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LCDA. TANIA BARBAROSSA ORTIZ

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- [ ] TRAER EXPEDIENTE
- [x] DAR CUENTA
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- [ ] ARCHIVAR
- [ ] PREPARAR CARTA
- [ ] NOMBRAMIENTO
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EL CAPITOLIO
PO BOX 9023431
SAN JUAN, PUERTO RICO
00902-3431

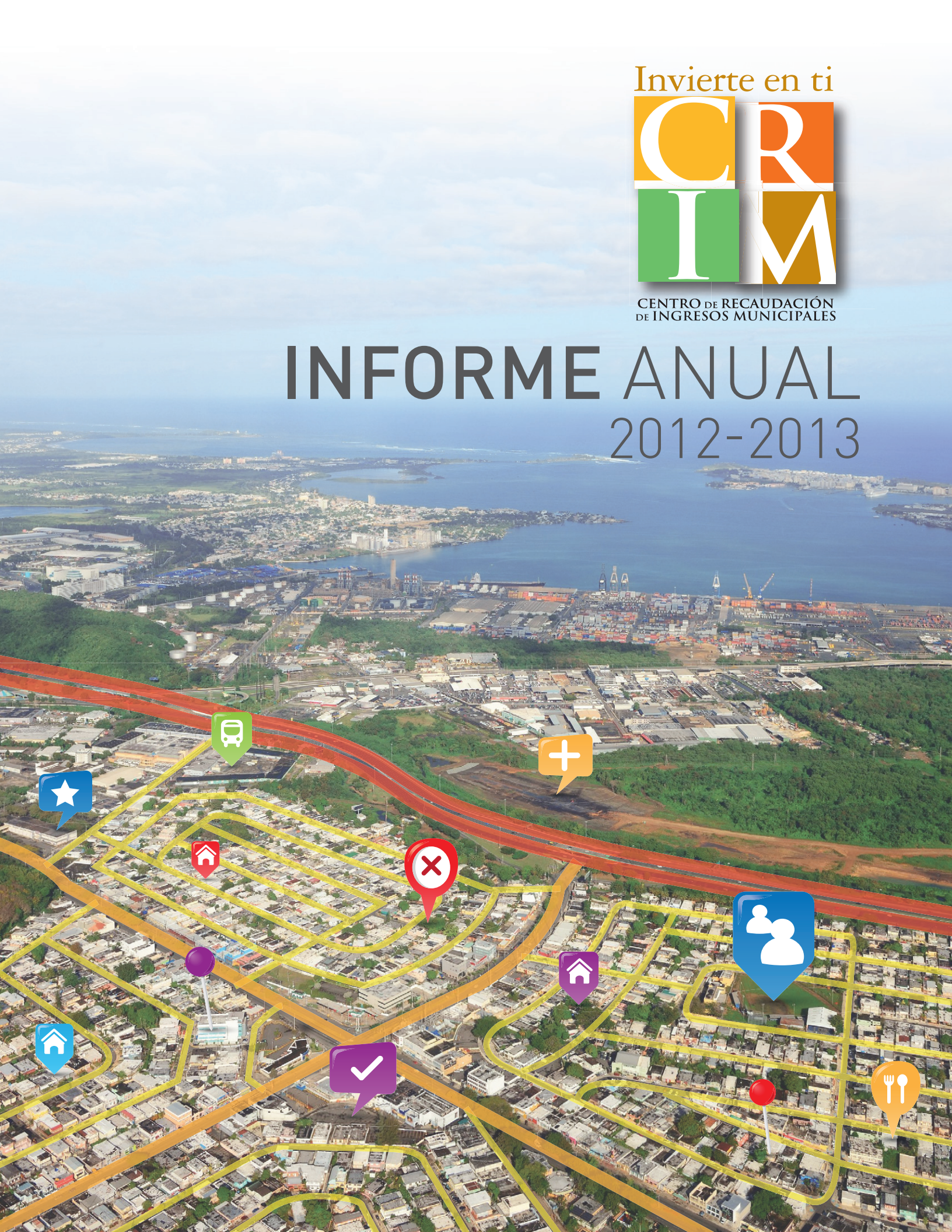
INICIALES

Invierte en ti

CRIM

CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

INFORME ANUAL 2012-2013



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CRIM

CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

INFORME ANUAL

2012-2013

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TRASFONDO

Invierte en ti

CRIM

CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

El Centro de Recaudación de Ingresos Municipales (CRIM) es una entidad municipal creada mediante la Ley Núm. 80 del 30 de agosto de 1991, según enmendada, como parte del conjunto de leyes que componen la Reforma Municipal. Las responsabilidades primarias del CRIM son segregar, tasar, notificar, recaudar y distribuir los fondos públicos provenientes principalmente de la contribución mueble e inmueble.

El CRIM administra la Ley Núm. 83 del 30 de agosto de 1991, según enmendada, conocida como "Ley de Contribuciones Municipales sobre la Propiedad". Bajo esta ley, se transfirieron al Centro de Recaudación de Ingresos Municipales todos los poderes, facultades y funciones relacionados con las contribuciones sobre la propiedad mueble e inmueble en Puerto Rico, que hasta el 1991 había tenido y ejercido el Departamento de Hacienda.

EL CRIM NACE COMO PARTE DE LA REFORMA MUNICIPAL. Esta reforma amplía los poderes y facultades de los Municipios y les concede por primera vez Autonomía Fiscal. La Reforma Municipal rompe con la visión centralista que hasta entonces había caracterizado la administración pública del país.

La Junta de Gobierno y la nueva administración del CRIM están comprometidos con la aplicación de las leyes contributivas de forma equitativa, la implementación de sistemas de vanguardia para agilizar el servicio a los contribuyentes y los servicios operacionales de la entidad y el aumentar los recaudos contributivos para el beneficio de los municipios.

