's General Fund must be submitted by December 31 of each year, to the secretaries of the House of Representatives and Senate of Puerto Rico, the Office of the Comptroller, and the Office of Management and Budget (OMB), a certification signed and sworn by the Director of Finance and the Agency Executive. This certification must contain, among other things: the number of job posts by category at the beginning and at the end of the fiscal year, including the payroll budget; professional services received and analysis of expenses during the fiscal year; and all its funding sources from the general fund, special assignments, state and federal funds, and other income. In addition, Act No. 103-2006 created a Job Registry, monitored by the Office of the Comptroller, which requires that all agencies, public corporations, and municipalities report, on a monthly basis, all occupied job posts and vacancies. The registry has been designed by the OCPR and is available online through the website with the title Job Registry under *Contraloría Digital*.

RESULTS OF OPERATIONS

BUDGET

The budget assigned to the OCPR for the fiscal year 2022-23 was $46,943,709 this represents $2,292,709 more when compared to the previous fiscal year. Of this amount $6,292,000 was withheld by the Office of Management and Budget (OGP, Spanish acronym) for the payment of the PayGo Charge of their pensioners. Resulting in an operating budget of $40,651,709. The OCPR had expenses and obligations in the amount of $38,444,311.44 resulting in an unspent balance of $2,207,397.56. This balance is available for non-recurring expenses. Specific information for all the financial results, not only the budgetary, is presented in the Financial and in the Statistical Sections of this Report.

HUMAN CAPITAL

As of June 30, 2023, the Office had 517 full time occupied positions or 77 percent out of 669 authorized positions; 323 were auditors and 194 were support personnel. Support personnel consist of legal counsels, administrative staff, and other professionals (Chart 2). During 2022-23, 19 auditors and 7 support personnel resigned or retired, while 28 auditors and 9 support personnel were hired. A grand total of 481,587.13 hours were dedicated to audits, service and administrative support, information and communication systems, training, and prevention and anti-corruption. (Chart 3)

TRAINING

The OCPR has established through internal regulation requirements for support personnel to take a minimum of 15 hours of continued education annually. Auditors are required a minimum of 80 hours every 2 years; 24 must be in subjects and topics directly related to the government environment, government auditing, or the specific or unique environment in which the audited entity operates.

During 2022-23, 23,773.49 hours were dedicated to training and education. Seminars and conferences in auditing, management, report writing, grammar skills, leadership, supervision, and recent developments in information technology have been a priority.

FINANCIAL INFORMATION

INTERNAL CONTROLS

The OCPR is responsible for establishing and maintaining an internal control structure designed to ensure that its assets are protected from loss, theft, or misuse, and that adequate accounting data is compiled to allow for the presentation of financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that, (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of cost and benefits requires estimates and sound management judgment by administrators.

The OCPR has regulations to strengthen the independence, integrity, and trust on the Office's internal auditing activity and the transparency in its fiscal processes and transactions.

BUDGETARY CONTROLS

The OCPR maintains an encumbrance accounting system to accomplish its budgetary controls. As demonstrated by the financial statements and schedules included in the Financial Section of this report, the management of the OCPR continues to meet its responsibility for sound financial administration, following the norms of austerity and modesty.

INDEPENDENT AUDIT

KPMG, LLP an independent certified public accounting firm, performed the audit of the financial statements of the OCPR for fiscal year ended June 30, 2023. The Independent Auditors' Report is included in the Financial Section. The OCPR received the audited financial statements on June 7, 2024.

FINANCIAL REPORTING

The OCPR complies with all financial reporting requirements.

Improving the oversight function and administration of public funds and property is a commitment of all.

Respectfully submitted,

Yesmín M. Valdivieso

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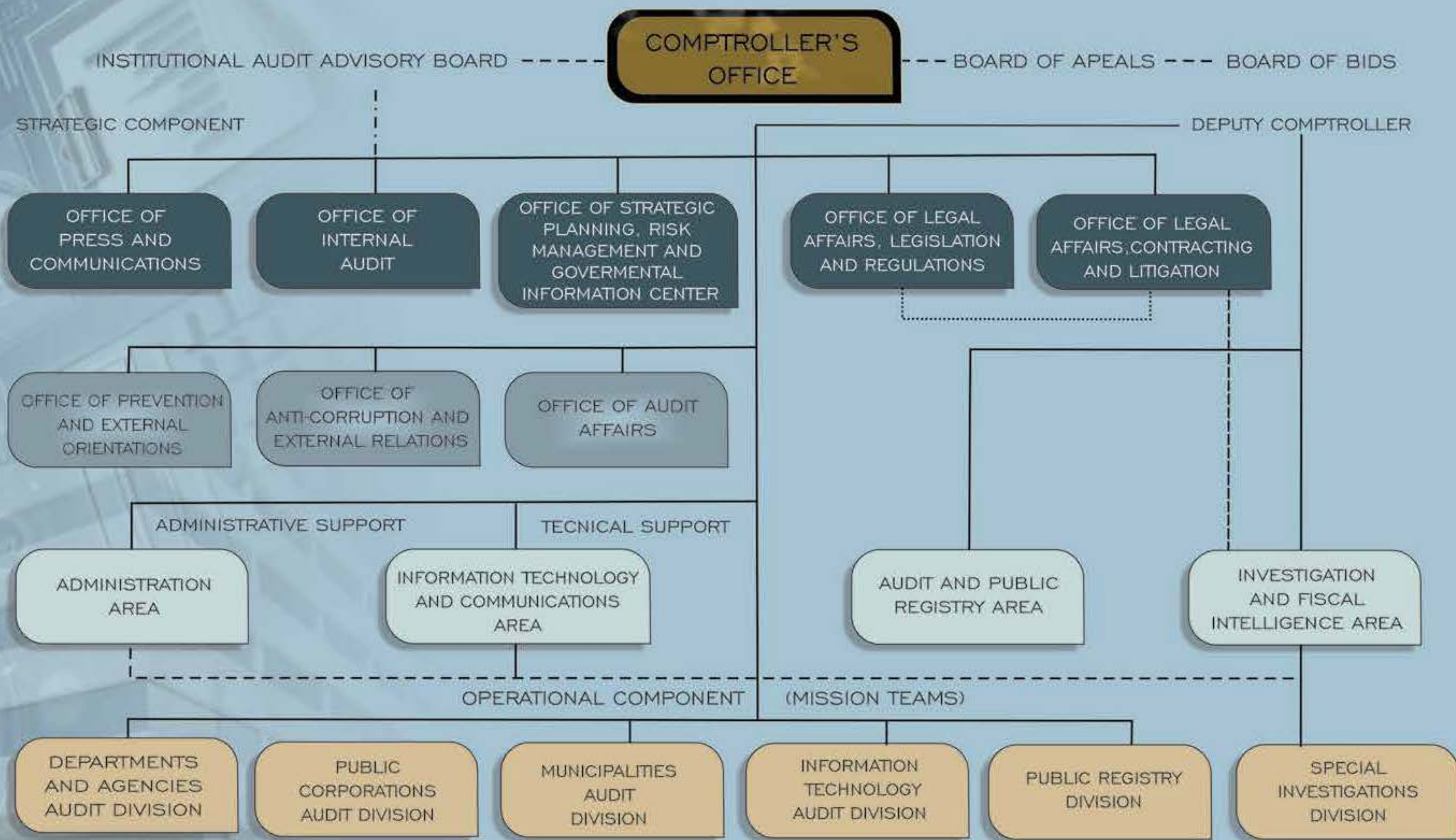
ORGANIZATIONAL CHART

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

ORGANIZATIONAL CHART



- - - - CONSULTING AND ADVISORY AREA
.... TECHNICAL CONTROL AND COORDINATION AREAS
-·-·- REPORTS TO INTITUTIONAL ADVISORY BOARD AND ADMINISTRATIVELY TO THE COMPTROLLER

NOTE:
(1) THE DEPUTY COMPTROLLER DIRECTLY SUPERVISES THE UNITS OF THE OPERATIONAL COMPONENT.

PRINCIPAL OFFICERS

PRINCIPAL OFFICERS

OFFICE OF THE COMPTROLLER

Hon. Yesmín M. Valdivieso
Comptroller

David De Jesús Colón
Deputy Comptroller

Miriam T. Contreras Amador
Assistant Comptroller
Administration Area

Miriam Díaz Viera
Director
Office of Prevention and External Orientations

Hannelore Y. Valentín Fortunet
Director
Office of Anti-corruption and External Relations

Glenda M. Díaz Márquez
Director
Office of Strategic Planning, Risk Management and Governmental Information Center

Abelardo Casanova Hernández
Executive Director
Office of Legal Affairs, Litigation and Regulations

Ismael Ramírez Rodríguez
Executive Director
Office of Legal Affairs, Contracting and Litigation

Myriam J. Flores Santiago
Director of Internal Audit

Lisandra Rivera Rivera
Director of Press and Communications

AUDIT AND PUBLIC REGISTRY AREA

Edna Velázquez Díaz
Director
Office of Audit Affairs

Hedin V. García Guzmán
Audit Director
Department and Agencies Division

Elvira López Ortiz
Audit Director
Public Corporations Division
Juan A. Rivera Rivera
Audit Director
Municipalities Division

