Estado Libre Asociado de Puerto Rico

OFICINA DEL CONTRALOR

2024

Informe Anual

al 30 de junio de 2024

www.ocpr.gov.pr | ocpr@ocpr.gov.pr

TABLA CONTENIDO

9 de julio de 2026

A la Honorable Gobernadora de Puerto Rico;
al Honorable Presidente del Senado de Puerto Rico;
al Honorable Presidente de la Cámara de Representantes;
a los miembros de la Asamblea Legislativa;
y al pueblo de Puerto Rico.

Estimados señores:

Se incluye el **Informe Anual de la Oficina del Contralor de Puerto Rico (OCPR)** correspondiente al año fiscal terminado el **30 de junio de 2024.**

La Oficina del Contralor de Puerto Rico es responsable de la preparación y presentación de los estados financieros, así como de la exactitud, integridad y confiabilidad de la información contenida en este informe. Este documento presenta razonablemente, en todos los aspectos significativos, la información necesaria para comprender la situación financiera y las operaciones de la Oficina durante el período informado.

La firma de contadores públicos autorizados **KPMG LLP**, como auditor independiente, emitió una **opinión sin señalamientos** sobre los estados financieros de la OCPR correspondientes al año fiscal terminado el 30 de junio de 2024, lo cual confirma que estos presentan razonablemente la situación financiera de la Oficina, de conformidad con los principios de contabilidad generalmente aceptados aplicables al sector gubernamental.

Como parte del informe, se incluye la sección de **Análisis y Discusión de la Gerencia**, la cual complementa los informes de los auditores independientes y ofrece una explicación narrativa, una visión general y un análisis de los principales aspectos financieros y operacionales correspondientes al período informado.

Asimismo, el informe contiene los estados financieros básicos, que incluyen el balance del Fondo General y el estado de situación financiera; el estado de ingresos, gastos y cambios en el saldo del Fondo General; el estado de actividades; así como las notas a los estados financieros, las cuales forman parte integral de estos.

Cordialmente,

Oscar Luna Díaz
Director de Auditoría Interna

Yarila Sánchez Torres
Directora
División de Finanzas y Presupuesto

Anejo

ESCUDO

El color azul celeste representa la lealtad y la verdad, valores esenciales en el servicio público.

Las llaves cruzadas con monedas de oro simbolizan la fidelidad, la seguridad y la protección del patrimonio y los bienes del pueblo.

El satélite que orbita sobre la Tierra representa la era de los sistemas de tecnología de la información y las telecomunicaciones.

El planeta simboliza un mundo nuevo, del cual todos formamos parte.

Bordeando el escudo, se encuentran los ocho valores que conforman nuestra filosofía de servicio público.

Puede encontrar más información sobre la Oficina del Contralor de Puerto Rico en internet: www.ocpr.gov.pr

MISIÓN

Fiscalizar las transacciones de la propiedad y de los fondos públicos, con independencia y objetividad, para determinar si se han realizado de acuerdo con la ley, y atender otros asuntos encomendados. Promover el uso efectivo, económico, eficiente y ético de los recursos del Gobierno en beneficio de nuestro Pueblo.

VISIÓN

Servir a Puerto Rico con una Contraloría moderna y tecnológica y realizar auditorías e investigaciones de avanzada para lograr un buen Gobierno mediante la aportación de nuestras experiencias y conocimientos.

VALORES

Compromiso: Damos lo mejor de nuestra capacidad, talento, energía y esfuerzo para promover el éxito de la Oficina.

Excelencia: Nos esforzamos continuamente por hacer siempre lo mejor.

Integridad: Desplegamos honradez y confiabilidad en el cumplimiento consecuente de nuestro deber.

Justicia: Promovemos soluciones, métodos y procesos basados en el balance y el respeto de los derechos. Observamos y respetamos la equidad y la ley.

Respeto: Brindamos un trato cordial y considerado. Aceptamos la diversidady las cualidades de cada individuo.

Responsabilidad: Cumplimos cabalmente con todas las encomiendas de manera constante y asumimos las consecuencias de las propias acciones y decisiones.

Sensibilidad: Somos empáticos y tratamos a los demás sin emitir juicios valorativos.

INFORME ANUAL
2023-24

TRASFONDO Y BASE LEGAL

La Oficina del Contralor de Puerto Rico (OCPR) fue creada mediante la *Ley Núm. 9 del 24 de julio de 1952*, según enmendada y tiene el mandato constitucional de fiscalizar las transacciones relacionadas con la propiedad y los fondos públicos para determinar si las mismas se han realizado conforme a las leyes, las normas y los reglamentos.

Estar adscrita a la Rama Legislativa, permite que la Contraloría pueda llevar a cabo la gestión de fiscalización en las tres ramas del Gobierno, y que se cumpla con cuatro objetivos indispensables: independencia, objetividad, uniformidad y divulgación.

Además de nuestra responsabilidad constitucional, somos responsables de administrar otras leyes cónsonas con la encomienda de asegurarle al Pueblo de Puerto Rico la transparencia de las transacciones que realiza el Gobierno. Entre estas, las leyes que requieren que mantengamos los registros de contratos, de puestos, de irregularidades y pérdidas de propiedad, y de privatizaciones.

Ofrecemos los adiestramientos requeridos por la *Ley 58-2020* y *Ley 190-2006*, y el curso de contratación gubernamental para todos los empleados y funcionarios involucrados con los procesos de contratación de bienes y servicios. También, proveemos adiestramientos y capacitación en temas variados relacionados a la administración pública porque entendemos lo importante que es mantener a todos los funcionarios y empleados gubernamentales con el conocimiento necesario y apropiado para hacer las cosas de manera correcta.

Como entidad fiscalizadora, la OCPR cuenta con independencia en la toma de decisiones, de manera que pueda efectuar sus funciones de promover el uso efectivo, económico, eficiente y ético de los recursos del gobierno de forma ágil y productiva.

La estructura de la Oficina del Contralor de Puerto Rico está compuesta por las siguientes unidades primarias:

- Área de Dirección (Oficina de la Contralora y sus unidades de asesoramiento y apoyo estratégico)
- Área de Administración
- Área de Auditoría y Registros Públicos (componente operacional)
- Área de Tecnología de Información y Comunicación (apoyo técnico)
- Área de Investigaciones e Inteligencia Fiscal (componente operacional)

PLAN ESTRATÉGICO

El Plan Estratégico 2022-2025 fue aprobado en diciembre de 2022. El proceso de planificación estratégica en la Oficina está compuesto por cinco etapas que son: formulación, aprobación, ejecución, seguimiento y evaluación, cambios y ajuste.

Para este Plan Estratégico definimos y establecimos dos metas estratégicas, seis objetivos, iniciativas y proyectos claves que nos permitan alcanzar las metas establecidas. Revisamos la misión y los valores, y se integraron las ideas para dar forma a las metas, los objetivos y los planes de ejecución. Es parte importante de la misión de esta Oficina promover el uso efectivo, económico y eficiente de los recursos del Gobierno en beneficio de todo el Pueblo de Puerto Rico. Nuestra visión se enfoca en servir a Puerto Rico a través de una Contraloría moderna y tecnológica y realizar auditorías e investigaciones de avanzada para lograr un buen Gobierno mediante la aportación de nuestras experiencias y conocimientos. A junio de 2024, completamos 14 proyectos.

El proceso de planificación estratégica forma parte de nuestro sistema de gestión de calidad, el cual fue certificado el 29 de abril de 2006 con la Norma ISO 9001:2000 y posteriormente por la Norma ISO 9001:2008. Actualmente, con el fin de asegurar una adecuada implementación y seguimiento al Plan Estratégico 2022-2025, que esté debidamente documentado y que sirva como referencia para planes futuros, hemos tomado como referencia la Norma ISO 9001:2015

Continuamos con nuestro compromiso de analizar los procesos existentes dentro de nuestra organización, mejorarlos e identificar variables y factores clave para monitorear el comportamiento, medir el progreso y mantener el control de los procesos. Durante el año fiscal 2023-24, actualizamos los datos internos del Centro de Información Gubernamental (CIG) para apoyar a los auditores.

Se realizaron dos encuestas para recabar la opinión de los auditores sobre dos aspectos clave: el uso del Centro de Información Gubernamental (CIG) y las Consultas Externas, así como la percepción del personal de auditoría sobre los factores que influyen en el área de auditoría.

F I S C A L I Z A C I Ó N   Y   T R A N S P A R E N C I A

Hemos dividido todas nuestras entidades gubernamentales en siete áreas de fiscalización. Esto nos ayuda a distribuir el alcance de nuestras auditorías de una manera equitativa, y a ser más oportunos en la fiscalización de los fondos públicos. Esto, con el propósito de maximizar el uso de dichos fondos para que resulten en beneficio de la ciudadanía.