VISIÓN

Hacer del Centro de Recaudación de Ingresos Municipales una entidad eficiente y efectiva que sirva a los Municipios y a los contribuyentes de forma justa y equitativa, a la vez que provea a los empleados un ambiente laboral del cual todos estén orgullosos, satisfechos y que permita su desarrollo profesional.

MISIÓN

Contribuir al desarrollo de los fundamentos y principios de la Autonomía Fiscal de los Municipios, establecidos por Ley.

MENSAJE DEL DIRECTOR EJECUTIVO

En el mes de mayo de 2013 fui nombrado por la Junta de Gobierno del Centro de Recaudación de Ingresos Municipales (CRIM) como Director Ejecutivo con la encomienda de mejorar la eficiencia, agilidad y accesibilidad de los servicios que ofrecemos a los ciudadanos.

Estamos avanzando... por ti, por nuestro país, es el lema con el que comencé a trabajar junto a un excelente equipo de directores administrativos, administradores regionales y grupo ejecutivo. Desarrollamos el Plan Estratégico 2013-2016, para establecer las políticas que van a dirigir la gestión institucional que estaremos realizando, de las cuales podemos destacar:

- Agilizar las operaciones de la agencia para ofrecer a los contribuyentes y los municipios un servicio de calidad.
- Aumentar los recaudos del CRIM.
- Maximizar las funciones del portal cibernético de la entidad.
- Lograr una mayor optimización y modernización del parcelario catastral.

Durante el 2013 hemos alcanzado dos grandes objetivos en beneficio de los contribuyentes y nuestros compañeros de trabajo. Por un lado, maximizamos las funciones del portal cibernético www.crimpr.net con nuevos servicios como lo son solicitudes de exoneración, solicitudes de cambio de dueño, cambio o corrección de dirección, entre otros. Nuestro portal complementa los servicios ya utilizados por nuestros clientes como el de realizar pagos y solicitar certificaciones. Por otro lado, inauguramos las nuevas facilidades de la Oficina Regional de Aguadilla ubicada en el Municipio de Aguada. Además tenemos proyectada la mudanza e inauguración de las nuevas facilidades de la región de San Juan-Guaynabo para el mes de abril del 2014.

Estoy consciente que nuestro avance trae consigo un gran reto, la crisis económica que enfrentan los municipios al igual que el resto del País. Estamos confiados que vamos a lograr mayores recaudos con los cambios en nuestra plataforma tecnológica para beneficio de los empleados, los contribuyentes y los municipios, así como también incentivando la eficiencia de los servicios desde las oficinas regionales.

En los últimos cuatro años, el CRIM ha aumentado sus recaudos. El año fiscal 2012-2013 reportó $979 millones en comparación a $967 millones en el año fiscal 2011-2012, para un incremento de $12 millones. Continuaremos con el compromiso de trabajar de manera conjunta y ayudar a fortalecer la salud fiscal de los setenta y ocho (78) municipios a los cuales servimos.

Finalmente, quiero agradecer a la Junta de Gobierno, así como a todos mis compañeros trabajo que forman parte de esta entidad municipal la confianza que han depositado en mí. En cada uno de ellos he visto el deseo de servir y de aportar desde sus respectivas áreas de trabajo a edificar un mejor Puerto Rico.

Lcdo. Víctor Falcón Dávila, CPA
Director Ejecutivo

MENSAJE DEL PRESIDENTE DE LA JUNTA

Desde que esta Junta de Gobierno del Centro de Recaudación de Ingresos Municipales (CRIM) comenzó a ejercer sus funciones, está poniendo todo el empeño y dedicación para mejorar los servicios a los contribuyentes y a los municipios.

La responsabilidad que hemos asumido como miembros de la Junta, el Director Ejecutivo y su equipo de trabajo, es aunar esfuerzos para la continuidad del desarrollo socioeconómico en nuestros Municipios. Nuestro deber es recaudar, recibir, custodiar y distribuir de acuerdo con la Ley, los ingresos por contribución sobre la propiedad, subsidio y lotería.

Hemos asumido estos deberes con un alto sentido de compromiso y consciente de los grandes retos que como País enfrentamos. Nuestra misión principal es mejorar los servicios al contribuyente y asegurar la ampliación de la base contributiva de la propiedad mueble e inmueble y ser más costo-eficiente en el cobro de las contribuciones.

Ya comenzamos a reforzar las herramientas tecnológicas y de comunicación que contamos como la ampliación de los servicios en el portal cibernético www.crimpr.net. Esto representa un avance en el servicio de excelencia que nos proponemos ofrecer a los ciudadanos a los que servimos.

Agradecemos el compromiso y la confianza de los compañeros Alcaldes que integran esta Junta, el Comisionado de Asuntos Municipales, el representante del BGF, el Director Ejecutivo y los compañeros empleados y funcionarios del CRIM, que día a día se esfuerzan por dar lo mejor para nuestros ciudadanos. Esto, con el objetivo siempre presente de contribuir a poner el país en marcha. Como lee nuestro lema ***Estamos avanzando...por ti, por Puerto Rico.***

Estamos comprometidos con nuestros objetivos y con las estrategias para impartirle dinamismo a un plan de trabajo que atienda las necesidades más apremiantes de nuestra clientela.