Yvonne J. Plumey López
Audit Director
Information Technology Division

Julio J. Dávila Bravo
Director
Special Investigation Division

Suzzanne Benítez Matos
Director of Public Registry Division

ADMINISTRATION AREA

Yarila Sánchez Torres
Director
Finance and Budget Division

Iseut G. Vélez Rivera
Director
Human Capital Division

Mara E. Reyes Alfonso
Director
General Services Divison

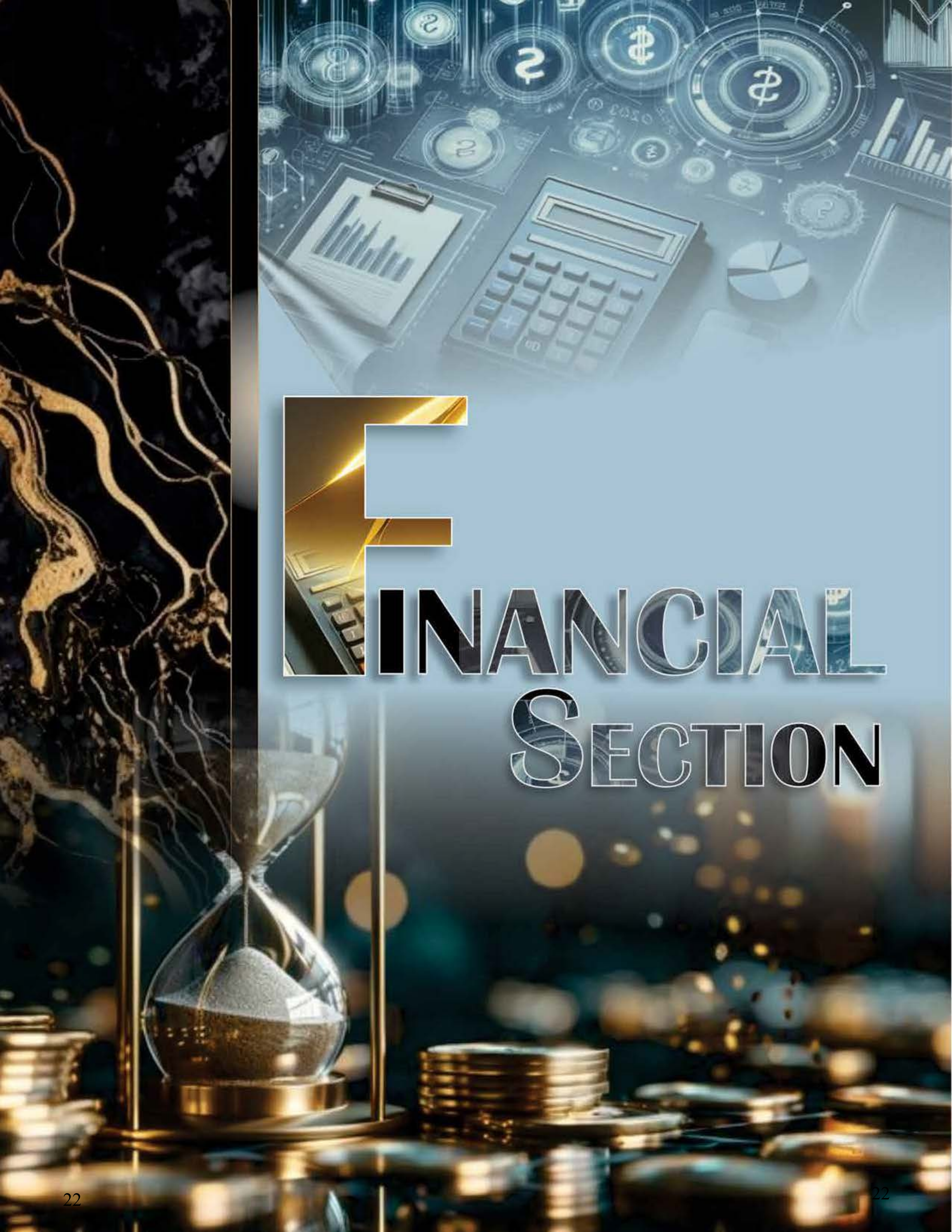
Marielis Rivera Márquez
Director
Professional Development Center and Special Activities

Madeline Cruz Flores
Administrator
Public Documents Administration Program

INFORMATION TECHNOLOGY AND COMMUNICATIONS AREA

Joannie Madera Villanueva
Director of Information Systems

Financial Section



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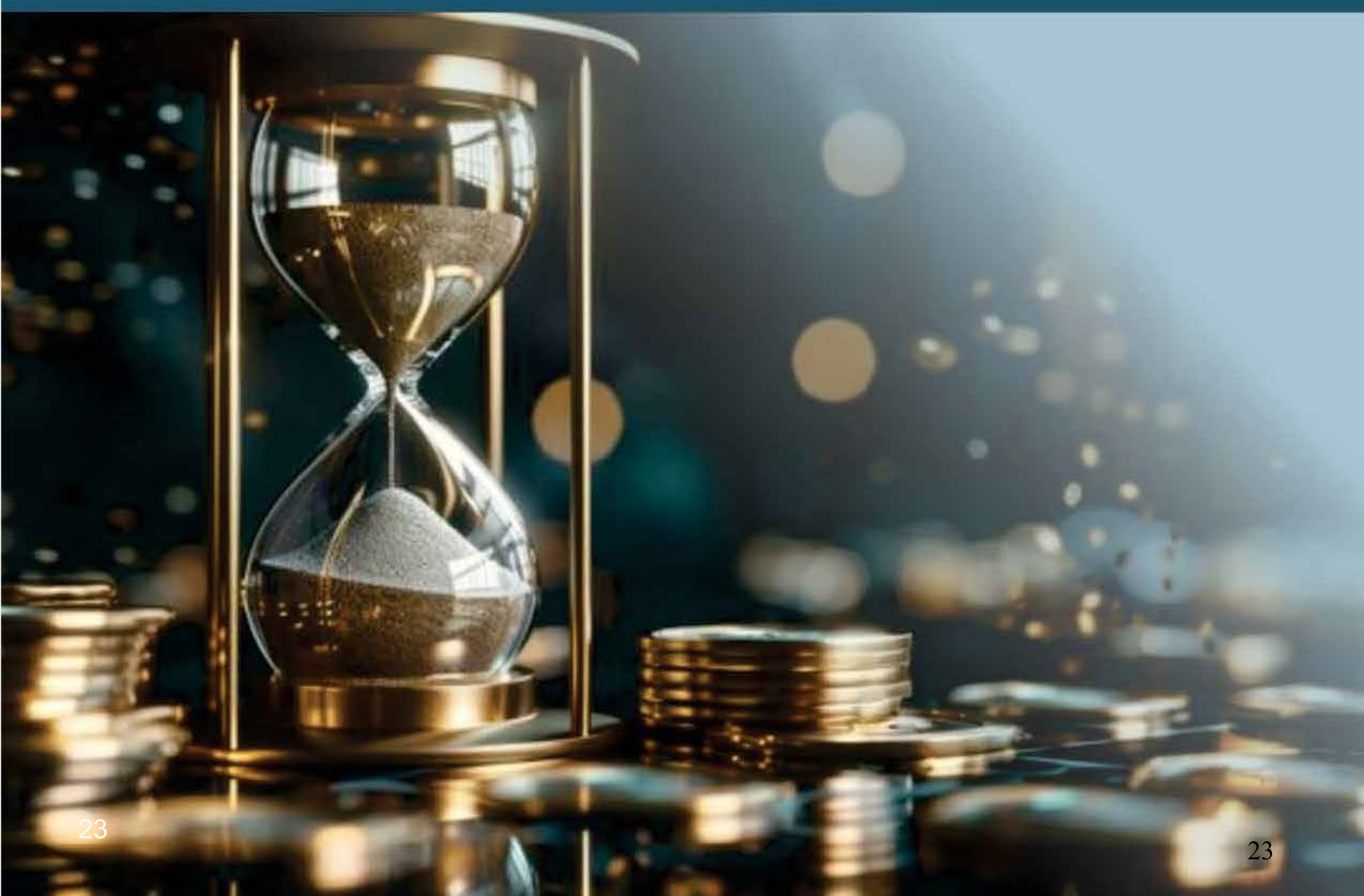

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COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

(An Agency of the Commonwealth of Puerto Rico)

Financial Statements and Required Supplementary Information

June 30, 2023

(With Independent Auditors' Report Thereon)

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

(An Agency of the Commonwealth of Puerto Rico)

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KPMG LLP
American International Plaza
Suite 1100
250 Muñoz Rivera Avenue
San Juan, PR 00918-1819

Independent Auditors' Report

The Comptroller of Puerto Rico
Office of the Comptroller

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Office of the Comptroller (the Office), an agency of the Commonwealth of Puerto Rico (the Commonwealth), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Office, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 (b), the financial statements of the Office, are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and the general fund of the Commonwealth that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the Commonwealth as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with U.S. generally accepted accounting principles. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not

KPMG LLP, a Delaware limited liability partnership and a member firm of
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a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of the Office's proportionate share of total pension liability and related ratios, schedule of the Office's proportionate share of OPEB liability and related ratios, and schedules of revenues, expenditures, and changes in fund balance — budget to actual — non-GAAP budgetary basis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2024 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Office's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Office's internal control over financial reporting and compliance.

KPMG LLP

San Juan, Puerto Rico
June 7, 2024

Stamp No.E556114 of the Puerto Rico Society of Certified Public Accountants was affixed to the record copy of this report.

The Office of the Comptroller (the Office), an agency assigned to the Legislative Branch of the Commonwealth of Puerto Rico (the Commonwealth), offers to the readers of the financial statements this narrative overview and analysis of the financial activities of the Office for the fiscal year ended June 30, 2023. The Office has the constitutional duty to ascertain that all revenues, accounts, and disbursements of the Commonwealth and all operations involving public funds and public property were performed as stated in Article III of the Constitution of the Commonwealth, Act No. 9 of July 24, 1952, as amended.

Financial Highlights

Total liabilities of the Office's governmental fund at the close of the fiscal year ended June 30, 2023 amounted to approximately $146,065,000 comprising primarily of the total pension liability of approximately $126,359,000.

The liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by approximately $112,601,000.

The Office's total assets and deferred outflows of resources increased by approximately $13,200,000 comprising primarily of increase of deferred outflows of resources.

The Office's net position increased by approximately $3,992,000 in fiscal year 2023 when compared to prior year net deficit position of approximately $116,593,000, mainly as a result of the increase in deferred outflows and total assets.

The Office's net investment in capital assets increased by approximately $30,000.

The Office's net right to use assets decreased by approximately $1,757,000.

The final budget of the Office for fiscal year 2022-2023 was $46,943,709.

The Office's budgetary basis revenues and other financing sources exceeded its budgetary basis expenditures by approximately $2,621,000 for the fiscal year 2022-2023.

Overview of the Basic Financial Statements

This Management's Discussion and Analysis section is intended to serve as an introduction to the Office's basic financial statements. The Office's basic financial statements comprise three components: 1) government-wide financial statements on all of the activities of the Office, 2) fund financial statements, and 3) notes to basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Office's financial position, in a manner similar to a private-sector business.

The statement of net position presents information of all of the Office's assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Office is improving or deteriorating as a result of the year's operations.

The statement of activities presents information showing how the Office's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Office that are supported by appropriations from the General Fund of the Commonwealth.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Office, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The General Fund of the Office belongs to the category of governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the General Fund balance sheet and the statement of General Fund revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Office maintains one individual governmental fund and adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 to 36 of this report.

Financial Analysis of the Governmental Activities

As noted earlier, the Office uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Net Position

The statement of net position serves as an indicator of the Office's financial position at the end of fiscal year. The Office's net position includes net investment in capital assets of approximately $2,060,000, net right to use lease asset of approximately $1,131,000, restricted special appropriation to audit the Commonwealth's debt surplus of $1,000,000 and an unrestricted deficit of approximately $116,792,000. The following is condensed summary information for fiscal years ended June 30, 2023 and 2022.

(Continued)

	Condensed Information - Net Position		
	2023	**2022**	**Change**
Current assets	$ 10,456,213	10,158,372	297,841
Right to use assets, net	1,131,289	2,888,603	(1,757,314)
Capital assets, net	2,059,590	2,029,591	29,999
Total assets	13,647,092	15,076,566	(1,429,474)
Deferred outflows of resources	32,988,701	21,860,488	11,128,213
Current liabilities	346,921	624,160	(277,239)
Long-term liabilities	145,717,952	146,879,236	(1,161,284)
Total liabilities	146,064,873	147,503,396	(1,438,523)
Deferred inflows of resources	13,172,122	6,026,455	7,145,667
Net position:			
Net investment in assets	3,190,879	1,967,711	1,223,168
Restricted	1,000,000	1,000,000	
Unrestricted – deficit	(116,792,081)	(119,560,508)	2,768,427
Total net position	$ (112,601,202)	(116,592,797)	3,991,595

Total assets of the Office's at June 30, 2023 decreased by approximately $1,429,000 when compared to the total assets as of June 30, 2022 primarily attributable an decrease of right to use assets of approximately $1,757,000.

Deferred outflows of resources, which represents an increase in net position applicable to future reporting periods, increased by approximately $11,128,000 when compared to June 30, 2022.