Las áreas de fiscalización están relacionadas con entidades que ofrecen servicios relacionados con:

1. **Gobernanza –** desarrollo de los derechos civiles y democráticos.
2. **Desarrollo Urbano y Municipal –** municipios y las entidades relacionadas con estos.
3. **Seguridad y Justicia –** orden público, y que constituyen la base para el desarrollo de los derechos civiles del ciudadano.
4. **Educación y Capacitación –** educación primaria, secundaria y postsecundaria; y de formación y capacitación de los funcionarios y empleados públicos.
5. **Salud y Bienestar Social –** salud y el bienestar social de la ciudadanía.
6. **Finanzas Públicas –** finanzas, la sostenibilidad fiscal, y la eficacia y eficiencia de los servicios públicos con el fin de mejorar la gobernanza, la transparencia y los controles internos.
7. **Infraestructura y Desarrollo Sostenible –** transporte público; la infraestructura vial (caminos, carreteras y puentes) de puertos, aeroportuaria y de comunicaciones; los recursos naturales; las fuentes de energía y el turismo.

AUDITORÍAS

Las agencias gubernamentales son auditadas mediante la aplicación de las Normas de Auditoría Gubernamental Generalmente Aceptadas (GAGAS, por sus siglas en inglés) publicadas por la Oficina de Rendición de Cuentas del Gobierno de los Estados Unidos (*Government Accountability Office*) y otras técnicas de investigación, según lo requiere la Ley 243-2015, para las auditorías iniciadas a partir del 1 de julio de 2016. Los resultados, incluidas las conclusiones y recomendaciones, se presentan en informes de auditoría o especiales.

Al 30 de junio de 2024, dividimos todas las entidades gubernamentales de las tres ramas del gobierno en 498 unidades con fines de auditoría. Esta cifra incluye: departamentos, agencias, corporaciones públicas y municipios.

Durante el año fiscal 2023-24 publicamos 56 informes de auditoría y 9 informes especiales; 40 corresponden a la rama ejecutiva y 25 a los municipios. Estos incluyen 598 situaciones: 313 de la rama ejecutiva y 285 de municipios. Los hallazgos incluidos en los informes se clasifican de la siguiente manera:

Hallazgo	Cantidad
Compras, cuentas por pagar y desembolsos	134
Planificación - Controles administrativos	70
Propiedad	56
Efectivo	50
Controles Generales - Computadoras	33
Servicios Profesionales	32
Construcción de Obras y Mejoras Permanentes	31
Personal	28
Ingresos y Cuentas por Cobrar	25
Controles de Aplicaciones	11
Seguros	10
Donativos	9
Inversiones	7
Controles del *Local Area Network* (*LAN*)	2
Otros	100
Total	598

Se incluyeron 716 recomendaciones; al Gobernador (8), al presidente del Senado y al presidente de la Cámara de Representantes (4), al Departamento de Justicia (7), al Departamento de Hacienda (9), a la Oficina de Ética Gubernamental de Puerto Rico (6), a los funcionarios principales de las entidades (617), y a otros (65).

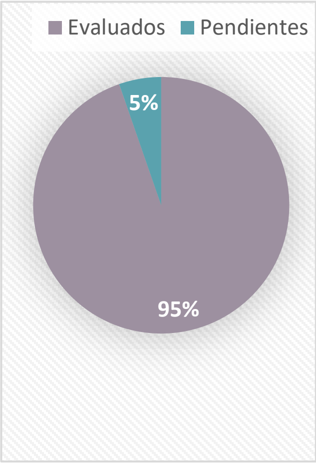
Las recomendaciones contenidas en los informes de auditorías o especiales emitidos por la OCPR son las acciones o medidas propuestas para corregir las situaciones y eliminar las causas de estas o ambas, que fueron identificadas como resultado de la auditoría o del estudio realizado. Cuando se emite un informe con recomendaciones, el estatus de estas se verifica mediante el Plan de Acción Correctiva (PAC).

PLAN DE ACCIÓN CORRECTIVA

El PAC es un mecanismo de seguimiento que asegura el cumplimiento de las recomendaciones realizadas por la OCPR en los informes de auditoría. Este programa se implementó de conformidad con lo establecido en la Ley Núm. 9 y la Orden Ejecutiva OE-1998-16 del 13 de junio de 1998[1]. Mediante esta Orden Ejecutiva se le requiere al funcionario principal de la entidad auditada que implemente las acciones correctivas en cumplimiento con las recomendaciones de nuestras auditorías.

El 12 de marzo de 2012 la Oficina de Ética Gubernamental de Puerto Rico emitió la **Carta Circular Núm. 2012-01** en la que establece que el incumplimiento con los PAC podría considerarse una violación a la Ley 1-2012, Ley de Ética Gubernamental de Puerto Rico, en la medida que el incumplimiento de las recomendaciones ocasione la pérdida de fondos públicos o produzca daño a la propiedad pública.

El Reglamento 26, Reglamento para la Administración del Plan de Acción Correctiva del 24 de octubre de 2016 establece las normas para requerir y regular el proceso de seguimiento del cumplimiento con las recomendaciones contenidas en los informes de auditoría o en los informes especiales emitidos. Además, para requerir y regular la coordinación con las entidades de seguimiento y las entidades de referimiento relacionadas con las recomendaciones en los informes con las situaciones referidas, respectivamente; y el seguimiento de las recomendaciones contenidas en las cartas a la gerencia (*management letters*) de los auditores externos.



Desde el 1 de marzo de 2010 implementamos un proceso que permite a las entidades gubernamentales enviar la información de los PAC e Informes Complementarios en formato electrónico mediante la aplicación *Sistema PAC.*

Durante el año fiscal 2023-24 recibimos 732 y evaluamos 693 planes para determinar el cumplimiento de las recomendaciones contenidas en los informes de auditoría. Esta cifra incluye los PAC iniciales y los informes complementarios.

[1] Esta Orden Ejecutiva derogó la Orden Ejecutiva del 6 de mayo de 1988, Boletín Administrativo 5098D

INVESTIGACIONES ESPECIALES Y QUERELLAS

Nuestra División de Investigaciones Especiales (DIE) recibe y evalúa las querellas que se presentan o se refieren a la OCPR. Estas pueden ser radicadas por cualquier persona que tenga conocimiento sobre el mal uso de propiedad o de fondos públicos y deben estar basadas en hechos concretos que reflejen la posible violación de leyes o reglamentos por parte de funcionarios, empleados públicos o personas particulares.

Durante el año fiscal 2023-24 recibimos 466 querellas, atendimos 272.

También, como parte de nuestras colaboraciones en investigaciones con otras agencias estatales y federales, incautamos múltiples equipos electrónicos para examinarlos desde nuestro laboratorio forense digital.

CONSULTAS LEGALES

Con el propósito de alcanzar una sana administración pública en Puerto Rico atendimos 110 consultas a las unidades que auditamos.

PREVENCIÓN Y ADIESTRAMIENTOS

A través de nuestros adiestramientos y orientaciones contribuimos a la construcción de una conciencia laboral y ciudadana sobre el buen uso de los recursos del gobierno, la buena gobernanza y una administración pública de excelencia. La capacitación nos permite cumplir con nuestro rol de asesor ante las entidades y organismos sujetos a nuestra evaluación, promoviendo la transparencia, el mejoramiento continuo y la sana administración pública.

Durante el período del 1 de julio de 2023 al 30 de junio de 2024 ofrecimos 72 orientaciones y adiestramientos externo, impactando **6,794 personas,** tanto del sector gubernamental como del sector privado (asociaciones profesionales e instituciones académicas).

Esta cantidad incluye adiestramientos ofrecidos sobre el uso adecuado de la propiedad y de los fondos públicos en cumplimiento con la Ley 58-2020 y a 53 ejecutivos nombrados por la Gobernadora de Puerto Rico en cumplimiento con la Ley 190-2006. Además, el curso sobre contratación gubernamental[2] que nos fue requerido por la Junta de Supervisión y Administración Financiera para Puerto Rico.