Solidarios en el propósito de construir un País de justicia social y bienestar para todos,

Hon. Eduard Rivera Correa
Presidente Junta de Gobierno CRIM
Alcalde de Río Grande

ESTRUCTURA ORGANIZACIONAL

De pie de izquierda a derecha:

Lcdo. Rafael M. Arrillaga
Representante Banco Gubernamental de Fomento

Hon. Ramón L. Rivera Cruz
Alcalde de Bayamón

Hon. Miguel A. López Rivera
Alcalde de Las Piedras

Lcdo. Víctor Falcón Dávila
Director Ejecutivo de la Junta de Gobierno

Hon. Eduard Rivera Correa
Presidente de la Junta de Gobierno
Alcalde de Río Grande

Hon. Carlos López Rivera
Vice-Presidente de la Junta de Gobierno
Alcalde de Dorado

Hon. Javier Carrasquillo Cruz
Alcalde de Cidra

Lcdo. Carlos M. Santini Rodríguez
Comisionado de la Oficina de Comisionado de Asuntos Municipales

Hon. Jorge L. Márquez Pérez
Secretario de la Junta de Gobierno
Alcalde de Maunabo

Hon. Carmen Yulín Cruz Soto
Tesorera de la Junta de Gobierno
Alcaldesa de San Juan
[ausente en la foto]

Sentados de izquierda a derecha:

Hon. Alfredo Alejandro Carrión
Alcalde de Juncos

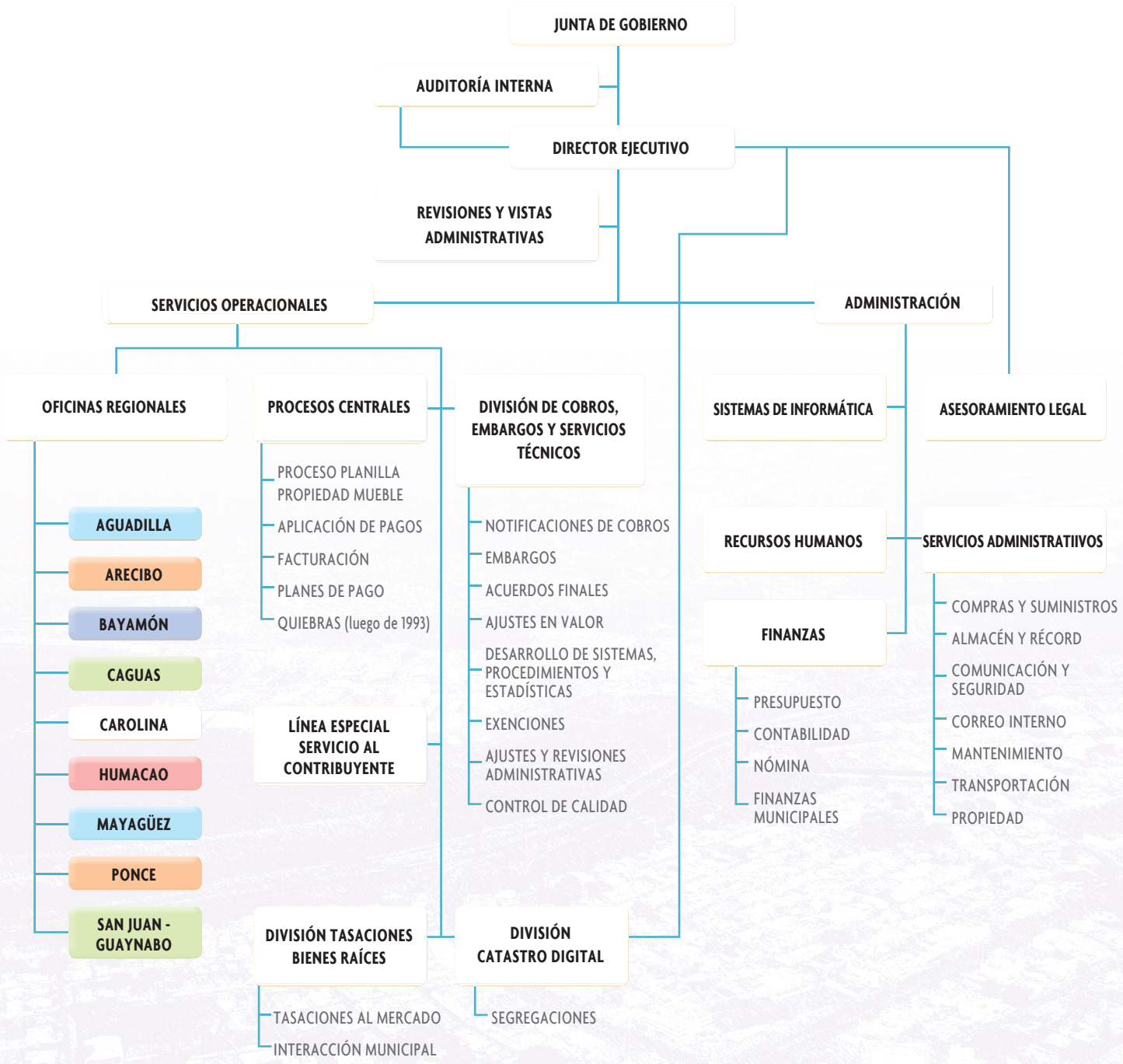
Hon. Enrique Questell Alvarado
Alcalde de Salinas

JUNTA DE GOBIERNO

El Centro de Recaudación de Ingresos Municipales se compone de una Junta de Gobierno y un Cuerpo Directivo encabezado por un Director Ejecutivo. La Junta de Gobierno está integrada por nueve (9) miembros: siete (7) Alcaldes en representación de todos los municipios de Puerto Rico, el Presidente del Banco Gubernamental de Fomento y el Comisionado de Asuntos Municipales.

El CRIM es dirigido por un Director Ejecutivo, el cual es nombrado por la Junta de Gobierno. El Director Ejecutivo del CRIM ejerce aquellas funciones y facultades dispuestas en la ley, al igual que aquellas que le sean delegadas por la Junta.