Total liabilities at June 30, 2023 decreased by approximately $1,439,000 when compared to total liabilities at June 30, 2022. This decrease is mainly resulted from the decrease in lease liability of approximately $1,760,000 when compared to accounts pension liability at June 30, 2022.

Deferred inflows of resources, which represent a decrease in net position that is applicable to future reporting periods, amounted to approximately $13,172,000 at June 30, 2023. The increase of approximately $7,146,000 when compared to June 30, 2022 resulted from changes in the deferred inflows of resources from pension activities related to differences, between projected and actual earnings on pension plan investments.

Capital Assets

The capital assets of the Office are those assets that are used in the performance of its functions. The net investment in capital assets for the fiscal year ended June 30, 2023, amounts to approximately $2,060,000. The Office's capital assets, net increased during 2023 by approximately $30,000.

Capital assets, net increased primarily due to the net effect of the following:

- Current year's depreciation and amortization of approximately $635,562, and
- Capital asset additions of approximately $606,083.

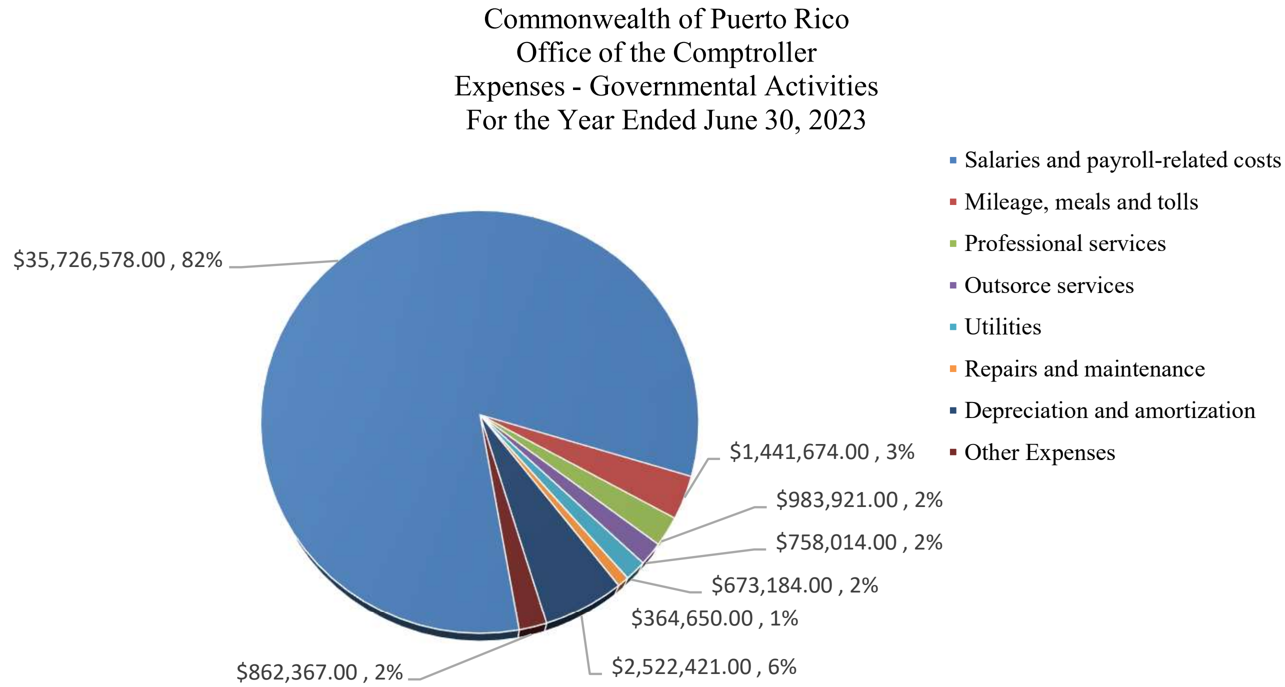
Changes in Net Position

The following condensed summary of activities reflects how the Office's net position changed during the fiscal year ended June 30, 2023.

	Condensed Information - Statement of Activities		
	2023	**2022**	**Change**
Revenues	$ 381,056	6,753	374,303
Transfers in	46,943,709	44,653,632	2,290,077
Transfers out		(3,114,530)	3,114,530
Expenses	(43,333,170)	(41,048,428)	(2,284,742)
Change in net position	$ 3,991,595	497,427	3,494,168
Net position:			
At beginning of year	(116,592,797)	(117,090,224)	497,427
At end of year	$ (112,601,202)	(116,592,797)	3,991,595

(Continued)

The following chart presents the expenses incurred by the Office during the fiscal year ended June 30, 2023.



The Office's major expense is related to salaries, benefits, and payroll taxes, which represent 82% of total expenses incurred during the fiscal year ended June 30, 2023. Total expenses also decreased by approximately $2,285,000. The increase in net transfers of approximately $5,405,000 is mainly due to the Commonwealth debt restructuring plan transfer of approximately $2,291,000 when compared to June 30, 2022.

General Fund Budgetary Highlights

The 2022-2023 General Fund Budget was $46,943,709 and actual expenses in the budgetary basis were approximately $44,704,000. Total expenditures represented 94.46% of total budget availability for the fiscal year.

The following table summarizes the operational results under the non-GAAP budgetary basis of accounting for the fiscal year ended June 30, 2023.

		Actual
Revenue and other financing sources	$	47,324,765
Expenditures		44,703,749
Unexpended balance	$	2,621,016
Expenditure rate		94.46%

The operational results present a saving on the assigned budget amounting to approximately $2,621,000 for year ended June 30, 2023.

Economic Factors and Next Year's Budget

The Office approved budget for the fiscal year 2024 is approximately $48,373,946. The Office adopted cost reduction measures that resulted in a decrease in certain employee benefits accrued in the government-wide financial statements.

On November 3, 2021, the Oversight Board filed the Eight Amended Plan (the plan). On March 15, 2022, the plan became effective.

Requests for Information

This financial report is designed to provide a general overview of the Office's finances for all those with an interest in the government's finances. Question concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance and Budget Division, The Office of the Comptroller of the Commonwealth of Puerto Rico, PO Box 366069, San Juan, Puerto Rico 00936-6069.

(Continued)

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER
(An Agency of the Commonwealth of Puerto Rico)

General Fund Balance Sheet and Statement of Net Position

June 30, 2023

	General Fund Balance Sheet	Adjustments	Statement of Net Position
Assets:			
Current assets:			
Cash in commercial bank	$ 10,175,751	—	10,175,751
Accounts receivable – employees and other	22,705	—	22,705
Prepaid Paygo	257,757	—	257,757
Total current assets	10,456,213	—	10,456,213
Right to use lease assets, net		1,131,289	1,131,289
Capital assets:			
Non-depreciable	—	95,175	95,175
Depreciable, net	—	1,964,415	1,964,415
Capital Assets net	—	2,059,590	2,059,590
Total assets	10,456,213	3,190,879	13,647,092
Deferred outflows of resources - Pensions		32,831,601	32,831,601
Deferred outflows of resources - OPEB	—	157,100	157,100
Total deferred outflows of resources	—	32,988,701	32,988,701
Total assets and deferred outflows of resources	$ 10,456,213	36,179,580	46,635,793
Liabilities:			
Current liabilities			
Accounts payable and accrued liabilities	346,921	—	346,921
Total current liabilities	346,921	—	346,921
Long-term liabilities			
Total pension liability due within one year	—	—	—
Accrued long-term liabilities, due within one year	—	14,737,892	14,737,892
Other accrued long-term liabilities, due after one year	—	130,980,060	130,980,060
Total long-term liabilities	—	145,717,952	145,717,952
Total liabilities	346,921	145,717,952	146,064,873
Deferred inflows of resources - Pensions	—	13,172,122	13,172,122
Total liabilities and deferred inflows of resources	346,921	158,890,074	159,236,995
Fund balance/net position:			
Fund balance:			
Committed	107	(107)	—
Assigned	1,182,005	(1,182,005)	—
Restricted	1,000,000	(1,000,000)	—
Unassigned	7,927,180	(7,927,180)	—
Total fund balance	10,109,292	(10,109,292)	—
Total liabilities and fund balance	$ 10,456,213		
Net position:			
Net investment in capital assets		2,059,590	2,059,590
Net right to use lease asset		1,131,289	1,131,289
Restricted		1,000,000	1,000,000
Unrestricted		(116,792,081)	(116,792,081)
Net position		$ (112,601,202)	(112,601,202)

See accompanying notes to financial statements.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER
(An Agency of the Commonwealth of Puerto Rico)

Statement of General Fund Revenue,
Expenditures, and Changes in Fund Balance and Statement of Activities

June 30, 2023

	General Fund Revenue, Expenditures, and Changes in Fund Balance	Adjustments	Statement of Activities
Expenditures/expenses:			
General government:			
Salaries and payroll-related costs	$ 39,110,531	(3,383,953)	35,726,578
Mileage, meals and tolls	1,441,674	—	1,441,674
Professional services	983,921	—	983,921
Insurance	81,301	—	81,301
Rent	2,059,799	(1,888,710)	171,089
Utilities	673,184	—	673,184
Noncapitalizable equipment	82,790	—	82,790
Materials and supplies	147,507	—	147,507
Repairs and maintenance	364,650	—	364,650
Depreciation and amortization	—	2,521,708	2,521,708
Loss on disposition of assets	—	35,698	35,698
Trainings and continuing professional education	102,040	—	102,040
Subscriptions and memberships	154,971	—	154,971
Outsource services:			
Security	239,246	—	239,246
Maintenance	144,597	—	144,597
Other	374,171	—	374,171
Printing services	48,259	—	48,259
Postage	6,526	—	6,526
	—	—	—
Miscellaneous	33,260	—	33,260
Capital outlays	701,258	(701,258)	—
Total expenditures/expenses	46,749,685	(3,416,515)	43,333,170
General revenue – Interest income	287,454	—	287,454
Other financing sources – Transfers:			
Transfer in Commonwealth of Puerto Rico appropriations	46,943,709	—	46,943,709
Other income	93,602	—	93,602
Total general revenue and transfers	47,324,765	—	47,324,765
Excess of revenues and transfers in over expenditures	575,080	(575,080)	—
Change in net position	—	3,991,595	3,991,595
Fund balance/net position:			
At beginning of year	9,534,212	(126,127,009)	(116,592,797)
At end of year	$ 10,109,292	(122,710,494)	(112,601,202)

See accompanying notes to financial statements.

(1) Organization and Basis of Presentation

(a) Organization

The Commonwealth of Puerto Rico (the Commonwealth) was constituted on July 25, 1952, under the provisions of its Constitution as approved by the People of Puerto Rico and the Congress of the United States of America. The Commonwealth's Constitution provides for the separation of powers of the executive, legislative, and judicial branches of the government. The Commonwealth assumes responsibility for public safety, public health, public housing, welfare, education, and economic development.

The position of Comptroller of Puerto Rico was created by virtue of Article III, Section 22 of the Constitution of the Commonwealth. The Comptroller of Puerto Rico is appointed by the Governor with the consent of the Legislature of the Commonwealth (the Legislature) for a term of 10 years and until his successor has been appointed and qualified.