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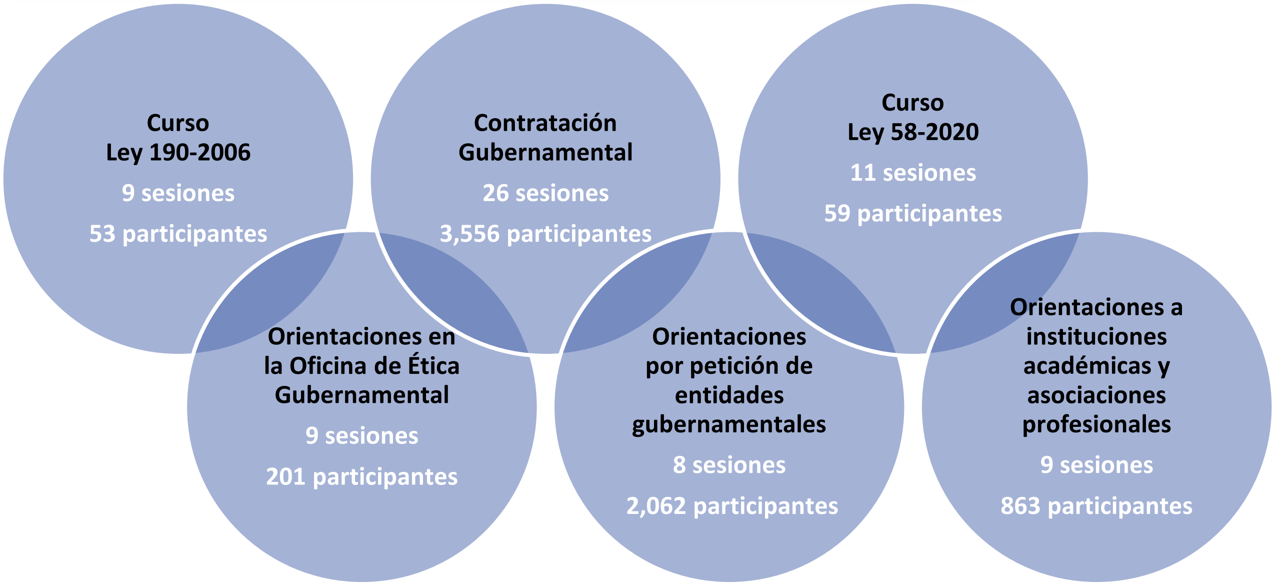
[2] El curso de Contratación Gubernamental consta de dos partes de cuatro horas cada una. Está dirigido al personal que tiene injerencia en el proceso de contratación gubernamental, ya sea en la formalización de los contratos, ejecución o en el registro y remisión de estos a la OCPR.



ANTICORRUPCION Y RELACIONES EXTERNAS

La OCPR es uno de varios organismos que garantizan que la gestión gubernamental y la utilización de sus recursos económicos respondan a la realidad de las necesidades y **somos la única entidad reconocida como Entidad Fiscalizadora Superior (EFS) en Puerto Rico**. Esto debido a la responsabilidad asignada a nuestra Oficina.

Además, somos miembro de varias organizaciones nacionales e internacionales, en las cuales participamos de forma activa. Entre estos se encuentran:

- ✓ National Association of State Auditors, Comptrollers and Treasures (NASACT)
- ✓ National State Auditors Association (NSAA)
- ✓ Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores (OLACEFS)
- ✓ Organización Centroamericana y del Caribe de Entidades Fiscalizadoras Superiores (OCCEFS)
- ✓ Organización Internacional de Entidades Fiscalizadoras Superiores (INTOSAI)

Durante el año fiscal 2023-24 recibimos 11 solicitudes de información de varias EFS y respondimos 16 encuestas de las EFS sobre diferentes temas como: capacitación y asuntos de auditoría.

También, realizamos un autoanálisis de la implementación de la Política Regional de Prevención y Lucha contra la corrupción de la OLACEF – Comisión Técnica de Lucha contra la Corrupción (CTCT)

Continuamos trabajando en estrategias para mejorar la página web de la y cumplir con **los criterios de evaluación de la OLACEFS** sobre los estándares de transparencia de las EFS. En noviembre de 2023 la OCPR obtuvo un 100% en dicha evaluación. Por otro lado, en agosto de 2023 revisamos la publicación *Organizaciones sin fines de lucro: Uso de bienes y fondos públicos*.

Además, participamos y asistimos en varias reuniones y asambleas, entre estas:

1. *Comptroller General's Domestic Working Group* annual meeting of the Governmental Accountability Office (GAO) celebrada el 23 de julio de 2023.

2. XLVII Asamblea General Ordinaria de la *Organización Centroamericana y del Caribe de Entidades Fiscalizadoras Superiores* (OCCEFS) celebrada en la Ciudad de Panamá, Panamá el 31 de julio de 2023.

3. Asamblea General Extraordinaria de la *Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores* (OLACEFS) celebrada el 17 de agosto de 2023.

4. *National Association of State Auditors, Comptrollers and Treasures (NASACT) Annual Conference*, celebrada en Charleston, South Carolina en agosto 2023.

5. *National Intergovermental Audit Forum Meeting (NIAF) celebrada en Washington, DC* el 16 y 17 de mayo de 2023, donde el tema principal fue "Navegando por aguas desconocidas: cuestiones críticas de auditoría para un mundo pospandémico".

6. Conferencia Anual Internacional por la Integridad - CAII 2023 - celebrada en Lima, Perú del 27 al 28 de noviembre de 2023.

7. XXXII Asamblea General Ordinaria de la *Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores* (OLACEFS) celebrada en Lima, Perú del 28 de noviembre al 1 de diciembre de 2023.

8. 1ª Reunión del *Task Force* de la INTOSAI sobre Participación Ciudadana y Compromiso con la Sociedad Civil, realizada del 13 al 15 de marzo de 2024 en Lima, Perú.

9. Conferencia de la INTOSAI "*Climate Scanner Global Call: Engaging Supreme Audit Institution in Assessing national climate action*", que se llevó a cabo **del 25 al 26 de marzo de 2024** en las Naciones Unidas, New York. Global Call to the Climate Scanner

10. Simposio de la **INTOSAI** y las Naciones Unidas "Implementación del ODS 13 Acción por el Clima: papel, contribución y experiencia de las Entidades Fiscalizadoras Superiores (EFS)" celebrado del **16 al 18 de abril de 2024** en Viena, Austria.

11. OLACEF *Climate Scanner Workshop* realizado del 22 al 26 de abril de 2024 en la Ciudad de México.

12. Asamblea General Extraordinaria virtual de la *Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores* (OLACEFS) celebrada el 24 de junio de 2024.

13. Reuniones del Grupo de Trabajo sobre Igualdad de Género y No Discriminación (CTG) de la OLACEFS.

14. Varios auditores participaron de 16 cursos virtuales ofrecidos por la **OLACEFS**.

15. Participamos en 13 *webinars* organizados por **OLACEFS, OCCEFS e INTOSAI**.

ACUERDOS DE COLABORACIÓN ESTATALES E INTERNACIONALES

Mantenemos acuerdos de colaboración con diversas entidades gubernamentales estatales y federales, así como con entidades locales e internacionales. De los cuales destacamos los siguientes:

- ✓ Negociado Federal de Investigaciones (FBI por sus siglas en inglés)
- ✓ Departamento de Estado
- ✓ Departamento de Hacienda
- ✓ Oficina del Inspector General (OIG)
- ✓ Administración de Servicios Generales (ASG)
- ✓ Oficina Central de Recuperación, Reconstrucción y Resiliencia (COR3)
- ✓ Departamento del Trabajo de Estados Unidos

Acuerdos internacionales con:

- ✓ República de Guatemala
- ✓ República de El Salvador
- ✓ Contraloría General de Medellín, Colombia

También, colaboramos con Organizaciones No Gubernamentales:

- ✓ Sembrando Sentido – análisis del proceso de contratación pública en Puerto Rico.
- ✓ Centro de Gobernanza Pública y Corporativa – análisis para el Informe de la Sociedad Civil sobre la Implementación del Capítulo II (Prevención) y el Capítulo V (Recuperación de Activos) de la Convención de las Naciones Unidas contra la Corrupción en Puerto Rico.

REGISTROS PÚBLICOS

La División de Registros Públicos es parte del componente operacional de la OCPR. Esta división tiene la responsabilidad de implantar y asegurar el cumplimiento de las disposiciones establecidas en las leyes que crean los diferentes registros públicos que administra o tienen que ver con la función de la Oficina.

REGISTRO DE CONTRATOS

De acuerdo con la Ley Núm. 18 del 30 de octubre de 1975, según enmendada, los organismos gubernamentales, incluidas las corporaciones públicas y los municipios, están obligados a mantener un registro de todos sus contratos, incluidas las enmiendas. Además, deben registrar y remitir copia de sus contratos y enmiendas a la OCPR dentro de los 15 días consecutivos a partir de la fecha de otorgamiento, o 30 días consecutivos si el contrato se otorga fuera de Puerto Rico. Las excepciones a este requisito se establecen en el Reglamento 33 del 8 de diciembre de 2020.

La OCPR utiliza el Registro con fines de verificación como parte de su función fiscalizadora. El 15 de octubre de 2009, implementamos una versión del Registro que permite a las agencias gubernamentales, entre otras mejoras, remitir los contratos a través de Internet. Desde el 1 de octubre de 2018, las copias de los contratos están disponibles sin cargo.

El sistema de información relacionado con el Registro de Contratos establecido desde 1990-91 ha demostrado ser una herramienta eficiente de investigación. Este sistema cuenta con una función de búsqueda utilizando varios campos de referencia como: número de contrato, nombre del contratista, fecha de otorgamiento, cuantía y tipo de contrato. El Registro está accesible en Internet desde 1999.

El Registro de Contratos es un mecanismo indispensable para asegurar la transparencia en la contratación gubernamental y fomentar la fiscalización de los fondos públicos. La aplicación permite y facilita a la ciudadanía el acceso a los contratos del Gobierno. Por esto, es la herramienta de transparencia más importante que tiene el Pueblo de Puerto Rico.

Durante el año fiscal 2023-24 se registraron 114,668 y se publicaron 130,785 contratos. Al cierre del año fiscal había 690,664 contratos disponibles en consulta pública.