ORGANIGRAMA



DIRECTORES ADMINISTRATIVOS

De pie de izquierda a derecha:

Lcda. Laura Rechani Ydrach
Directora Asesoramiento Legal

Sr. Luis Febus Rodríguez
Sub Director Ejecutivo de Servicios Operacionales

Sra. Luz McFaline Rosado
Directora Servicios Administrativos

Sr. Edwin Aponte Asencio
Director de Sistemas

Sra. Keyla Villanueva Rivera
Directora Auditoría Interna

Lcdo. Jorge Sánchez Rodríguez
Sub Director Ejecutivo de Servicios Administrativos

Sentadas de izquierda a derecha:

Ing. Susan Pulliza Velázquez
Directora Cartografía

CPA Diana Claudio Sauri
Directora de Finanzas

ADMINISTRADORES REGIONALES

De pie de izquierda a derecha:

Sr. Edwin J. Hernández Rosario
Gerente Oficina Regional de Ponce

Sr. Luis Febus
Sub Director Ejecutivo de Servicios Operacionales

Sra. Nydia V. Meléndez Iglesias
Gerente Oficina Regional de Humacao

Sr. Jorge G. Martínez Martínez
Gerente Oficina Regional de Carolina

Sra. María Cristina Díaz
Gerente Oficina San Juan – Guaynabo

Sr. Xavier Pérez Román
Gerente Oficina Regional de Arecibo

Sentados de izquierda a derecha:

Sra. Migdalia I. González Arroyo
Gerente Oficina Regional de Mayagüez

Sr. Jayson Muñiz Nieves
Gerente Oficina Regional de Aguadilla

Sra. Virginia Santiago Calderón
Gerente Oficina Regional de Caguas

Sr. Wilfrido Velázquez Velázquez
Gerente Oficina Regional de Bayamón

GRUPO EJECUTIVO

De pie de izquierda a derecha:

Sra. Lourdes M González Rivera
Ayudante Administrativa

Sr. Oscar Rivera Rivera
Ayudante Ejecutivo

Lcda. Edna M Rodríguez Ramos
Ayudante Ejecutiva

Lcdo. Víctor Falcón Dávila, CPA
Director Ejecutivo

Sr. Edwin Quilés Méndez
Ayudante Ejecutivo

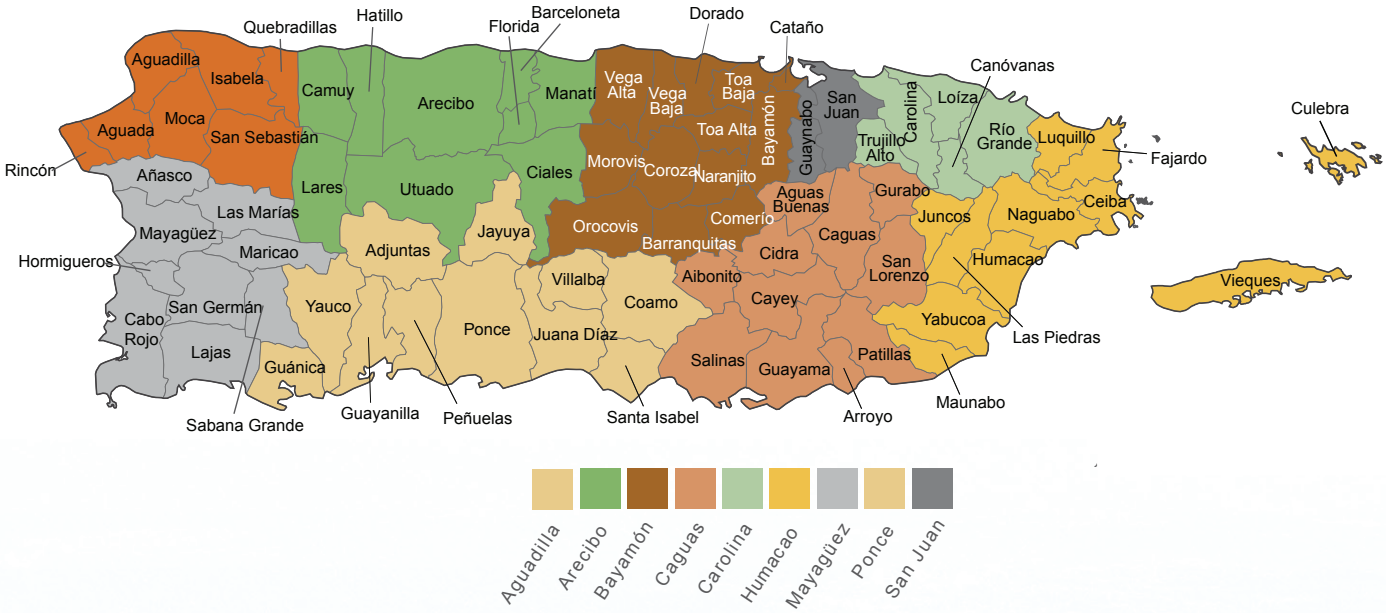
Sentados de izquierda a derecha

Sra. Nayda Rodríguez Hernández
Secretaria Confidencial del Ejecutivo

Srta. Jaylin Rivera Meléndez
Secretaria de la Junta

Sra. Estilia Román Dávila
Secretaria Confidencial

ESTRUCTURA OPERACIONAL



REGIONES DEL CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

En términos de estructura operacional, el CRIM cuenta con una (1) Oficina Central y nueve (9) Oficinas Regionales, ubicadas a través de toda la Isla. Estos centros son Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Humacao, Mayagüez, Ponce y San Juan-Guaynabo.

ESTAS OFICINAS ATIENDEN A LOS CONTRIBUYENTES, además de llevar a cabo funciones técnicas, tales como: tasaciones de propiedades inmuebles, valoración de propiedades muebles e investigaciones, entre otras.