The function of the Comptroller of Puerto Rico is to audit all the revenues, accounts, and expenditures of the Commonwealth, its agencies and instrumentalities, and its municipalities, in order to determine if they have been made in conformity with the law and to submit the corresponding audit reports. Also, it submits annual reports and all other special reports that are required by the Legislature or the Governor.

The Office of the Comptroller (the Office) was created by Act No. 9 of July 24, 1952, as amended. The Office is an agency of the Commonwealth, assigned to the Legislative Branch of the Commonwealth. The administration of the Office is autonomous and is under the direction of the Comptroller of Puerto Rico.

Effective July 1, 2012, the Office became fiscally autonomous pursuant to the provisions of Act 58 of March 19, 2012. As a result of this Act, the noncommitted cash of the Office that was previously under the custody of the Secretary of Treasury of the Commonwealth was transferred to the Office. Substantially, all expenditures of the Office are disbursed from the Office's bank accounts since that date.

The accompanying basic financial statements of the Office have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

(b) The Financial Reporting Entity

The Office is an agency of the Commonwealth. Its financial statements are intended to present the financial position, and changes in financial position, of only that portion of the governmental activities and the General Fund of the Commonwealth that is attributable to the transactions of the Office.

(c) Basis of Presentation

The financial activities of the Office, which consist only of governmental activities, are reported under the general government function in the Commonwealth's basic financial statements. For its reporting purposes, the Office has combined the General Fund and government-wide financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. A brief description of the Office's government-wide and fund financial statements is as follows:

Government-wide Financial Statements: The government-wide statement of net position and statement of activities report the overall financial activity of the Office. The financial activities of the Office consist only of governmental activities, which are primarily supported by Commonwealth appropriations (transfers within the General Fund of the Commonwealth).

The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., general government) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Office has no program revenues. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Office's General Fund. The General Fund accounts for all financial resources of the Office.

The following is a reconciliation between the General Fund balance sheet and the statement of net position at June 30, 2023:

Fund balance	$	10,109,292
Add capital assets, net of accumulated depreciation, as they are not financial resources and, therefore, are not reported in the General Fund		2,059,590
Right of use leased assets, net of accumulated amortization, as they are not financial resources and, therefore, are not reported in the General Fund		1,131,289
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and therefore, are not reported in the governmental funds:		
Add deferred outflows of resources		32,988,701
Less deferred inflows of resources		(13,172,122)
Less accrued compensated absences, pension liability, OPEB liability, lease liability, voluntary termination benefits, and Christmas bonus, as they are not due and payable in the current period and, therefore, are not reported in the General Fund		(145,717,952)
Net position	$	(112,601,202)

The following is a reconciliation between the excess of revenues and transfers in over expenditures in the statement of General Fund revenues, expenditures, and changes in fund balance, and the change in net position in the statement of activities for the fiscal year ended June 30, 2023:

Excess of revenues and transfers in over expenditures	$	575,080
Add current year change in compensated absences that are recorded as a long-term liability in the government-wide financial statements		
Compensated absences		(469,750)
Christmas bonus		(677,637)
Voluntary termination benefits		1,685,627
Less current year depreciation and amortization, as the cost of assets is allocated over their useful lives in the statement of activities		(2,521,708)
Less loss on disposal of assets that were not capitalized in the General Fund		(35,698)
Less lease interest expense which are reported as expenditures in the governmental funds when made		(151,866)
Add pension benefit payments which are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported total pension liability is measured a year before the Office's report date. Pension expense, which is the change in the total pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the statement of activities		2,551,864
Add OPEB benefits paid which are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the statement of net position because the reported OPEB liability is measured a year before the Office's report date. OPEB expense, which is the change in the net OPEB liability adjusted for changes in deferred outflows and inflows of resources related to other postemployment benefits other than pension is reported in the statement of activities		293,849
Add capital outlays reported as expenditures in the General Fund that are		
Add lease payments reported as expenditures in the General Fund that are recorded as right to use lease assets		2,040,576
Add capital outlays reported as expenditures in the General Fund that are shown as capital assets in the statement of activities		701,258
Change in net position	$	3,991,595

(Continued)

(d) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

The General Fund, as a governmental fund, is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, claims and judgments, and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

(2) Commonwealth's Plan of Adjustment

On May 3, 2017, the Financial Oversight and Management Board (the Oversight Board) that was created by U. S. Congress Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), at the request of the Governor, commenced a Title III case for the Commonwealth by filing a petition for relief under Title III of PROMESA in Title III Court.

On November 3, 2021, the Oversight Board filed the Eighth Amended Plan (Plan). On March 15, 2022, the Plan became effective.

For further information, refer to the final versions of the Eight Amended Plan, Findings of Fact, and Confirmation Order, which are available at https://cases.primeclerk.com/puertorico/Home-DocketInfo.

(3) Summary of Significant Accounting Policies

(n) Capital Assets

Capital assets are reported in the government-wide financial statements of the Office. The Office defines capital assets as assets, which have an initial, individual cost of $500 or more at the date of acquisition and have a useful life in excess of two years. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated or amortized using the straight-line method over the assets estimated useful lives. No amortization is recorded for computer software being developed. The estimated useful lives of capital assets being depreciated are as follows:

	Years
Electronic equipment	5
Other equipment	5
Furniture	10
Purchased computer software	5
Internally developed software	3-10
Vehicles	5–10

(Continued)

(o) Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated vacation and sick leave balances for Office employees. A liability for these amounts is reported in the General Fund only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary-related costs (e.g., social security and Medicare tax).

The employees of the Office are granted thirty (30) days of vacation and eighteen (18) days of sick leave annually. The employees have from January to June of each year to use any vacation or sick leave excess accumulated as of December of the previous year. If the employee chooses not to take the excess of vacation and sick leave during the assign period they will lose the excess accumulated. When an employee resigns, the Office accumulated vacation is liquidated. The resignation as a government employee, before consuming the accrued sick leave days, ends all rights to compensation except for those employees with ten (10) or more years of service, which have the right to such compensation up to the maximum allowed.

(p) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents an increase in net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Similarly, the Office reports deferred inflows of resources in the statement of net position in a separate section following liabilities. This separate financial statement element, deferred inflows of resources, represents a reduction of net position and resources that apply to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

(q) Accounting for Pension Costs

The Office accounts for pension costs under the provisions of GASB Statement No. 73, *Accounting and* Financial *Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68.* GASB Statement No. 73 requires a liability for pension obligations, known as the Total Pension Liability, to be recognized on the balance sheets of participating employers. Changes in Total Pension Liability are immediately recognized as pension expenses.

As Act 106-2017 eliminated all contribution requirements for Employees' Retirement System of the Government of the Commonwealth of Puerto Rico (the Pension Plan) and converted it into a PayGo system, the corresponding actuarial calculation of the total pension liability and related accounts changed to one based on benefit payments rather than contributions. The Office's employees participate in the single-employer defined pension plan. Therefore, in accordance with GASB Statement No. 73, the Office reports its proportionate share of the Pension Plan's total pension liability and the related pension amounts.

(r) Post-employment Benefits Other than Pensions

Office follows the guidance in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Qualified retired employees of the Office participate in the Other Post-employment Plan of the Commonwealth of Puerto Rico for Retired Participants of the Employee's Retirement System (the OPEB Plan). The OPEB Plan is an unfunded, single-employer defined benefit other postemployment healthcare benefit plan. The OPEB Plan is administered on a pay-as-you-go basis. Therefore, in accordance with GASB Statement No. 75, the Office reports its proportionate share of OPEB liability and the related OPEB amounts.

(s) Fund Balance

The fund balance for the General Fund is reported in classifications based on the extent to which the Office is bound to honor constraints on the specific purposes for which amounts in the General Fund can be spent.

- Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. There was no nonspendable fund balance as of June 30, 2023.
- Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.
- The Office's highest decision-making level of authority rests with the Commonwealth's Legislature. Fund balance is reported as committed when the Legislature passes a law that places specified constraints on how resources may be used. The law can modify or rescind a commitment of resources through passage of a new law.
- Resources that are constrained by the Office's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by the Comptroller.
- Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the Office for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the Office's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

(t) Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net position is displayed in the following components:

(i) Net investment in capital assets– This consists of capital assets, less accumulated depreciation and amortization.

(ii) Net Right to use lease asset – This consists of assets that represent the Office privilege to use a leased item over the duration of an agreed-upon lease term, less accumulated amortization.

(iii) Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are

(Continued)

available for use, generally it is the Office's policy to use restricted resources first, then unrestricted resources when they are needed.

(iv) Unrestricted **–** This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

(u) Commonwealth Appropriations

The Office's operations are financed through appropriations from the Commonwealth. These appropriations are recognized as general revenue in the General Fund when received.

(v) Risk Management

The Commonwealth purchases commercial insurance covering casualty, theft, tort, claims, and other losses for the Office. The Office reimburses the Commonwealth for premium payments made on its behalf. The current Office insurance policies have not been canceled or terminated. For worker's compensation the State Insurance Fund Corporation, a component unit of the Commonwealth, provides the worker's compensation to the Office employees.

The Office purchases commercial insurance to provide health benefits to its employees.

(w) Termination Benefits

The Office accounts for termination benefits in accordance with GASB Statement No. 47, *Accounting for Termination Benefits*. Pursuant to the provisions of GASB Statement No. 47, financial statements prepared on the accrual basis of accounting, employers should recognize a liability and expense for voluntary termination benefits (for example, early-retirement incentives) when the offer is accepted and the amount can be estimated. A liability and expense for involuntary termination benefits (for example, severance benefits) should be recognized in the government-wide financial statements when: (i) a plan of termination has been approved, by those with the authority to commit the Office to the plan, (ii) the plan has been communicated to the employees, and (iii) the amount can be estimated. In financial statements prepared on the modified accrual basis of accounting, the liabilities and expenditures for termination benefits should be recognized to the extent the liabilities are normally expected to be liquidated with the expendable available financial resources.

(x) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

(y) New Accounting Standards Adopted

As of July 1, 2022, the Office adopted the following new accounting standard issued by the GASB:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases,* as amended. This statement has no impact for fiscal year ended June 30, 2023.

(z) Accounting Pronouncements Issued but not yet Effective

The GASB has issued the following accounting standards that have effective dates after June 30, 2023:

(i) GASB Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2023. The Office is currently evaluating the impact of this statement.

(4) Deposits

The Office follows the provisions of GASB Statement No. 40 (GASB No. 40), *Deposit and Investment Risk Disclosure, an Amendment to GASB Statement No. 3*. Accordingly, the following is essential information about the deposits of the Office at June 30, 2023.

Custodial credit risk is the risk that in the event of a bank failure, the Office's deposits may not be recovered. The Office's cash in commercial banks are deposited in the Banco Popular of Puerto Rico. The Commonwealth requires that the public funds deposited in commercial banks in Puerto Rico must be fully collateralized for the amount deposited in excess of federal depository insurance. All securities pledged as collateral are held by banks in the Commonwealth's name.