REGISTRO DE PÉRDIDAS O IRREGULARIDADES DE FONDOS O BIENES PÚBLICOS

La Ley Núm. 96 del 26 de junio de 1964, según enmendada, establece que cuando una agencia determine que cualquiera de sus funcionarios o empleados está al descubierto en su cuentas, ha rendido cuenta cabal o a dispuesto de fondo o bienes públicos para fines no autorizados por ley; o que cualquiera de sus funcionarios o empleados, o persona particular sin autorización legal ha usado, destruido, dispuesto o se ha beneficiado de fondos o bienes públicos bajo el dominio control o la custodia de la agencia lo notificará al Contralor de Puerto Rico.

El 30 de octubre de 2013, la OCPR implementó un sistema de registro computarizado en el que las entidades gubernamentales registran la información relacionada con pérdidas o irregularidades con fondos o bienes públicos.

REGISTRO DE PRIVATIZACIONES

La Ley 136-2003, enmendada por la Ley 71-2007 requiere que, al 30 de junio de cada año, todas las entidades gubernamentales, incluidas las corporaciones públicas y los municipios remitan al Gobernador, a la Asamblea Legislativa de Puerto Rico y a la Oficina del Contralor de Puerto Rico un informe anual detallado en el que se exponga el estado de toda privatización efectuada bajo su competencia.

Además, deben presentar información relacionada con contratos, presupuesto, proyectos, obligaciones, controles internos, bienes inmuebles y una evaluación financiera y administrativa independiente de dichas privatizaciones.

La OCPR está obligada a mantener un registro de todos los informes recibidos. El Registro está accesible al público en general a través de Internet.

REGISTRO DE PUESTOS E INFORMACIÓN RELACIONADA

De acuerdo con la Ley 103-2006, toda agencia que reciba recursos del Fondo General del Gobierno debe someter antes del 31 de diciembre de cada año, a los secretarios de la Cámara de Representantes y del Senado de Puerto Rico, a la Oficina del Contralor y a la Oficina de Gerencia y Presupuesto, una certificación firmada y juramentada por el funcionario principal y por el director de Finanzas de la agencia. Esta certificación debe contener, entre otras cosas: el número de puestos ocupados por categoría, al inicio y al final del año fiscal, incluido el presupuesto de nómina; una relación de los servicios profesionales recibidos y un análisis de gastos durante el año fiscal; y todas sus fuentes de financiamiento del Fondo General, asignaciones especiales, fondos estatales y federales, y otros ingresos.

Además, por la Ley 103-2006 se creó un Registro de Puestos, que dispone que todas las dependencias, corporaciones públicas y municipios informen, mensualmente, todos los puestos ocupados y vacantes. El registro diseñado y administrado por la OCPR se encuentra disponible en línea a través de Internet.

SISTEMAS DE INFORMACIÓN

Parte de la misión principal de la División de Sistemas de Información es ofrecer servicios tecnológicos confiables, accesibles y seguros al personal y a la ciudadanía, así como agilizar los procesos y estar a la vanguardia de la tecnología. Por esto, durante el año fiscal 2023-24:

- Migramos a una versión de *TeamMate* en ambiente WEB. La cual nos permitirá compartir los trabajos en tiempo real, reduciendo el tiempo de respuesta y de supervisión de las auditorías.

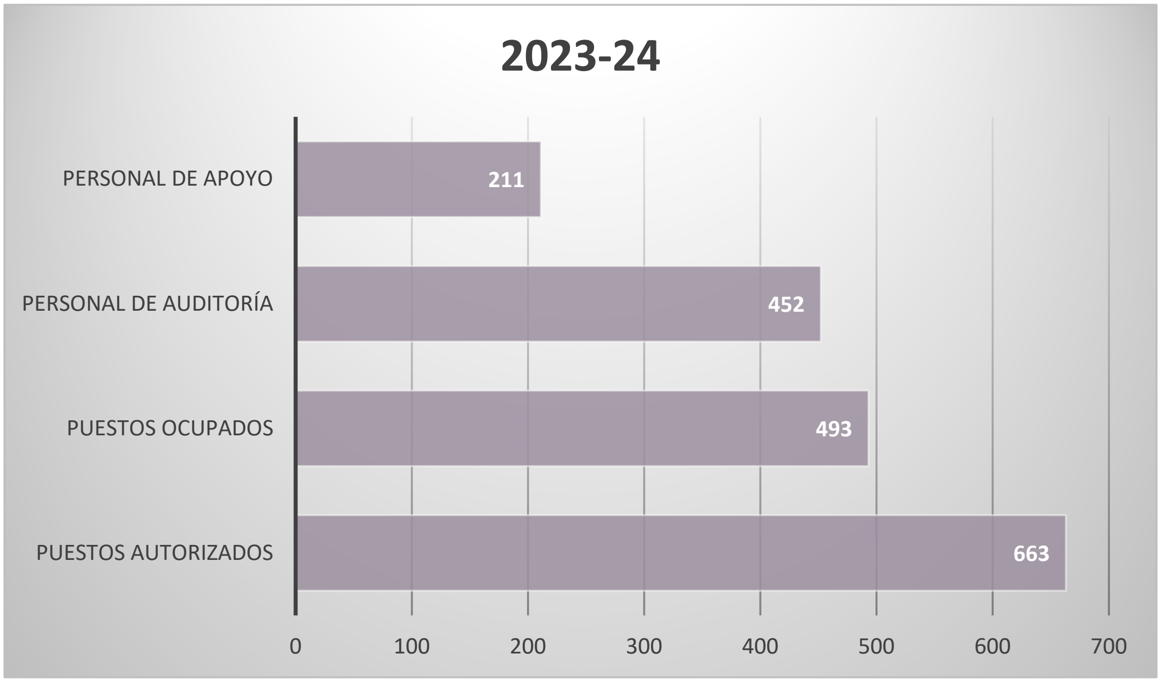
- Continuamos con el desarrollo del *Collaborative Audit Portal* (CAP). El CAP pretende que la data de las agencias del gobierno, se conecten de forma ágil y segura, para realizar consultas y análisis de los datos obtenidos por nuestros auditores. El proyecto tiene diferentes etapas, y conlleva la colaboración de diversas agencias, contratistas y compañeros de las divisiones de apoyo y de auditoría.

- Trabajamos con la herramienta de un asistente virtual (Radabot GPT) que nos ayude en lograr eficiencia y precisión en la búsqueda y análisis de los datos. Esta herramienta fue utilizada por primera vez en la publicación de cinco informes para las tres ramas del Gobierno sobre el estudio de las demandas por concepto de despidos, acciones disciplinarias u otras transacciones de personal por motivo político-partidista, de acoso laboral y de hostigamiento laboral.

CAPITAL HUMANO

Al 30 de junio de 2024 tuvimos 493 puestos ocupados de los 663 puestos autorizados; 452 eran auditores y 211 eran personal de apoyo. El personal de apoyo está formado por asesores legales, personal administrativo y otros. Durante el año fiscal 2023-24, renunciaron o se jubilaron 36 empleados; 25 auditores y 11 personal de apoyo. Por otro lado, se reclutaron 12 empleados; 7 auditores y 5 personal de apoyo. Además, participaron tres estudiantes en el Programa de Internado.

Un total de 743,109.10 horas se dedicaron a auditorías, servicios y apoyo administrativo, sistemas de información y comunicaciones, capacitación, prevención y anticorrupción y, transparencia.



Obtuvimos la aprobación y la asignación de fondos de la Junta de Supervisión y Administración Financiera para Puerto Rico y de la Asamblea Legislativa para la implementación del Plan de Clasificación y Retribución. Luego de 25 años, los salarios de nuestros empleados se llevaron al mercado laboral y pudimos ofrecer salarios competitivos. Esto permite en parte, detener la fuga de personal, retener y fortalecer nuestros recursos humanos.