Para ofrecer los servicios, las Oficinas Regionales están estructuradas en las siguientes áreas: Servicio y Cobro al Contribuyente, Propiedad Mueble y Propiedad Inmueble.

CATASTRO DIGITAL

El Catastro Digital es el inventario cartográfico de todas las propiedades de Puerto Rico mantenido por el CRIM para fines impositivos. Este sistema, por su capacidad actual, mantiene control de calidad de inventario. Además de aumentar la eficiencia y equidad en el establecimiento, cobro y distribución de los impuestos municipales, aumenta los recaudos de los Municipios mediante la combinación del incremento en la productividad, la reducción de los gastos operacionales del CRIM y la reducción en el tiempo de respuesta a las solicitudes de la ciudadanía y de otras Agencias.

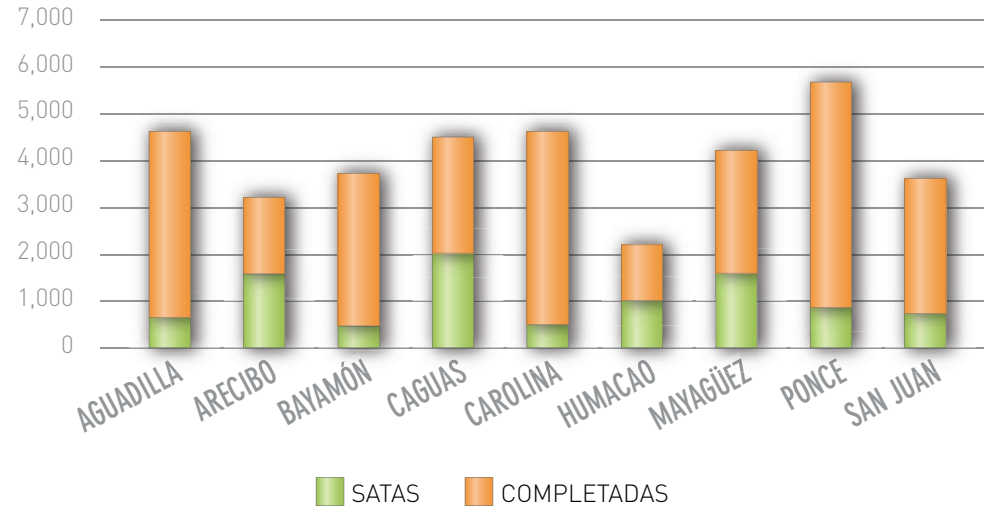
Hemos establecido un proyecto de actualización de los mapas catastrales el cual se implementó a partir del pasado 3 de septiembre de 2013, el cual trata de la radicación de planos en formato digital. Esto surge a raíz de la Ley Núm. 216 mejor conocida como "Ley de radicación de planos digitales al CRIM", la cual describe el procedimiento para entregar los planos al CRIM en formato digital.

Se estableció un Proyecto de Calidad Cartográfica que requiere realizar un análisis completo de la base de datos cartográficos, para realizar un control de calidad en la cartografía, dibujar los caminos y parcelas donde son necesarios y de la misma manera eliminar las parcelas que aparecen dibujadas en áreas que ya se han desarrollado otras edificaciones y no son congruentes con el parcelario.

Por otro lado, tenemos proyectado la Actualización de Infraestructura Vial para realizar un análisis espacial e inventario en cartografía; un trabajo en conjunto con la Autoridad de Carreteras y Transportación (ACT) donde nos provean los planos de los caminos, desvíos, carreteras primarias, puentes, etc. y se pueda dibujar en el mapa esta infraestructura para conocer lo que se ha desarrollado por ACT y mejorar la calidad de la cartografía base de Puerto Rico.

Continuamos compartiendo información con los Gobiernos Municipales y con varias agencias del Gobierno Central. La distribución de los datos del Catastro Digital está disponible a las personas y entidades autorizadas para su acceso a travéz del portal cibernético del CRIM.

NÚMERO DE CASOS SEGREGADOS Y PARCELAS CREADAS ULTIMOS CINCO AÑOS



PROPIEDAD **INMUEBLE**

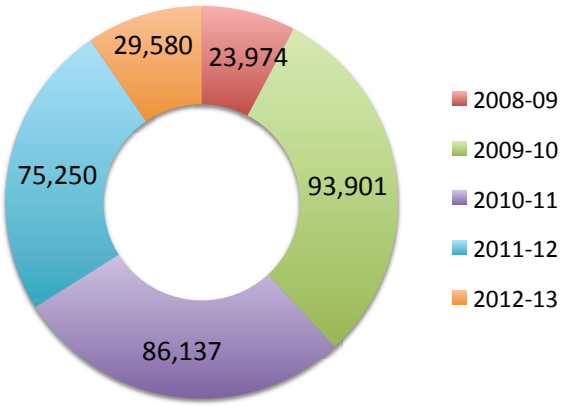
EN EL AÑO FISCAL 2012-13

se realizaron 29,580 tasaciones

Al comienzo del año fiscal 2012-13 se implementó el nuevo Sistema Automatizado de Tasaciones con Apoyo Satelital (SATAS). Sin embargo, se ha observado una disminución en los casos de tasación durante este año fiscal debido a que muchos de nuestros Técnicos y Especialistas en Valoración (Tasadores), se acogieron a la jubilación y los actuales están en el proceso de adaptación y entrenamiento con el nuevo sistema.

El número de propiedades con valoración aumentó por 39,675 al comparar el año fiscal 2011-12 con el año fiscal 2012-13. La valoración de las propiedades para el año fiscal 2012-13 es de $18,419,76 millones. El aumento reflejado en el valor total es de $543.52 millones. El valor neto de las propiedades registra un aumento de $151.31 millones. Las contribuciones impuestas aumentaron de $732.86 millones en el año fiscal 2011-12 a $745.92 millones para el año fiscal 2012-13; un incremento de $13.06 millones. Estas cifras no incluyen el impacto de las disposiciones de la Ley Núm. 7 del 9 de marzo de 2009, la cual dispone que se aumente por un factor de diez (10) el valor de tasación de toda propiedad inmueble que figura en nuestros registros. Cabe destacar que esta disposición no aumenta la responsabilidad contributiva. La misma estuvo en vigor hasta el 30 de junio de 2012.