(5) Capital Assets and Right of Use Lease Assets

Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets, non-depreciable:				
Computer software being developed	$ 22,037	119,078	(45,940)	95,175
Capital assets depreciable:				
Equipment	776,308	65,354	(81,088)	760,574
Electronic equipment	3,061,045	496,535	(351,866)	3,205,714
Furniture	1,128,344	5,403	(14,498)	1,119,249
Computer software	2,547,079	38,791	—	2,585,870
Vehicles	434,675	—	—	434,675
Total capital asset, depreciable	7,947,451	606,083	(447,452)	8,106,082
Less accumulated depreciation and amortization for:				
Equipment	649,546	31,281	(80,563)	600,264
Electronic equipment	2,554,125	357,974	(338,729)	2,573,370
Furniture	733,829	18,246	(14,498)	737,577
Computer software	1,661,166	207,268	—	1,868,434
Vehicles	341,229	20,793	—	362,022
Total accumulated depreciation and amortization	5,939,895	635,562	(433,790)	6,141,667
Total capital asset depreciable	2,007,556	(29,479)	(13,662)	1,964,415
Capital assets, net	$ 2,029,593	89,599	(59,602)	2,059,590

Right of Use Lease Assets

The Office has recorded two right to use leased assets. The assets are right to use for leased equipment and leased buildings. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

The following is a summary of changes in lease assets during the year ended June 30, 2023:

		Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Lease asset					
Right of use - Buildings	$	4,096,171	—	—	4,096,171
Right of use - Equipment		—	128,833		128,833
Right of use - Parking		593,259	—	—	593,259
		4,689,430	128,833	—	4,818,263
Less accumulated amortization for:					
Right of use - Buildings		(1,567,553)	(1,609,929)	—	(3,177,482)
Right of use - Equipment		—	(42,944)	—	(42,944)
Right of use - Parking		(233,274)	(233,274)	—	(466,548)
		(1,800,827)	(1,886,147)	—	(3,686,974)
Right to use lease assets, net	$	2,888,603	(1,757,314)	—	1,131,289

Amortization expense related to the lease asset was $1,886,147 for the year ended June 30, 2023.

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(6) Long-Term liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

		Beginning balance June 30, 2022	Additions	Reductions	Ending balance June 30, 2023	Due within one year	Long-term portion
Accrued compensated absences	$	11,620,871	6,640,868	(6,171,118)	12,090,621	4,802,456	7,288,165
Accrued Christmas bonus		667,518	1,345,155	(667,518)	1,345,155	1,345,155	—
Voluntary termination benefits		4,760,913	—	(1,685,627)	3,075,286	1,223,050	1,852,236
Lease liability		2,950,483	128,833	(1,888,711)	1,190,605	1,144,502	46,103
OPEB liability		1,952,394	—	(295,546)	1,656,848	157,100	1,499,748
Total pension liability		124,927,057	7,506,615	(6,074,236)	126,359,436	6,065,628	120,293,808
	$	146,879,236	15,621,471	(16,782,756)	145,717,951	14,737,891	130,980,060

(7) Lease Commitments

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial assets, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The Office has entered into several operating leases, which expire on various dates, for certain building facilities, and parking space. The Office recognizes a lease liability and an intangible right to use lease asset in the government-wide financial statements and statement of net position. As of June 30, 2023, there were no leases with variable payments not included in the measurement of the lease liability, and none of the leases contained residual value guarantees. Leased assets are amortized on a straight-line basis over the life of the lease. The discount rate used as the interest rate was 8.00%, which is the Office incremental borrowing rate as of the commencement date of the lease. The discount rate used as the interest rate was 8.00%, which is the Office incremental borrowing rate as of the commencement date of the lease.

Amortization for the remaining lease term as of June 30, 2023, is shown below:

Year Ending June 30,		Amount
2024	$	1,088,344
2025		42,945
Total	$	1,131,289

At June 30, 2023, the Office had minimum principal and interest payment requirements in its lessee activity as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 1,191,188	$ 46,686	$ 1,237,874
2025	48,125	2,022	50,147
Total	$ 1,239,313	$ 48,708	$ 1,288,021

(8) Contingencies

The Office is defendant in a lawsuit pending in court. Management of the Office believes that the ultimate disposition of this matter will not have a material adverse effect on the Office's financial position or results of operations. The Department of Justice of the Commonwealth may represent the Office in any litigation. As established by law, any unfavorable outcome against the Office will be settled ultimately with appropriations of the Commonwealth of Puerto Rico other than the annual appropriations received by the Office.

(9) Voluntary Termination Benefits

On August 9, 2016, the Commonwealth enacted Act No. 170 to amend Act No. 211 of 2015 better known as the "Voluntary Pre-Retirement Program Act" to allow the Office employees to participate in a program that provides early retirement benefits or economic incentives for voluntary employment termination to eligible employees as defined on Act No. 211.

Act No. 211 established that early retirement benefits (Early retirement program or Program) will be provided to eligible employees that have completed more than 20 years of credited services in the System and consist of the following benefits:

a) Sixty percent (60%) of their average compensation as of December 31, 2015, until they attain age sixty-one (61).

b) Payout of unused vacation and sick leaves accrued as of the time of enrollment in the Program, in accordance with the limits established in the applicable legislation or regulations, exempt from income taxes.

c) While the employee is enrolled in the Program, beneficiary account under the Defined Contribution Hybrid Program shall continue receiving the total amount of the individual contribution that the pre-retiree would have contributed, paid in full by the Office, at a rate of ten percent (10%) of the beneficiary average compensation as of December 31, 2015.

d) The Office shall continue to make employer contributions on account of Social Security (6.2%) and Medicare (1.45%) corresponding to sixty percent (60%) of the participant's gross income. However, equal percentages corresponding to individual contributions shall be deducted from the participant's compensation.

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e) Keep health insurance coverage or medical service program, or employer contribution for health insurance, that the employee enjoyed at the time of making an election to enroll in the Voluntary Pre-Retirement Program up to two (2) years, as of the enrollment date or until beneficiary enters the Retirement System, or until the participant is eligible to receive health insurance coverage in another employment, or by any other source of coverage, whichever comes first.

f) May request the Office to deduct and withhold from the sixty percent (60%) of the compensation they will receive, contributions on account of savings, loan payments, insurance premiums, or any other applicable payment at the time, as provided in Act No. 9-2013, as amended known as the "Commonwealth of Puerto Rico Employee Association Act of 2013," but in no case the savings contributions shall be mandatory. Likewise, participants may choose to withdraw their savings from AEELA, insofar as they are not securing any debt with such entity.

g) If a pre-retiree dies while participating in the Program, participation in the Program shall automatically end and beneficiaries or heirs, as the case may be, shall receive the same benefits they would have received under Act No. 447 of May 15, 1951, as amended, and any other benefit to which they would have been entitled under any special law if the pre-retiree was an active employee of the Commonwealth of Puerto Rico; and

h) Once a pre-retiree attains age sixty-one (61), participants shall enter the Retirement System and receive the benefits to which beneficiary is entitled as a pensioner of the Commonwealth of Puerto Rico, in accordance with Chapter 5 of Act No. 447 of May 15, 1951, as amended; provided, that Program participants shall be guaranteed, at the time of their retirement, a minimum benefit of fifty percent (50%) of their average compensation as of June 30th, 2013, if the combination of annuities of the contributions frozen as of June 30th, 2013, and the contributions made to the Hybrid Program account do not reach such minimum percentage.

The Office Program started on January 2017 and the benefits are expected to be provided until October 2030. The methodology used an alternative method of projecting future cash outlays for benefits and discounting projected benefits to present value and allocating the present value of benefits to periods using a cost method. A total of 36 eligible employees are participating in the Program and at June 30, 2023, unpaid long-term benefits granted in Act No.211 were discounted at 4.16% interest rate.

(10) Pension Plan

(a) Plan Description

General Information about the Pension Plan

The Office's employees participate in the Pension Plan, a defined benefit pension plan, which covers only eligible full-time employees. The Defined Benefit Pension Plan for Participants of the Employees' Retirement System of the Government of the Commonwealth of Puerto Rico (the Commonwealth) (the Plan) was created pursuant to Act No. 447 of May 15, 1951, as amended (Act No. 447) to provide pension and other benefits to retired employees of the Commonwealth, its public corporations, and municipalities. Prior to the effect of Act No. 106 of August 23, 2017 (Act No 106-2017) the Plan was administered by the Employees' Retirement System of the Government of the Commonwealth of Puerto Rico (the System). Effective July 1, 2017 all employer contributions were eliminated pursuant to Act no. 106-2017 and the Office implemented a "pay-as-you-go" (PayGo) system for the payment of pensions.

Also pursuant to Act No. 106-2017, the Plan was required to liquidate its assets and transfer the net proceeds to the Department of Treasury of the Commonwealth to pay pension benefits.

As a result of the implementation of the PayGo system, the Plan does not meet the criteria in paragraph 4 of the Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions*, to be considered a plan that is administered through a trust or equivalent arrangement and, therefore, is required to apply the guidance in GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* Under the guidance of GASB Statement No. 73, the Office is considered to be one employer, and is classified for financial reporting purposes as a single-employer defined benefit pension plan.

The benefits provided to the Plan participants are established by Commonwealth law and may be amended only by Legislature with Governor's approval or by court decision.

The Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al, ("2022 Plan of Adjustment") confirmed by the U.S District Court for the District of Puerto Rico on January 18, 2022, eliminated several benefits to certain Plan participants. In summary, participants within benefits for System 2000 and Act 3 members, as previously defined, who were not in payment status as of March 15, 2022 were transferred out from Plan benefits. Also, eliminated future cost of living adjustments, and benefits to active members under the Act 127-1958 (members in high risk positions).

Plan participants within the System 2000, includes members hired on or after January 1, 2000 and on or before June 30, 2013 (defined contribution program). All regular employees hired for the first time on or after July 1, 2013, and former employees who participated in the defined benefit program and the System 2000 program, and were rehired on or after July 1, 2013, become members of the Contributory Hybrid Program as a condition to their employment. In addition, employees who at June 30, 2013, were participants of previous programs became part of the Contributory Hybrid Program on July 1, 2013. Also, Act No. 3 of April 4, 2013 (Act No. 3 of 2013) froze all retirement benefits accrued through June 30, 2013 under the defined benefit program and, thereafter, all future benefits accrued under the defined contribution formula used for the System 2000 program participants.

Therefore, plan provision are different for the other two groups of members who entered the Plan prior to July 1, 2013 as described below:

- Members of Act No. 447 are generally those members hired before April 1, 1990. (contributory, defined benefit program)
- Members of Act No. 1 of February 16, 1990 (Act No. 1) are generally those members hired on or after April 1, 1990 and on or before December 31, 1999. (contributory, defined benefit program)

Service Retirement Eligibility Requirements

1. Eligibility for Act No. 447 Members – Act No. 447 members who were eligible to retire as of June 30, 2013 continue to be eligible to retire at any time. Prior to July 1, 2013, Act No. 447 members could retire upon (1) attainment of age 55 with 25 years of credited service, (2) attainment of age 58 with 10 years of credited service, (3) any age with 30 years of credited service, (4) for Public Officers in High Risk Positions (the Commonwealth Police and Firefighter Corps, the Municipal Police and

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Firefighter Corps and the Custody Office Corps), attainment of age 50 with 25 years of credited service, and (5), for Mayors of municipalities, attainment of age 50 with 8 years of credited service as a Mayor. In addition, Act No. 447 members who attained 30 years of credited service by December 31, 2013 are eligible to retire at any time.