DESARROLLO Y CAPACITACIÓN

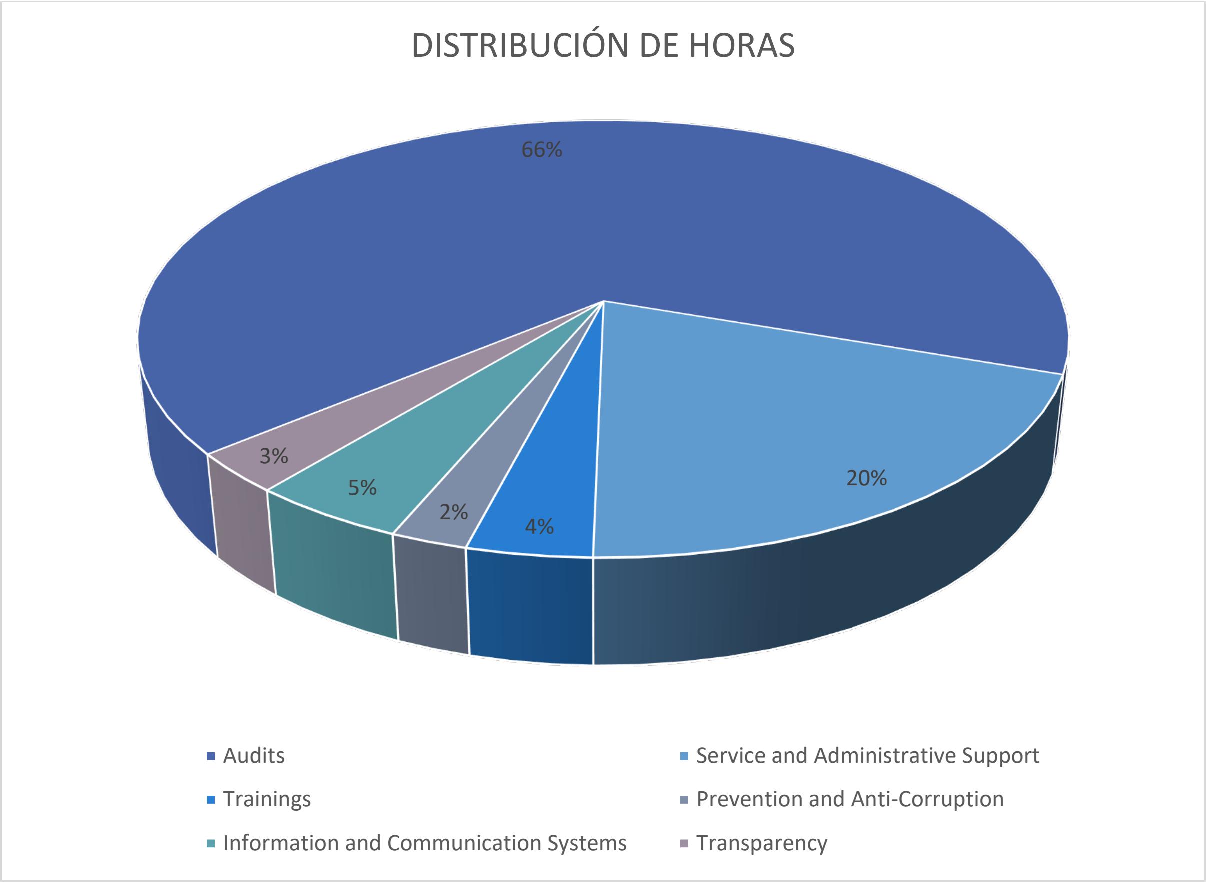
El desarrollo y la capacitación del personal es una de las áreas más importantes del desarrollo profesional en la OCPR. Es requisito que todo el personal cumpla con las horas de adiestramientos requeridas. El personal de apoyo debe acumular 15 horas anuales de adiestramientos.

Los auditores deben cumplir con 80 horas de educación profesional continua (CPE, por sus siglas en inglés) cada dos años; 24 deben ser en temas relacionados a auditoría gubernamental, el entorno del gobierno, o al o el entorno específico o único en el que opera la entidad auditada. Las otras 56 horas deben ser en temas que mejoren la competencia profesional.

Además, ofrecimos a todo el personal adiestramientos sobre:

- Ética Gubernamental
- Técnicas para la detección del uso ilegal de sustancias controladas
- Hostigamiento Sexual en el Empleo
- Protocolo de Violencia Doméstica
- Derecho de las Personas con Impedimentos

Durante el año fiscal 2023-24, se dedicaron 27,611.50 horas a capacitación y educación.



INFORMACIÓN FINANCIERA

PRESUPUESTO

El presupuesto asignado a la OCPR para el año fiscal 2023-24 fue de $47,991,254; esto representa $1,047,545 más en comparación con el año fiscal anterior. De esta cantidad, $6,519,000 fueron retenidos por la Oficina de Gerencia y Presupuesto (OGP) para el pago de los pensionados (PayGo). Lo que resultó en un presupuesto operacional de $41,472,000. La OCPR tuvo gastos y obligaciones por $37,858,046, dejando un balance de $3,613,954 el cual está disponible para gastos no recurrentes. La información detallada se presenta en el Estado Financiero Auditado. A continuación, una comparativa con el año fiscal anterior.

	2023-24		2022-23	
Description	**Appropriation**	**Percent**	**Appropriation**	**Percent**
Salaries and Payroll Related Expenditures	32,863,000	68	32,257,709	69
PayGo	6,519,254	14	6,292,000	13
Transportation Expenditures	1,801,000	4	1,623,500	3
Other Purchased Services	1,530,267	3	1,323,100	3
Professional Services	1,161,000	2	996,000	2
Facilities and Payments of Public Services	1,023,000	2	768,184	2
Rent	2,030,133	4	2,040,600	4
Materials and Supplies	420,300	1	789,200	2
Other Expenditures	349,300	1	360,500	1
Capital Outlays	294,000	1	492,916	1
Total	47,991,254	100	$46,943,709	100

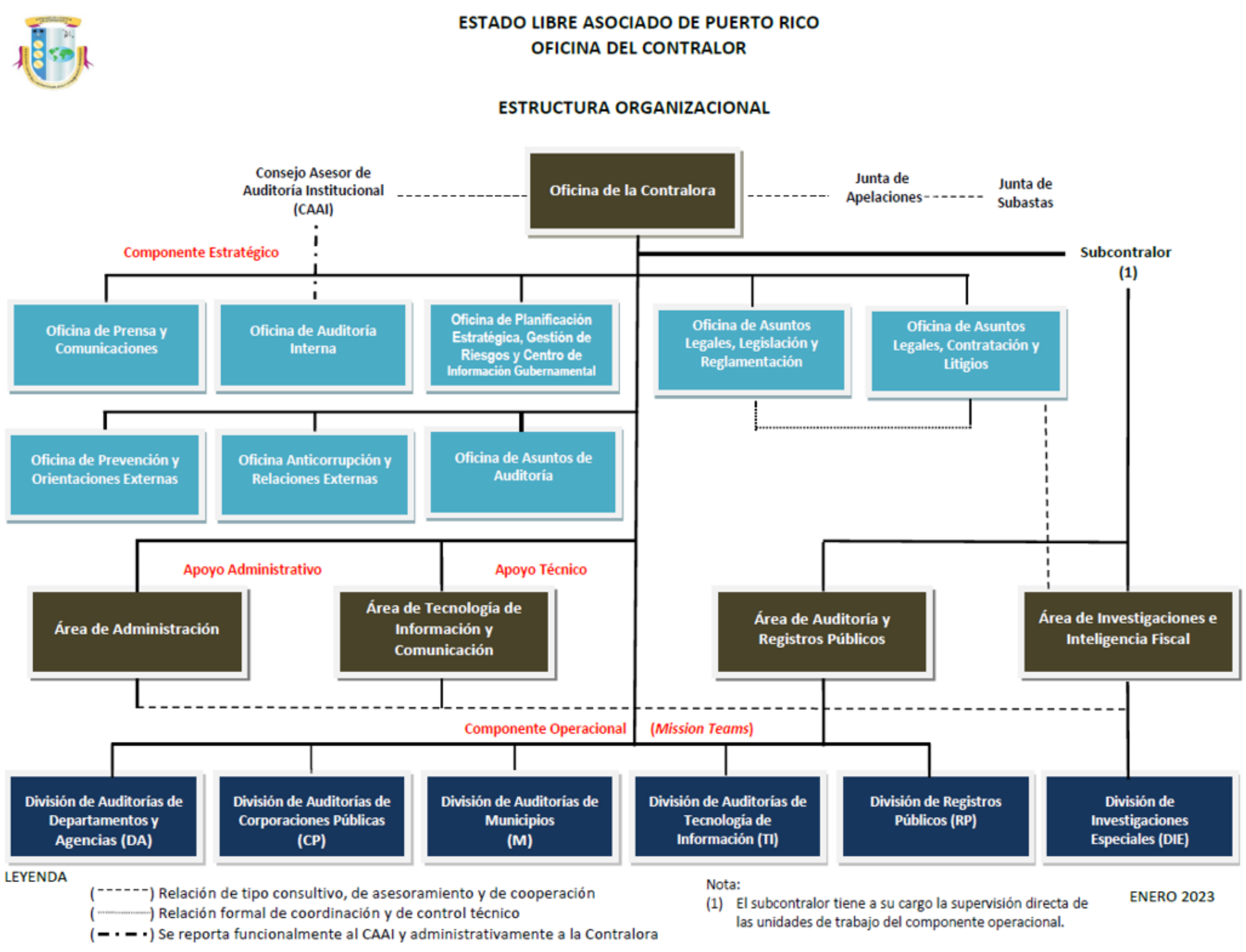
En la OCPR somos responsables al administrar los recursos responsablemente, con prudencia, disciplina y transparencia y de establecer y mantener una estructura de control interno diseñada para garantizar que sus activos estén protegidos contra pérdidas, robos o usos indebidos, y que se recopilen datos contables adecuados para permitir la presentación de estados financieros de acuerdo con los principios de contabilidad generalmente aceptados.