TASACIONES REALIZADAS



NÚMERO DE PROPIEDADES

CONCEPTO	2009	2010	2011	2012	2013
Propiedades Tasadas	1,059,267	1,108,415	1,161,658	1,210,690	1,250,365
Propiedades Exentas	24,262	29,458	35,484	40,335	48,078
Propiedades Exoneradas	639,280	669,358	693,646	715,059	735,421

PROPIEDAD **INMUEBLE**

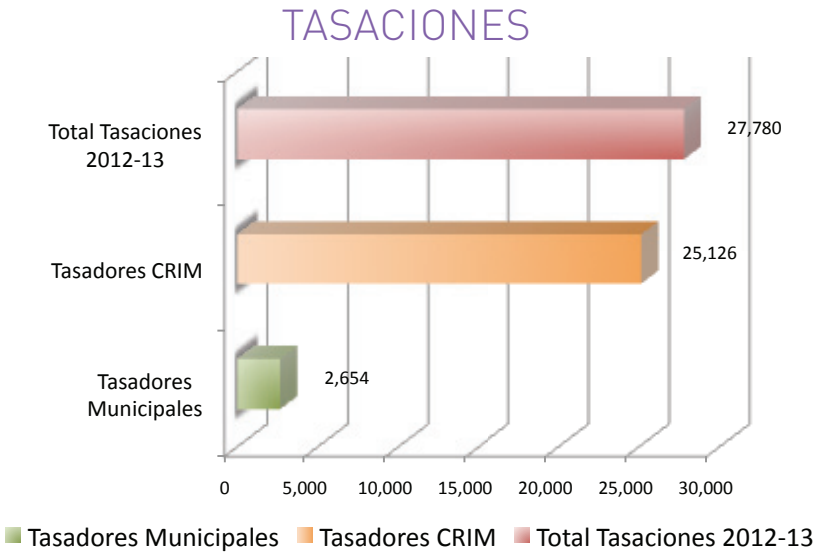
VALORES Y CONTRIBUCIÓN ($ EN MILLONES)

CONCEPTO	2009	2010	2011	2012	2013
Valoración Tasada	$ 15,651.90	$ 16,379.8	$ 17,502.93	$ 17,876.24	$ 18,419.76
Valor Exento (Parcial o Total)	$ 2,813.50	$ 2,923.35	$ 3,633.53	$ 3,681.05	$ 3,891.18
Valoración Tributable Bruta	$ 12,838.40	$ 13,456.44	$ 13,869.40	$ 14,195.19	$ 14,528.58
Valor Exonerado (Parcial o Total)	$ 5,941.50	$ 6,230.44	$ 6,453.89	$ 6,657.21	$ 6,839.31
Valoración Neta	$ 6,896.90	$ 7,226.00	$ 7,415.99	$ 7,537.97	$ 7,689.28
Contribuciones Impuestas	$ 605.40	$ 665.70	$ 719.85	$ 732.86	$ 745.92

DISTRIBUCIÓN DE TASACIONES REALIZADAS

por tasadores municipales vs tasadores del CRIM año fiscal 2012 – 2013

Para el año fiscal 2012-13 las tasaciones realizadas por los Tasadores Municipales representaron un 10% del total de tasaciones realizadas para este año fiscal. Al 30 de junio de 2013 el CRIM contaba con 62 acuerdos de colaboración con los Municipios. Dentro de los convenios de trabajos con éstos, el CRIM delega, entre otros asuntos, la responsabilidad de realizar las tasaciones dentro de sus límites territoriales. Luego de realizadas estas tasaciones por parte de los Municipios, los resultados son enviados al CRIM para realizar el control de calidad necesario y ser aprobadas.



PROPIEDAD **MUEBLE**

VALORES Y CONTRIBUCIÓN ($ EN MILLONES)

CONCEPTO	2009	2010	2011	2012	2013
Planillas Radicadas	$ 81,745	$ 68,768	$ 63,427	$ 58,869	$ 61,794
Valor Auto-Determinado	$ 13,223.30	$ 11,072.01	$ 11,258.97	$ 10,718.69	$ 11,518,975,464
Propiedades Exentas	$ 3,376	$ 3,204	$ 2,583	$ 2,287	$ 2,866
Valor Exento (Parcial o Total)	$ 6,850.00	$ 5,503.96	$ 5,898.24	$ 5,288.29	$ 6,299,342,246
Propiedades Exoneradas	$ 21,942	$ 22,791	$ 13,583	$ 12,206	$ 14,404
Valor Exonerado (Parcial o Total)	$ 151.30	$ 127.99	$ 72.88	$ 63.06	$ 72,731,181
Valor Neto	$ 6,222.00	$ 5,440.15	$ 5,287.57	$ 5,367.34	$ 5,146,901,993
Contribuciones Auto Determinadas	$ 420.40	$ 418.82	$ 404.62	$ 407.78	$ 407,338,601.24

El número de planillas radicadas para el año fiscal 2012-13 fue de 61,794 lo cual refleja un aumento de 2,925 planillas adicionales al compararse con el año fiscal 2011-12.