Act No. 447 members who were not eligible to retire as of June 30, 2013 and did not attain 30 years of credited service by December 31, 2013 are eligible to retire with 10 years of credited service upon attainment of the retirement eligibility age.

Date of birth	Attained age as of June 30, 2013	Retirement eligibility age
July 1, 1957 or later	55 or less	61
July 1, 1956 to June 30, 1957	56	60
Before July 1, 1956	57 and up	59

In addition to the requirements of the table above, Act No. 447 Public Officers in High Risk Positions who were not eligible to retire as of June 30, 2013 and did not attain 30 years of credited service by December 31, 2013, are eligible to retire directly from active service upon the attainment of age 55 with 30 years of credited service.

2. Eligibility for Act No. 1 Members – Act No. 1 members who were eligible to retire as of June 30, 2013 continue to be eligible to retire at any time. Prior to July 1, 2013, Act No. 1 members could retire upon (1) attainment of age 55 with 25 years of credited service, (2) attainment of age 65 with 10 years of credited service, (3) for Public Officers in High Risk Positions, any age with 30 years of credited service, and (4) for Mayors, attainment of age 50 with 8 years of credited service as a Mayor.

   Act No. 1 members who were not eligible to retire as of June 30, 2013 are eligible to retire upon attainment of age 65 with 10 years of credited service. In addition, Act No. 1 Public Officers in High Risk Positions who were not eligible to retire as of June 30, 2013 are eligible to retire directly from active service upon the attainment of age 55 with 30 years of credited service.

Compulsory Retirement

All Act No. 447 and Act No. 1 Public Officers in High Risk Positions must retire upon attainment of age 58 and 30 years of credited service. A two-year extension may be requested by the member from the Superintendent of the Puerto Rico Police, the Chief of the Firefighter Corps, or supervising authority as applicable.

Service Retirement Annuity Benefits

An annuity payable for the lifetime of the member equal to the annuitized value of the balance in the hybrid contribution account at the time of retirement, plus, for Act No. 447 and Act No. 1 members, the accrued benefit determined as of June 30, 2013. If the balance in the defined contribution hybrid account is $10,000 or less, it shall be paid as a lump sum instead of as an annuity.

1. *Accrued Benefit as of June 30, 2013 for Act No. 447 Members* – The accrued benefit as of June 30, 2013 shall be determined based on the average compensation, as defined, for Act No. 447 members, the years of credited service, and the attained age of the member all as of June 30, 2013.

   If the Act No. 447 member had at least 30 years of credited service as of June 30, 2013, the accrued benefit equals 65% of average compensation if the member was under age 55 as of June 30, 2013 or 75% of average compensation if the member was at least age 55 as of June 30, 2013. For participants selecting to coordinate with social security (the Coordination Plan), the benefit is re-calculated at the Social Security Retirement Age (SSRA), as defined, as 1.5% of average compensation up to $6,600 multiplied by years of credited service, up to 30 years, plus 65% (75% if member was at least age 55 as of June 30, 2013) of average compensation in excess of $6,600.

   If the Act No. 447 member had less than 30 years of credited service as of June 30, 2013, and attains 30 years of credited service by December 31, 2013, the accrued benefit equals 55% of average compensation if the member was under age 55 as of June 30, 2013 or 60% of average compensation if the member was at least age 55 as of June 30, 2013. For participants selecting the Coordination Plan, the benefit is re-calculated at SSRA as 1.5% of average compensation up to $6,600 multiplied by years of credited service, up to 30 years, plus 55% (60% if member was at least age 55 as of June 30, 2013) of average compensation in excess of $6,600. Member contributions received from Act No. 447 members eligible for this transitory benefit during the period beginning July 1, 2013 and ending upon the attainment of 30 years of credited service are considered pre-July 1, 2013 contributions; the contributions to the hybrid contribution account begin after the member attains 30 years of credited service.

   If the Act No. 447 member had less than 30 years of credited service as of December 31, 2013, the accrued benefit equals 1.5% of average compensation multiplied by years of credited service up to 20 years, plus 2% of average compensation multiplied by years of credited service in excess of 20 years. Maximum benefit is 75% of average compensation. Except for Commonwealth Police and Commonwealth Firefighters, the benefit is actuarially reduced for each year payment commences prior to age 58. For participants selecting the Coordination Plan, the basic benefit is re-calculated at SSRA as 1% of average compensation up to $6,600 multiplied by years of credited service up to 20 years, plus 1.5% of average compensation up to $6,600 multiplied by years of credited service in excess of 20 years, plus 1.5% of average compensation in excess of $6,600 multiplied by years of credited service up to 20 years, plus 2.0% of average compensation in excess of $6,600 multiplied by years of credited service in excess of 20 years. Except for Police and Firefighters, the benefit is actuarially reduced for each year payment commences prior to age 58.

2. *Accrued Benefit as of June 30, 2013 for Act No. 1 Members* – The accrued benefit as of June 30, 2013 shall be determined based on the average compensation for Act No. 1 members, the years of credited service, and the attained age of the member all as of June 30, 2013. For Act No. 1 Mayors, the highest compensation as a Mayor is determined as of June 30, 2013.

   If the Act No. 1 member is a police officer or firefighter with at least 30 years of credited service as of June 30, 2013, the accrued benefit equals 65% of average compensation if the member was under

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age 55 as of June 30, 2013 or 75% of average compensation if the member was at least age 55 as of June 30, 2013.

For all other Act No. 1 members, the accrued benefit equals 1.5% of average compensation multiplied by years of credited service. The benefit is actuarially reduced for each year payment commences prior to age 65.

(b) Total Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2022 measurement date, the proportionate share is based on the ratio of the total pension liability determined based on the Office members to the total liability for all Commonwealth members as of measurement day. At June 30, 2023, the Office recorded a liability of approximately $126,359,000 for its proportionate share of the Commonwealth's collective total pension liability. The collective total pension liability for the plan was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The Office's proportionate share for allocation of the Commonwealth's total pension liability was based on the ratio of the Office's actual benefit payments for allocation of approximately $6,074,000 for the year ended June 30, 2021, relative to the Commonwealth's total benefit payments for allocation of approximately $1,334,523,000. At June 30, 2022, the Office's proportionate share of the Commonwealth's allocation was 0.5704%, which decreased by 0.1108% when compared to the proportionate share as of June 30, 2021 of 0.45956%.

A reconciliation of actual benefits paid and those considered for allocation for the year ended June 30, 2021 is as follows:

		The Office		Commonwealth
Actual benefit payments	$	6,223,504	$	1,353,624,333
Included (excluded) for allocation				
Early retirement incentives and other		(149,268)		(19,101,017)
Employer benefit payments for allocation	$	6,074,236	$	1,334,523,316

For the year ended June 30, 2023, the Office recognized a pension expense of approximately $3,560,730.

At June 30, 2023, the Office reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outlows of Resources	Deferred Inflows of Resources
Balance of deferred outflows and inflows of resources due to:		
Difference between expected and actual experience	$ 1,585,191	$ 2,679,267
Changes of assumptions	10,198,629	9,940,586
Changes in proportion	14,958,670	552,269
Employer pension benefits paid subsequent to the measurement date	6,089,111	—
Total	$ 32,831,601	$ 13,172,122

Approximately $6,089,000 reported as deferred outflows of resources to pensions resulting from pension benefits paid subsequent to the measurement date will be recognized during the year ended June 30, 2024 as a reduction of the total pension liability. Other amounts reported as deferred (inflows) / outflows of resources are scheduled to be recognized in pension expense as follows:

Year ending June 30:	
2024	$ 9,441,852
2025	4,128,516
	$ 13,570,368

(c) *Actuarial Assumptions*

Actuarial valuations of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the total pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Significant actuarial assumptions and other inputs used to measure the total pension liability include the following:

Measurement Date	June 30, 2022
Actuarial cost method	Entry age normal
Future Salary Increases	3.00% per year. No compensation increases are assumed until July 1, 2022 as a result of Act No. 3-2017, four-year extention of Act No. 66-2014, and the current general economy.
Cost-of-Living Increases	Not assumed.
Mortality Assumption	Pre-retirement Mortality: For general employees not covered under Act 127, PubG-2010 Employee Mortality Rates, adjusted 100% for males and 110% for females, projected to reflect Mortality Improvement Scale MP-2021 on a generational basis. For memebers covered under Act No. 127, PubS-2010 Employee Mortality Rates are assumed for males and females, projected to reflect Mortality Improvement Scale MP-2021 on generational basis. As generational tables, they reflect mortality improvements both before and after the measurement date. 100% of deaths while in active sevice are assumed to be occupational members covered under Act No. 127-1958.

Post-retirement Retiree Mortality: Rates which vary by gender are assumed for healthy retirees and beneficiaries based on a study of the Plan's experience from 2013 to 2018 and updated expectations regarding future mortality improvement. The PubG-2010 healthy retiree rates, adjusted by 100% for males and 110% for females, projected using MP-2021 on a generational basis.As a generational table, it reflects mortality improvements both before and after measurement date.

Post-retirement Disabled Mortality: Rates which vary by gender are assumed for disabled retirees based on a study of the Plan's experience from 2013 to 2018 and updated expectations regarding future mortality improvement. The PubG-2010 disabled retiree rates, adjusted by 80% for males and 100% for females. The base rates are projected using Mortality Improvement scale MP-2021 on a generational basis. As a generational table, it reflects mortality improvements both before and after measurement date.

Post-retirement Beneficiary Mortality: Prior to retiree's death, beneficiary mortality is assumend to be the same as the post-retirement retiree mortality.For periods after the retiree's death, the PubG-2010(B) contingent survivor rates, adjusted by 110% for males and 120% projected using MP-2021 on a generational basis. As a generational table, it reflects mortality improvements both before and after measurement date.

(d) *Discount Rate*

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Commonwealth. The source is the Bond Buyer General Obligation (GO) 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(e) *Sensitivity of Total Pension Liability to Changes in the Discount Rate*

The following presents the total pension liability of the Office as of June 30, 2022, calculated using the discount rate of 3.54%, as well as what the total pension liability would be if it was calculated assuming a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than current rate:

		At 1% decrease (2.54%)	At current discount rate (3.54%)	At 1% increase (4.54%)
Total pension liability	$	141,400,148	126,359,436	113,856,273

(Continued)

(11) Other Postemployment Healthcare Benefit Plan

(a) General Information about the OPEB Plan

The Other Postemployment Benefit Plan of the Commonwealth of Puerto Rico (the Commonwealth) for Retired Participants of the Employees' Retirement System (the Plan) is an unfunded, defined benefit other postemployment healthcare benefit plan (OPEB). The Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB Statement No. 75). Under the guidance of GASB Statement No.75, the Office is considered to be one employer and is classified for financial reporting purposes as a single-employer defined benefit OPEB plan.

The Plan covers a payment up to $100 per month to the eligible medical insurance plan selected by each member provided that the member retired prior to July 1, 2013. The Plan is financed by the Commonwealth through legislative appropriations. However, the Commonwealth claims reimbursement from the Office on a monthly basis for the corresponding amount of the Plan payments made by the Commonwealth in relation to the Office retirees. There is no contribution requirement from the plan members during active employment. The retirees contribute the amount of healthcare insurance premium not covered by the Office contribution. Plan members were eligible for benefits upon reaching the applicable pension benefits retirement age. Act No. 3 of 2013 eliminated this healthcare benefit to the Plan members that retired after June 30, 2013.