Además, contamos con regulaciones para fortalecer la independencia, integridad y confiabilidad de la auditoría interna de la Oficina y la transparencia en sus procesos y transacciones fiscales.

AUDITORÍA INDEPENDIENTE

La firma independiente de contadores públicos autorizados, KPMG, LLP realizó la auditoría de los estados financieros para el año fiscal finalizado el 30 de junio de 2024. En la OCPR recibimos los estados financieros auditados el 7 de junio de 2024. El informe de auditoría se presenta en la Sección Financiera.

ORGANIGRAMA



FUNCIONARIOS PRINCIPALES – OFICINA DEL CONTRALOR

Hon. Yesmín M. Valdivieso Contralora	Glenda M. Díaz Márquez Directora Oficina de Planificación Estratégica, Gestión de Riesgos y Centro de Información Gubernamental
David de Jesús Colón Subcontralor	Abelardo Casanova Hernández Director Oficina de Asuntos Legales, Legislación y Reglamentación
Miriam T. Contreras Amador Contralora Auxiliar	Ismael Ramírez Rodríguez Director Oficina de Asuntos Legales, Contratación y Litigios
Miriam Díaz Viera Directora Oficina de Prevención y Orientaciones Externas	Myriam J. Flores Santiago Directora de Auditoría Interna
Hannelore Y. Valentin Fortunet Directora Oficina de Anticorrupción y Relaciones Externas	Lisandra Rivera Rivera Directora Oficina de Prensa y Comunicaciones
ÁREA DE AUDITORÍA Y REGISTROS PÚBLICOS	
Edna Velázquez Díaz Directora Oficina de Asuntos de Auditoría	Ivonne J. Plumey López Directora División de Auditorías de Tecnología de Información
Hedin V. García Guzmán Director División de Auditorías de Departamentos y Agencias	Julio J. Dávila Bravo Director División de Investigaciones Especiales
Elvira López Ortiz Directora División de Auditorías de Corporaciones Públicas	Rocío de Jesús Gómez Directora División de Registros Públicos
Juan A. Rivera Rivera Director División de Auditorías de Municipios	

Á R E A D E A D M I N I S T R A C I Ó N	
Iseut G. Vélez Rivera Directora División de Capital Humano	Marielis Rivera Márquez Directora Centro de Desarrollo Profesional y Actividades Especiales
Mara Reyes Alfonso Directora División de Servicios Generales	Madeline Cruz Flores Administradora Programa de Administración de Documentos
Yarila Sánchez Torres Directora División de Finanzas y Presupuesto	
Á R E A D E T E C N O L O G Í A D E I N F O R M A C I Ó N Y C O M U N I C A C I Ó N	
Joannie Madera Villanueva Directora División de Sistemas de Información	

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

(An Agency of the Commonwealth of Puerto Rico)

Financial Statements and Required Supplementary Information

June 30, 2024

(With Independent Auditors' Report Thereon)

COMMONWEALTH OF PUERTO RICO
OFFICE OF THE COMPTROLLER

(An Agency of the Commonwealth of Puerto Rico)

Table of Contents

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), as an agency of the Commonwealth of Puerto Rico (the Commonwealth), as of and for the year ended June 30, 2024, 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 general fund of the Office, as of June 30, 2024, 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 Governmental Auditing Standards issued by the Comptroller General of 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 the 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 support to, and do not, present fairly the financial position of the Commonwealth as of June 30, 2024, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Office's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 a guarantee that an audit conducted in accordance with GAAS 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, 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Office's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of 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.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis, schedule of the Office's proportionate share of the 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 the financial reporting for placing basic financial statements in an appropriate operational, economic and 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 information 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 audit 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 27, 2025, 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 University '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 27, 2025

License Number LLP-21
Expires December 1, 2025

DLLP21-183
Office of the Comptroller

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, 2024. 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 at the close of the fiscal year ended June 30, 2024 amounted to approximately $136,418,000 comprising primarily of the total pension liability of approximately $118,716,000 as determined by actuarial valuation as of July 1, 2022, following GASB 73.
- The liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by approximately $109,863,000.
- The Office's total assets and deferred outflows of resources decreased by approximately $19,064,000 comprising primarily of decrease of net pension liability determined by an actuarial as of July 1, 2022, calculated on the 3.65% discount rate (projected forward to June 30, 2023) per GASB 73. In addition, during the year a portion of previously recognized deferred outflows of resources was amortized and recognized in pension expense, further reducing the deferred outflows balance at year-end.
- The Office's net position increased by approximately $2,738,000 in fiscal year 2024 when compared to prior year net deficit position of approximately $112,601,000, mainly as a result of the increase in deferred outflows and total assets.
- The Office's net investment in capital assets decreased by approximately $105,500.
- The Office's net right to use assets decreased by approximately $1,088,000.
- The final budget of the Office for fiscal year 2023-2024 was $47,991,254.

The Office's budgetary basis revenues and other financing sources exceeded its budgetary basis expenditures by approximately $4,106,000 for the fiscal year 2023-2024.

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 34 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 $1,954,000, net right to use lease asset of approximately $42,900, restricted special appropriation to audit the Commonwealth's debt surplus of $1,000,000 and an unrestricted deficit of approximately $112,860,000. The following is condensed summary information for fiscal years ended June 30, 2024 and 2023.

	Condensed Information - Net Position		
	2024	**2023**	**Change**
Current assets	$ 14,205,341	10,456,213	3,749,128
Right to use assets, net	42,944	1,131,289	(1,088,345)
Capital assets, net	1,954,082	2,059,590	(105,508)
Total assets	16,202,367	13,647,092	2,555,275
Deferred outflows of resources	11,369,072	32,988,701	(21,619,629)
Current liabilities	1,413,192	346,921	1,066,271
Long-term liabilities	135,004,605	145,717,952	(10,713,347)
Total liabilities	136,417,797	146,064,873	(9,647,076)
Deferred inflows of resources	1,016,541	13,172,122	(12,155,581)
Net position:			
Net investment in assets	1,997,027	3,190,879	(1,193,852)
Restricted	1,000,000	1,000,000	—
Unrestricted – deficit	(112,859,926)	(116,792,081)	3,932,155
Total net position	$ (109,862,899)	(112,601,202)	2,738,303

Total assets of the Office's at June 30, 2024 increased by approximately $2,555,000 when compared to the total assets as of June 30, 2023 primarily attributable to an increase of current assets of approximately $3,749,000.

Deferred outflows of resources, which represents an increase in net position applicable to future reporting periods, decreased by approximately $21,620,000 when compared to June 30, 2023.

Total liabilities at June 30, 2024 decreased by approximately $9,647,000 when compared to total liabilities at June 30, 2023. This decrease is mainly resulted from the decrease in net pension liability of approximately $7,643,000 when compared to accounts pension liability at June 30, 2023.

(Continued)

Deferred inflows of resources, which represent a decrease in net position that is applicable to future reporting periods, amounted to approximately $1,017,000 at June 30, 2024. The decrease of approximately $12,156,000 when compared to June 30, 2023 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, 2024 amounts to approximately $1,954,000. The Office's capital assets, net decreased during 2024 by approximately $105,500.

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

- Current year's depreciation and amortization of approximately $636,300, and
- Capital asset additions of approximately $656,600.

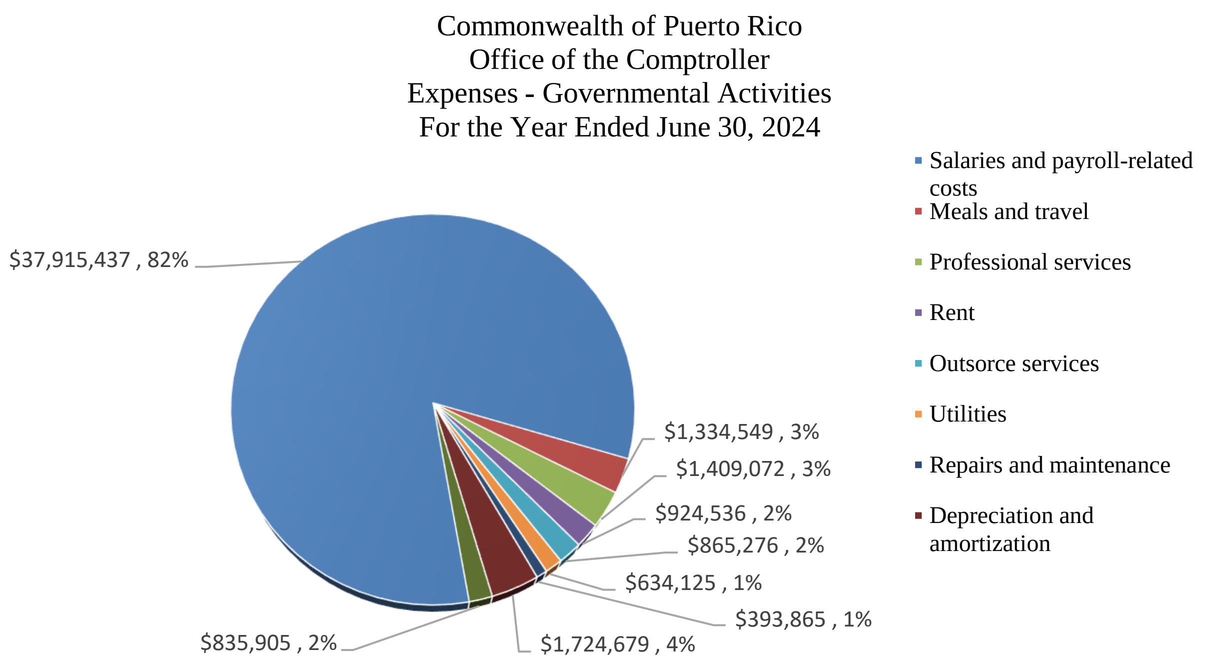
Changes in Net Position

The following condensed summary of activities reflects how the Office's net position changed during the fiscal year ended June 30, 2024.