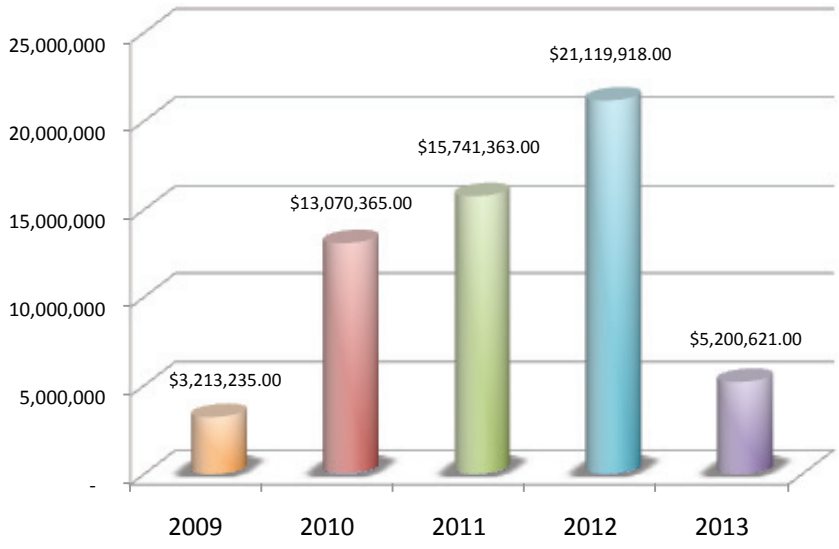
PROPIEDAD MUEBLE E INMUEBLE

RECARGOS POR GESTIONES DE COBROS Y EMBARGOS

La facultad del CRIM para proceder con el cobro de deudas mediante procesos de embargos surge de la Ley Núm. 83 del 30 de agosto de 1991, según enmendada, y conocida como la Ley de Contribución Municipal sobre la Propiedad de 1991. Allí, su artículo 4.01 y siguientes, disponen la facultad del CRIM para proceder al cobro de las contribuciones morosas mediante el recurso del embargo.

Además de la venta de las propiedades, la agencia tiene la facultad para requerir a la persona que estuviere en posesión de cualquier depósito bancario perteneciente a un contribuyente la retención de tales bienes en la cantidad que el CRIM le notifique a fin de cubrir la deuda contributiva pendiente de pago. Este último es el método mayormente utilizado ya que provee la obtención de fondos de manera más rápida.

RECAUDOS DE COBROS Y EMBARGOS

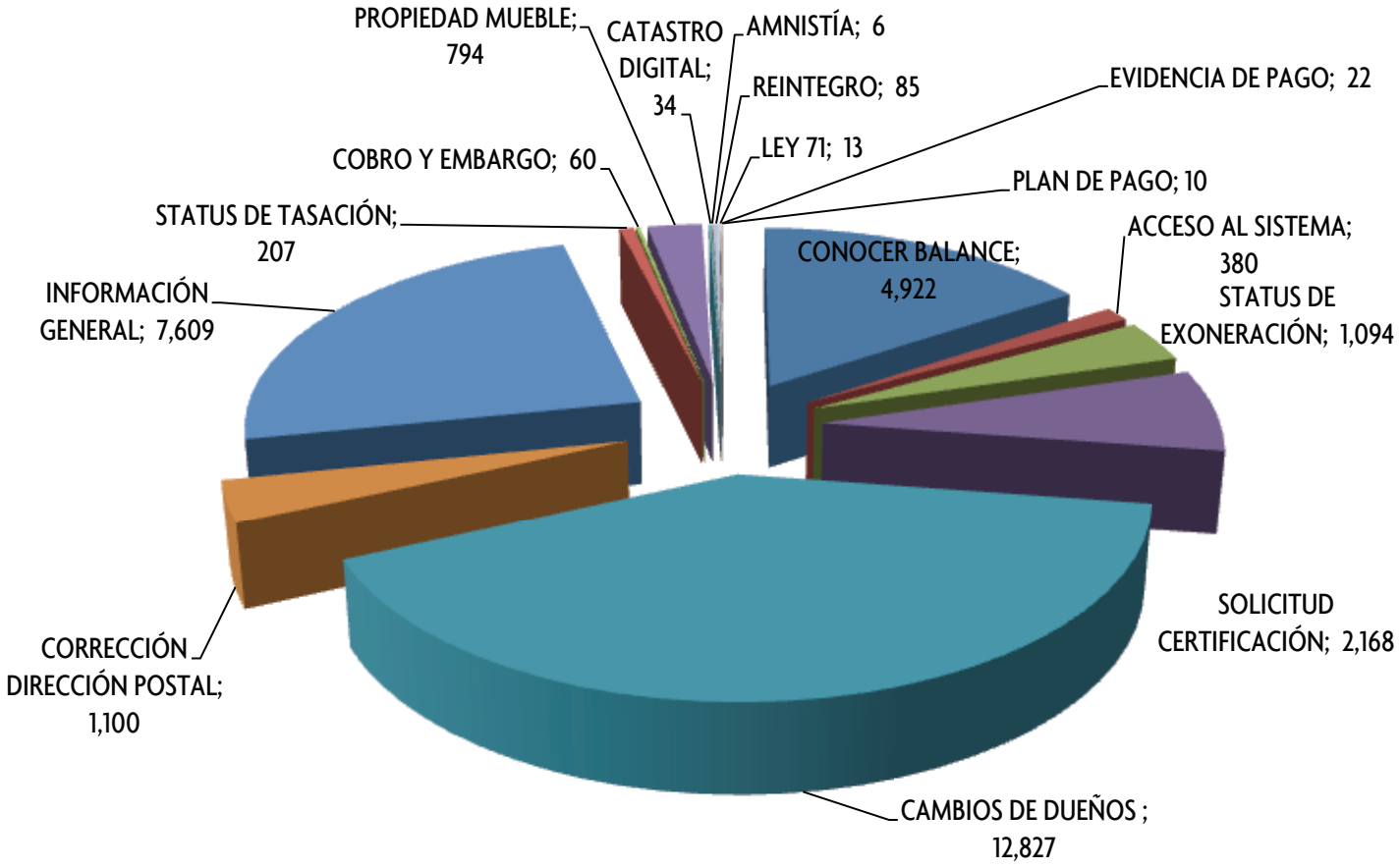


Durante el año 2012–2013, se recaudaron $5,200,621 año fiscal. La disminución de cobro en los casos responde a falta de personal en el área y a factores económicos que atraviesan los contribuyentes.