(b) Actuarial assumptions and methods

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial valuation used the following actuarial assumptions applied to all periods in the measurement period.

Measurement Date	June 30, 2022
Actuarial cost method	Entry age normal
Discount rate	3.54%
Mortality Assumption	Post-retirement Mortality: Rates which vary by gender are assumed for healthy retirees and beneficiaries based on a study of the Plan's experience from 2013 to 2018 and updated expectations regarding future mortality improvement. The PubG-2010 healthy retiree rates, adjusted by 100% for males and 110% for females, projected using MP-2021 on a generational basis. As a generational table, it reflects mortality improvements both before and after measurement date.
	Post-retirement Disabled Mortality: Rates which vary by gender are assumed for disabled retirees based on a study of the Plan's experience from 2013 to 2018 and updated expectations regarding future mortality improvement. The PubG-2010 disabled retiree rates, adjusted by 80% for males and 100% for females. The base rates are projected using Mortality Improvement scale MP-2021 on a generational basis. As a generational table, it reflects mortality improvements both before and after measurement date.

(c) Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Commonwealth. The source is the Bond Buyer General Obligation (GO) 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(d) Retiree Healthcare OPEB Liability, OPEB Expense, and Deferred Outflow of Resources

As an employer in the Plan, the Commonwealth is allocated its proportionate share of pension amounts as of the measurement date. The Commonwealth allocate its proportionate share to various internal organizations, including the Office. At June 30, 2023 the Office recorded a liability of approximately $1,657,000 for its proportionate share of 0.2382% of the Commonwealth's total OPEB liability of approximately $695,603,000. For the year ended June 30, 2023, the Office recognized OPEB expense of approximately $(136,749). The collective OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021 that was rolled forward to June 30, 2022. The Office's proportionate share for allocation of the Commonwealth's OPEB liability was based on the ratio of the Office's members to the total OPEB liability for the Commonwealth members.

At June 30, 2023, the employer reported deferred outflows of resources of $157,100 resulting from amounts associated with benefits paid subsequent to the measurement date that will be recognized as a reduction of the total OPEB Liability in the fiscal year ending June 30, 2024.

(Continued)

Because all participants are inactive, there are no deferred outflows or inflows of resources as changes in actuarial assumptions, economic or demographic gains and losses, and changes in proportionate share are recognized immediately during the measurement year.

(e) Sensitivity of the total OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the Office's total OPEB liability as of June 30, 2023, calculated using the discount rate of 3.54%, as well as what the total OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower (2.54%) or 1-percentage point higher (4.54%) than current rate:

		At 1% decrease 2.54%	At current discount rate 3.54%	At 1% increase 4.54%
Total OPEB liability	$	1,803,404	1,656,848	1,530,856

(12) General Fund – Fund balance

At June 30, 2023, portions of the General Fund balances were committed and assigned for specific amounts as follows:

Fund balance		Amount
Committed:		
Repair of vehicles due to collision	$	107
Assigned:		
PayGo		974,165
Professional services		207,840
		1,182,005
Restricted - special appropiation		1,000,000
Unassigned		7,927,180
	$	10,109,292

(13) Subsequent Events

The Office has evaluated subsequent events through June 7, 2024, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

OMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER
(An Agency of the Commonwealth of Puerto Rico)

Required Supplementary Information (Unaudited)

Schedule of the Office’s Proportionate Share of Total Pension Liability and Related Ratios

June 30, 2023

	2023*	2022*	2021*	2020*
Office's Proportion of the Commonwealth's Total Pension Liability	0.57040%	0.45956%	0.45116%	0.45657%
Office's Proportionate Share of the Commonwealth's Total Pension Liability	$126,359,436	$ 124,927,057	$ 126,640,984	$ 113,460,378
**Office's covered-employee payroll	-	-	-	-
**Office's proportionate share of the Commonwealth's total pension liability as a percentage of the Office's covered-employee payroll	0.00%	0.00%	0.00%	0.00%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of the previous fiscal year end.
***The Office has no practical way to determine the Office's covered-employeee payroll for fiscal year ended on June 30, 2021.*

See accompanying notes to required supplementary information and independent auditors’ report.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER
(An Agency of the Commonwealth of Puerto Rico)

Required Supplementary Information (Unaudited)

Schedule of the Office's Proportionate Share of OPEB Liability and Related Ratios
June 30, 203

	2022*	2022*	2021*	2020*	2019*	2018*
Office's Proportion of the Commonwealth's total OPEB Liability	0.23820%	0.24462%	0.22999%	0.22763%	0.22867%	0.22717%
Office's Proportion of the Commonwealth's total OPEB Liability	$ 1,656,848	$ 1,952,394	$ 2,011,530	$ 1,894,419	$ 1,925,752	$ 2,091,160

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The amounts presented have a measurement date of the previous fiscal year end.

*Currently there are no active participants in this plan. Therefore, the covered payroll disclosure is omitted.

See accompanying notes to required supplementary information and independent auditors' report.

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

(An Agency of the Commonwealth of Puerto Rico)

Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Non-GAAP Budgetary Basis (General Fund)
June 30, 2023

	Original budget	Final budget	Actual amounts (Budgetary basis)	Variance-favorable (unfavorable)
Revenue:				
Interest income	$ –	–	287,454	287,454
Other income	–	–	93,602	93,602
	–	–	381,056	381,056
Expenditures:				
Salaries and payroll-related expenditures	38,549,709	38,549,709	38,120,541	429,168
Facilities and payments of public services	768,184	768,184	672,067	96,117
Purchased services	3,263,700	3,363,700	3,162,826	200,874
Transportation expenditures	1,623,500	1,623,500	1,330,414	293,086
Professional services	996,000	996,000	685,208	310,792
Other expenditures	319,500	319,500	267,744	51,756
Materials and supplies	789,200	789,200	326,004	463,196
Capital outlays	592,916	492,916	130,817	362,099
Announcements and media communications required by law	41,000	41,000	8,128	32,872
	46,943,709	46,943,709	44,703,749	2,239,960
Other financing sources – transfers in:				
Commonwealth appropriations	46,943,709	46,943,709	46,943,709	–
Excess of revenue and other financing sources over expenditures	$ –	–	2,621,016	2,621,016

See accompanying notes to required supplementary information and independent auditors' report.

(1) Changes of benefit terms and assumptions

On August 23, 2017, the Governor of the Commonwealth signed into law the Act to Guarantee the Payment to Our Pensioners and Establish New Plan Defined Contributions for Public Servants (Act No. 106-2017). Act No 106-2017 established the pay as you go mechanism effective July 1, 2017 for all the Commonwealth's pension plans. Accordingly, no assets are accumulated in a qualifying trust.

Changes in assumptions

In the revised June 30, 2022 actuarial valuation, there was an increase relating to the discount rate from 2.16% in 20201to 3.54% in 2022.

In the revised June 30, 2021 actuarial valuation, there was a decrease relating to the discount rate from 2.21% in 2020 to 2.16% in 2021.

In the revised June 30, 2020 actuarial valuation, there was a decrease relating to the discount rate from 3.50% in 2019 to 2.21% in 2020.

In the revised June 30, 2019 actuarial valuation, there was a decrease relating to the discount rate from 3.87% in 2018 to 3.50% in 2019.

In the revised June 30, 2018 actuarial valuation, there was an increase relating to the discount rate from 3.58% in 2017 to 3.87% in 2018.

In the revised June 30, 2017 actuarial valuation, there was an increase relating to the discount rate from 2.85% in 2016 to 3.58% in 2017.

In the revised June 30, 2016 actuarial valuation, there was a decrease relating to the discount rate from 3.80% in 2015 to 2.85% in 2016.

(2) Budgetary Control

The Office of the Comptroller's (the Office) budgetary system is its primary control over expenditures. The Office conducts the following procedures in order to establish the budgetary information:

The Office prepares its annual budget and submits it to the Legislature of the Commonwealth of Puerto Rico for its approval.

The budget is approved on the basis of a global assignment.

The budget is prepared using the modified accrual basis of accounting, except for encumbrances, as explained below.

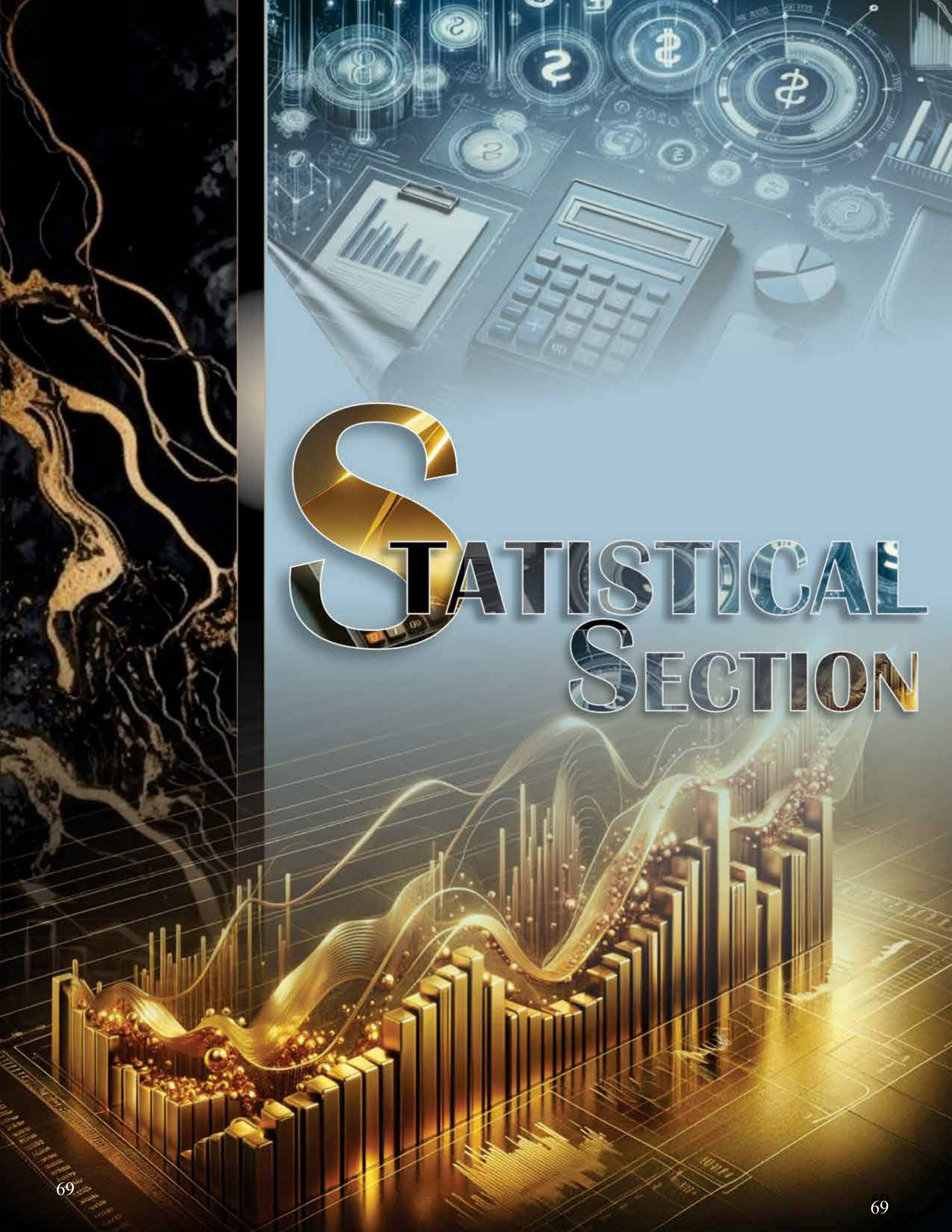
The budgeted revenue presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Non-GAAP Budgetary Basis, consisted of a Legislative Appropriation, for the year ended June 30, 2023 for operational appropriations of $46,943,709.