	Condensed Information – Statement of Activities		
	2024	**2023**	**Change**
Revenues	$ 604,235	381,056	223,179
Transfers in	48,171,512	46,943,709	1,227,803
Transfers out	—	—	—
Expenses	(46,037,444)	(43,333,170)	(2,704,274)
Change in net position	2,738,303	3,991,595	(1,253,292)
Net position:			
At beginning of year	(112,601,202)	(116,592,797)	3,991,595
At end of year	$ (109,862,899)	(112,601,202)	2,738,303

(Continued)

The following chart presents the expenses incurred by the Office during the fiscal year ended June 30, 2024.



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, 2024. Total expenses also increased by approximately $2,704,000. The increase in net transfers of approximately $1,228,000 is mainly due to Commonwealth transfers for new personnel recruitment of approximately $1,001,000 when compared to June 30, 2023.

General Fund Budgetary Highlights

The 2023-2024 General Fund Budget was $47,991,254 and actual expenses in the budgetary basis were approximately $44,489,000. Total expenditures represented 91.55% 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, 2024.

		Actual
Revenue and other financing sources	$	48,595,489
Expenditures		44,489,101
Unexpended balance	$	4,106,388
Expenditure rate		91.55 %

The operational results present a saving on the assigned budget amounting to approximately $4,106,000 for year ended June 30, 2024.

Economic Factors and Next Year's Budget

The Office approved budget for the fiscal year 2025 is approximately $48,296,000. 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.

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, 2024

	General Fund Balance Sheet	Adjustments	Statement of Net Position
Assets:			
Current assets:			
Cash in commercial bank	$ 13,822,428	—	13,822,428
Accounts receivable – employees and other	12,449	—	12,449
Prepaid Paygo	370,464	—	370,464
Total current assets	14,205,341	—	14,205,341
Right to use lease assets, net	—	42,944	42,944
Capital assets:			
Non-depreciable	—	45,191	45,191
Depreciable, net	—	1,908,891	1,908,891
Capital assets, net	—	1,954,082	1,954,082
Total assets	14,205,341	1,997,026	16,202,367
Deferred outflows of resources – Pensions	—	11,211,372	11,211,372
Deferred outflows of resources – OPEB	—	157,700	157,700
Total deferred outflows of resources	—	11,369,072	11,369,072
Total assets and deferred outflows of resources	$ 14,205,341	13,366,098	27,571,439
Liabilities:			
Current liabilities			
Accounts payable and accrued liabilities	1,413,192	—	1,413,192
Total current liabilities	1,413,192	—	1,413,192
Long-term liabilities:			
Accrued long-term liabilities, due within one year	—	12,873,456	12,873,456
Other accrued long-term liabilities, due after one year	—	122,131,149	122,131,149
Total long-term liabilities	—	135,004,605	135,004,605
Total liabilities	1,413,192	135,004,605	136,417,797
Deferred inflows of resources – Pensions	—	1,016,541	1,016,541
Total liabilities and deferred inflows of resources	1,413,192	136,021,146	137,434,338
Fund balance/net position:			
Fund balance:			
Committed	2,852	(2,852)	—
Assigned	1,272,774	(1,272,774)	—
Restricted	1,000,000	(1,000,000)	—
Unassigned	10,516,523	(10,516,523)	—
Total fund balance	12,792,149	(12,792,149)	—
Total liabilities and fund balance	$ 14,205,341		
Net position:			
Net investment in capital assets		1,954,033	1,954,033
Net right to use lease asset		42,944	42,944
Restricted		1,000,000	1,000,000
Unrestricted		(112,859,876)	(112,859,876)
Net position		$ (109,862,899)	(109,862,899)

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, 2024

	General Fund Revenue, Expenditures, and Changes in Fund Balance	Adjustments	Statement of Activities
Expenditures/expenses:			
General government:			
Salaries and payroll-related costs	$ 38,020,233	(104,796)	37,915,437
Meals and travel	1,334,549	—	1,334,549
Professional services	1,409,072	—	1,409,072
Insurance	94,481	—	94,481
Rent	2,069,038	(1,144,502)	924,536
Utilities	634,125	—	634,125
Noncapitalizable equipment	170,606	—	170,606
Materials and supplies	152,727	—	152,727
Repairs and maintenance	393,865	—	393,865
Depreciation and amortization	—	1,724,679	1,724,679
Loss on disposition of assets	—	3,567	3,567
Trainings and continuing professional education	121,655	—	121,655
Subscriptions and memberships	218,736	—	218,736
Outsource services:			
Security	262,970	—	262,970
Maintenance	153,666	—	153,666
Other	448,640	—	448,640
Printing services	25,026	—	25,026
Postage	6,414	—	6,414
	—	—	—
Miscellaneous	42,693	—	42,693
Capital outlays	534,394	(534,394)	—
Total expenditures/expenses	46,092,890	(55,446)	46,037,444
General revenue – Interest income	588,484	—	588,484
Other financing sources – Transfers:			
Transfer in Commonwealth of Puerto Rico appropriations	48,171,512	—	48,171,512
Other income	15,751	—	15,751
Total general revenue and transfers	48,775,747	—	48,775,747
Excess of revenues and transfers in over expenditures	2,682,857	(2,682,857)	—
Change in net position	—	2,738,303	2,738,303
Fund balance/net position:			
At beginning of year	10,109,292	(122,710,494)	(112,601,202)
At end of year	$ 12,792,149	(122,655,048)	(109,862,899)

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, 2024:

Fund balance	$	12,792,149
Add capital assets, net of accumulated depreciation, as they are not financial resources and, therefore, are not reported in the General Fund		1,997,026
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		11,369,072
Less deferred inflows of resources		(1,016,541)
Less Long-term liabilities not due and payable in the current period, including: accrued compensated absences, pension liability, OPEB liability, lease liability, voluntary termination benefits, and Christmas bonus		(135,004,605)
Net position	$	(109,862,899)

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, 2024:

Excess of revenues and transfers in over expenditures	$	2,682,857
Add current year change in compensated absences that are recorded as a long-term liability in the government-wide financial statements		
Compensated absences		521,803
Christmas bonus		138,061
Voluntary termination benefits		1,127,304
Less current year depreciation and amortization, as the cost of assets is allocated over their useful lives in the statement of activities		(1,724,679)
Less loss on disposal of assets that were not capitalized in the General Fund		(3,567)
Less lease interest expense which are reported as expenditures in the governmental funds when made		(46,685)
Less 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		(1,821,709)
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		139,336
Add capital outlays reported as expenditures in the General Fund that are		
Add lease payments reported as expenditures in the General Fund that are reclassified in the government-wide financial statements as reductions of lease liabilities and interest expense in accordance with GASB Statement No. 87		1,191,188
Add capital outlays reported as expenditures in the General Fund that are shown as capital assets in the statement of activities		534,394
Change in net position	$	2,738,303

(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

(a) 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

(b) Cash and Cash Equivalents

The Office maintains its cash balances in demand deposit accounts with local banking institutions in Puerto Rico. These balances are reported as cash and are not considered to include cash equivalents, as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accountin*g because the Office does not hold short-term investments or cash-equivalent instruments.

(c) Receivables and Allowance for Doubtful Accounts

Accounts receivable consists primarily of amounts due from employees and other minor sources. Based on the nature of these receivables and historical collection experience, management has determined that an allowance for doubtful accounts is not necessary.

(d) Lease Liabilities

Lease liabilities are recognized in accordance with GASB Statement No. 87, *Leases.* The Office's lease arrangements are limited in scope and do not involve significant estimates or complex terms. As a result, no additional accounting policy disclosures are deemed necessary beyond standard application of GASB 87.

(e) 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.

(f) 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.

(g) 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. 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.

(h) 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 (GASB Statement No. 75)*. 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.

(Continued)

(i) 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, 2024.
- 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.

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

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

(k) 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.

(l) 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.

(m) Termination Benefits

The Office accounts for termination benefits in accordance with GASB Statement No. 47, *Accounting for Termination Benefits (GASB Statement No. 47)*. 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.

(n) 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.

(o) Accounting Pronouncements Issued but not yet Effective

The GASB has issued the following accounting standards that have effective dates after June 30, 2024:

(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.

(Continued)

(ii) GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2024. The Office is currently evaluating the impact of this statement.

(iii) GASB Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The Office is currently evaluating the impact of this statement.

(iv) GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. 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, 2024. The bank balance, which includes funds held at local financial institutions before outstanding checks and deposits in transit, was $13,822,428.

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

(a) Capital Assets

Capital assets activity for the year ended June 30, 2024 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets, non-depreciable:				
Computer software being developed	$ 95,175	72,255	(122,239)	45,191
Capital assets depreciable:				
Equipment	760,574	136,001	(125,890)	770,685
Electronic equipment	3,205,714	252,115	(452,203)	3,005,626
Furniture	1,119,249	27,718	(136,619)	1,010,348
Computer software	2,585,870	122,244	—	2,708,114
Vehicles	434,675	46,300	(60,302)	420,673
Total capital asset, depreciable	8,106,082	584,378	(775,014)	7,915,446
Less accumulated depreciation and amortization for:				
Equipment	600,264	48,722	(125,890)	523,096
Electronic equipment	2,573,370	334,022	(448,636)	2,458,756
Furniture	737,577	17,406	(136,619)	618,364
Computer software	1,868,434	215,859	—	2,084,293
Vehicles	362,022	20,326	(60,302)	322,046
Total accumulated depreciation and amortization	6,141,667	636,335	(771,447)	6,006,555
Total capital asset depreciable	1,964,415	(51,957)	(3,567)	1,908,891
Capital assets, net	$ 2,059,590	20,298	(125,806)	1,954,082

(b) 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, 2024:

	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
	4,818,263	—	—	4,818,263
Less accumulated amortization for:				
Right of use – Buildings	(3,177,482)	(918,689)	—	(4,096,171)
Right of use – Equipment	(42,944)	(42,945)	—	(85,889)
Right of use – Parking	(466,548)	(126,711)	—	(593,259)
	(3,686,974)	(1,088,345)	—	(4,775,319)
Right to use lease assets, net	$ 1,131,289	(1,088,345)	—	42,944

Amortization expense related to the lease asset was $1,088,345 for the year ended June 30, 2024.

(6) Long-Term liabilities

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning balance June 30, 2023	Additions	Reductions	Ending balance June 30, 2024	Due within one year	Long-term portion
Accrued compensated absences	$ 12,090,621	5,864,015	(6,385,818)	11,568,818	4,633,797	6,935,021
Accrued Christmas bonus	1,345,155	1,207,094	(1,345,155)	1,207,094	1,207,094	—
Voluntary termination benefits	3,075,286	—	(1,127,304)	1,947,982	817,026	1,130,956
Lease liability	1,190,605	—	(1,144,503)	46,102	46,102	—
OPEB liability	1,656,848	19,164	(157,900)	1,518,112	156,900	1,361,212
Total pension liability	126,359,436	—	(7,642,939)	118,716,497	6,012,537	112,703,960
	$ 145,717,951	7,090,273	(17,803,619)	135,004,605	12,873,456	122,131,149

(7) Lease Liability

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 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, 2024, 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.

Amortization for the remaining lease term as of June 30, 2024, is shown below:

		Amount
Year Ending June 30:		
2025	$	42,944
Total	$	42,944

At June 30, 2024, the Office had minimum principal and interest payment requirements in its lessee activity as follows:

		Principal	Interest	Total
Year Ending June 30:				
2025	$	46,102	2,023	48,125
Total	$	46,102	2,023	48,125

(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.

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 48 eligible employees are participating in the Program and at June 30, 2024, unpaid long-term benefits granted in Act No.211 were discounted at 4.39% 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 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 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, 2023 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, 2024, the Office recorded a liability of approximately $118,716,000 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, 2023 and was determined by an actuarial valuation as of July 1, 2022 that was rolled forward to June 30, 2023. 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 $6,135,000 for the year ended June 30, 2022, relative to the Commonwealth’s total benefit payments for allocation of approximately

$1,344,015,000. At June 30, 2023, the Office's proportionate share of the Commonwealth's allocation was 0.57156%, which decreased by 0.00115% when compared to the proportionate share as of June 30, 2022 of 0.57041%.

For the year ended June 30, 2024, the Office recognized a pension expense of approximately $7,926,000.

At June 30, 2024, 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	$	82,730	740,407
Changes of assumptions		4,533,048	—
Changes in proportion		537,060	276,134
Employer pension benefits paid subsequent to the measurement date		6,058,534	—
Total	$	11,211,372	1,016,541

Approximately $6,059,000 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, 2025 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:		
2025	$	4,136,297
	$	4,136,297

(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, 2023
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 extension 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 members 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 service are assumed to be occupational members covered under Act No. 127-1958. Post-retirement Healthy 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 assumed 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, 2023 was 3.65%. 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, 2023, calculated using the discount rate of 3.65%, as well as what the total pension liability would be if it was calculated assuming a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than current rate:

	At 1% decrease (2.65%)	At current discount rate (3.65%)	At 1% increase (4.65%)
Total pension liability	$ 132,847,461	118,716,497	106,969,597

(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, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial valuation used the following actuarial assumptions applied to all periods in the measurement period.

Measurement Date	June 30, 2023
Actuarial cost method	Entry age normal
Discount rate	3.65%
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, 2023 was 3.65%. 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, 2024 the Office recorded a liability of approximately $1,518,000 for its proportionate share of 0.2348% of the Commonwealth's total OPEB liability of approximately $521,553,000. For the year ended June 30, 2024, the Office recognized OPEB expense of approximately $19,160. The collective OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 that was rolled forward to June 30, 2023. 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, 2024, the employer reported deferred outflows of resources of $157,700 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, 2025.

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, 2024, calculated using the discount rate of 3.65%, as well as what the total OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower (2.65%) or 1-percentage point higher (4.65%) than current rate:

	At 1% decrease 2.65%	At current discount rate 3.65%	At 1% increase 4.65%
Total OPEB liability	$ 1,648,293	1,518,112	1,405,800

(12) General Fund – Fund balance

At June 30, 2024, 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	$	2,852
Assigned:		
PayGo		938,061
Professional services		334,713
		1,272,774
Restricted – special appropriation		1,000,000
Unassigned		10,516,523
	$	12,792,149

(13) Subsequent Events

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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 Total Pension Liability and Related Ratios

June 30, 2024

	2024*	2023*	2022*	2021*	2020*	2019*
Office's Proportion of the Commonwealth's Total Pension Liability	0.57160%	0.57040%	0.45956%	0.45116%	0.45657%	0.45159%
Office's Proportionate Share of the Commonwealth's Total Pension Liability	$ 118,716,497	126,359,436	124,927,057	126,640,984	113,460,378	110,591,530
**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%	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-employee payroll for fiscal year ended on June 30, 2024.

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, 2024

	2024*	2023*	2022*	2021*	2020*	2019*	2018*	2017*
Office's Proportion of the Commonwealth's Total OPEB Liability	0.23480%	0.23820%	0.24462%	0.22999%	0.22763%	0.22867%	0.22717%	0.22528%
Office's Proportion of the Commonwealth's total OPEB Liability	$ 1,518,112	1,656,848	1,952,394	2,011,530	1,894,419	1,925,752	2,091,160	2,669,825

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, 2024

		Original budget	Final budget	Actual amounts (Budgetary basis)	Variance-favorable (unfavorable)
Revenue:					
Interest income	$	—	—	588,484	588,484
Other income		—	—	15,751	15,751
		—	—	604,235	604,235
Expenditures:					
Salaries and payroll-related expenditures		39,382,254	39,382,254	37,605,968	1,776,286
Facilities and payments of public services		582,000	1,023,000	633,190	389,810
Purchased services		3,095,000	3,560,400	3,285,806	274,594
Transportation expenditures		1,901,000	1,801,000	1,240,976	560,024
Professional services		1,061,000	1,161,000	880,411	280,589
Other expenditures		257,000	327,000	315,339	11,661
Materials and supplies		420,300	420,300	357,029	63,271
Capital outlays		1,232,700	294,000	168,229	125,771
Announcements and media communications required by law		60,000	22,300	2,153	20,147
		47,991,254	47,991,254	44,489,101	3,502,153
Other financing sources – transfers in:					
Commonwealth appropriations		47,991,254	47,991,254	47,991,254	—
Excess of revenue and other financing sources over expenditures	$	—	—	4,106,388	4,106,388

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, 2023 actuarial valuation, there was an increase relating to the discount rate from 3.54% in 2022 to 3.65% in 2023.

In the revised June 30, 2022 actuarial valuation, there was an increase relating to the discount rate from 2.16% in 2021 to 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.

(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, 2024 for operational appropriations of $47,991,254.

  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	$	4,106,388
Plus current year encumbrances not recorded as expenditures under the modified-accrual basis		271,028
Less expenditures recorded against unencumbered appropriations carried forward from prior year		(1,694,559)
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	$	2,682,857

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.

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Contraloría a sus órdenes...