The primary difference between the budgetary basis and the modified accrual basis under U.S. generally accepted accounting principles (GAAP basis) is the encumbrances that are presented as expenditures under the budgetary basis.

The reconciliation of the expenditures between the budgetary basis and the GAAP basis is as follows:

Change in Fund Balance according to the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Non–GAAP Budgetary Basis – General Fund	$ 2,621,016
Plus current year encumbrances not recorded as expenditures under the modified-accrual basis	—
Less expenditures recorded against unencumbered appropiations carried forward from prior year	(2,045,936)
Less prior year encumbrances recorded as expenditures under the modified accrual basis	—
Change in Fund Balance according to the Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund	$ 575,080

It is the Office's policy that all unencumbered funds at the end of the fiscal year be carried forward to future periods as permitted by Act No. 230 of July 23, 1974.These unencumbered funds are allowed to be partially or totally encumbered for nonrecurrent expenditures.



STATISTICAL SECTION

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CHART 1 – OPERATIONS BUDGET

The table and chart that follow indicate the composition of the budget by salaries, transportation expenditures, professional services, and others, with respect to the total legislative appropriations. In addition, present a comparative picture for two consecutive fiscal years, 2022-23 and 2021-22.

	2022-23		2021-22	
Description	Appropriation	Percent	Appropriation	Percent
Salaries and Payroll Related Expenditures	$32,257,709	69	$28,725,200	64
PayGo	6,292,00	13	6,256,000	14
Transportation Expenditures	1,623,500	3	1,479,500	3
Other Purchased Services	1,323,100	3	1,222,800	3
Professional Services	996,000	2	1,988,800	4
Facilities and Payments of Public Services	768,184	2	890,000	2
Rent	2,040,600	4	2,018,700	5
Materials and Supplies	789,200	2	750,000	2
Other Expenditures	360,500	1	525,000	1
Capital Outlays	492,916	1	795,000	2
Total	$46,943,709	100	$44,651,000	100

CHART 2– HUMAN CAPITAL

This chart shows the distribution of human capital by auditor and support personnel for fiscal years 2022-23 and 2021-22.

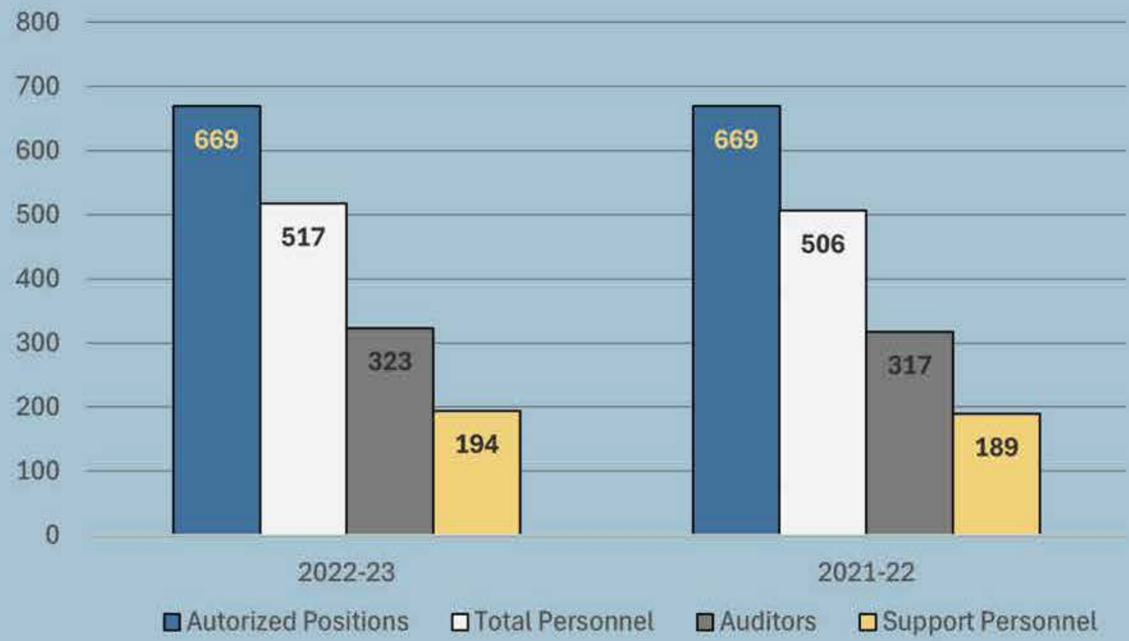

CHART 3 – TIME DISTRIBUTION

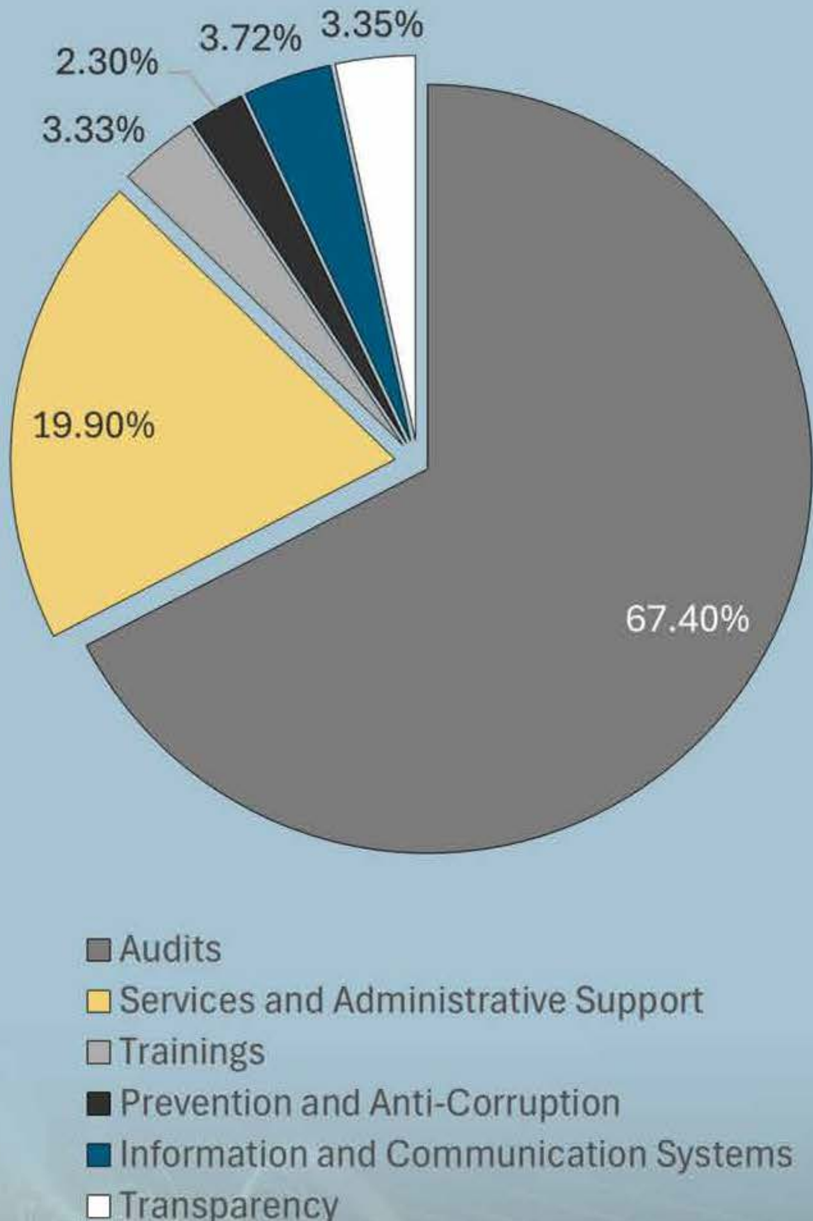

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CHART 4 – MOST IMPORTANT FINDINGS INCLUDED IN AUDIT REPORTS

Classification	Quantity
Application controls	3
Building and improvements	40
Cash	4
Donations	16
General controls - Computers	24
Local Area Network (LAN) Controls	6
Others	76
Personnel	56
Planning-Administrative controls	86
Professional services	101
Property	49
Purchasing, accounts payable and disbursements	114
Revenues and receivables	29
Total	604

Committed to improving the oversight function and administration of property and government funds, to generate public value with good auditing practices.

Comptrollership at your services...

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INTERNAL STATEMENT POLICY ANTICORRUPTION POLICY

STATEMENT POLICY

The Office of the Comptroller of Puerto Rico is highly committed to combat corruption and fraud in the government and internally.

PHILOSOPHY OF THE ORGANIZATION

All our coworkers must act according to our Code of Ethics and Behavior, as well as the applicable norms and regulations of their respective working areas. Zero Tolerance for Corruption has been established through this policy.

INTERNAL CONTROL POLICY

- Code of Ethics
- Code of Behavior
- Regulations
- Procedures
- Standards for the safety of our computerized systems
- Standards for confidentiality of the Office information and processes
- Annual renewal of constitutional commitment
- Annual certification of profitable activities and of filing Income Tax Returns.

PREVENTION PHASE

Recruiting:

The recruiting of personnel must comply with the regulations and procedures approved by the Comptroller.

Regulations:

Effective internal controls are established in regulations, systems, and procedures of this Office to warrant transparency in administrative, fiscal, and financial processes.
Internal Controls: The managerial personnel is responsible for monitoring that the controls established in their respective working areas are effective, efficient, and updated. Our internal auditors periodically audit processes in order to determine if the controls are adequate andefficient.

External Controls: The Office is subject to monitoring by external entities, in order to promote and assure a sound public administration, as follows:

- The Advisory Committee on Internal Audit can require audits of the Office and have access to all accounting files.
- Regulations and policies for suppliers of property or services were approved to regulate relations between the Office and providers.
- Office of Government Ethics of Puerto Rico (OGEPR), the Comptroller and designated personnel file financial reports with OGEPR.

CONFIDENTIALITY

Acts No. 426 of November 7, 2000 and No. 14 of April 11, 2001, provide protection and prohibit disclosure of public employees and officials, complainants or witnesses for reporting alleged illegal acts or corruption actions.

CONTINUOUS EDUCATION

We established a policy that requires a minimum of 15 annual credit hours to support personnel and 40 credit hours to auditing staff, to expand their knowledge on internal controls, laws, regulations, fiscal standards, and procedures, among others.

REFERENCE GUIDES PUBLISHED


2023

OFFICE OF THE COMPTROLLER
COMMONWEALTH OF PUERTO RICO

COMPTROLLERSHIP AT YOUR SERVICE