SERVICIO
AL CONTRIBUYENTE

SERVICIO AL CONTRIBUYENTE

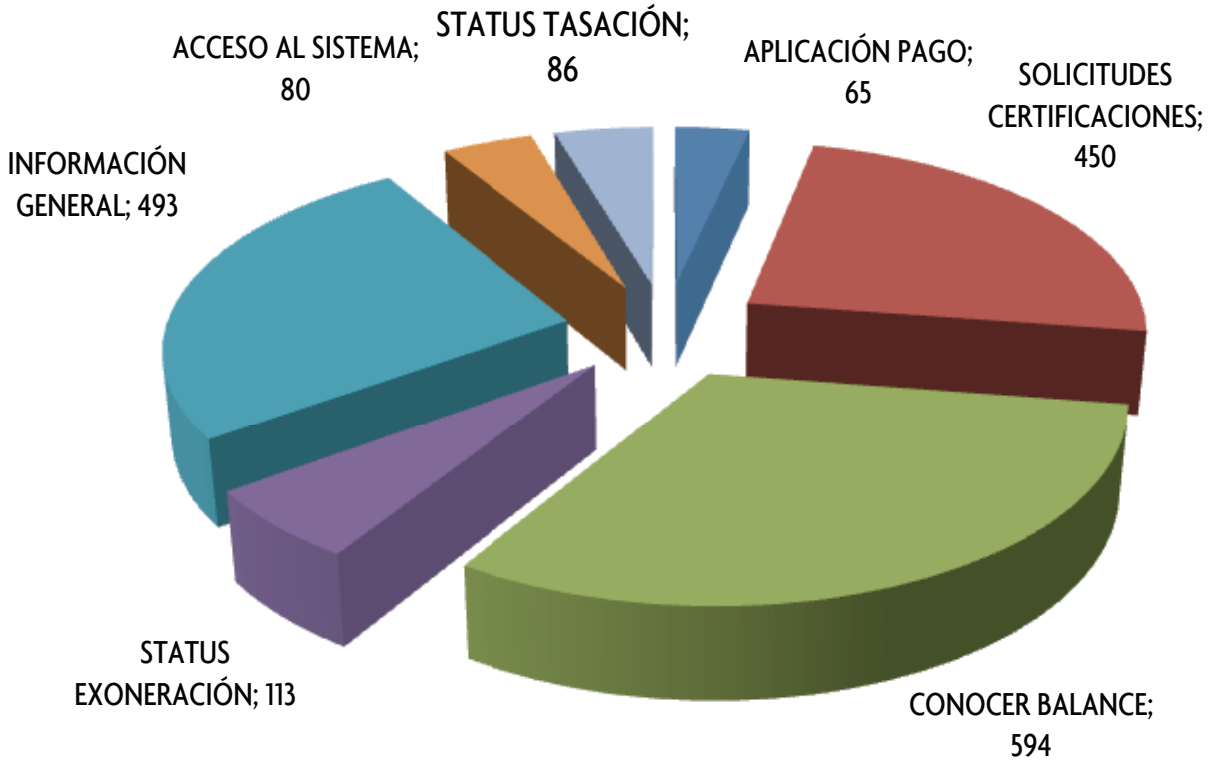
CONSULTAS ATENDIDAS POR LINEA ESPECIAL DE SERVICIO AL CONTRIBUYENTE
AÑO FISCAL 2012-2013



El total de las consultas atendidas por la Línea Especial de Servicio al Contribuyente fue de 31,331, siendo los cambios de dueños el servicio más solicitado con 12,827 casos atendidos.

SERVICIO AL CONTRIBUYENTE

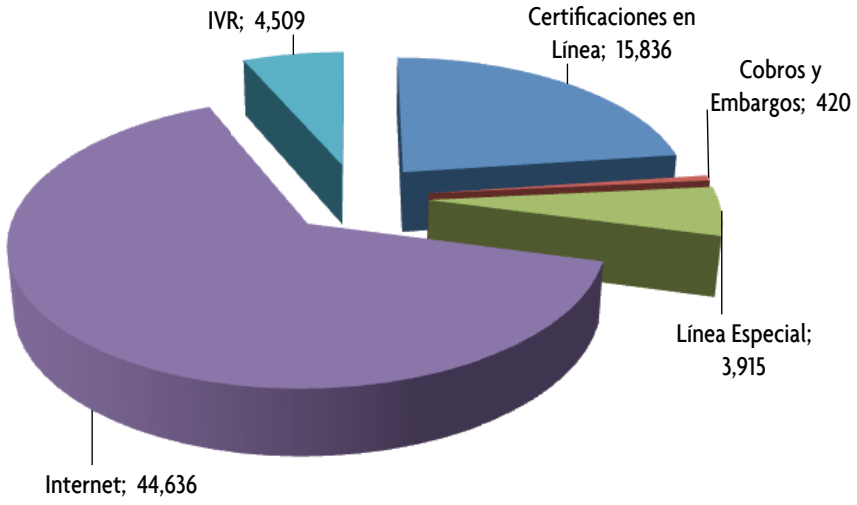
CONSULTAS ATENDIDAS POR CORREO ELECTRONICO
AÑO FISCAL 2012-2013



El total de las consultas atendidas por correo electrónico fue de 1,981.

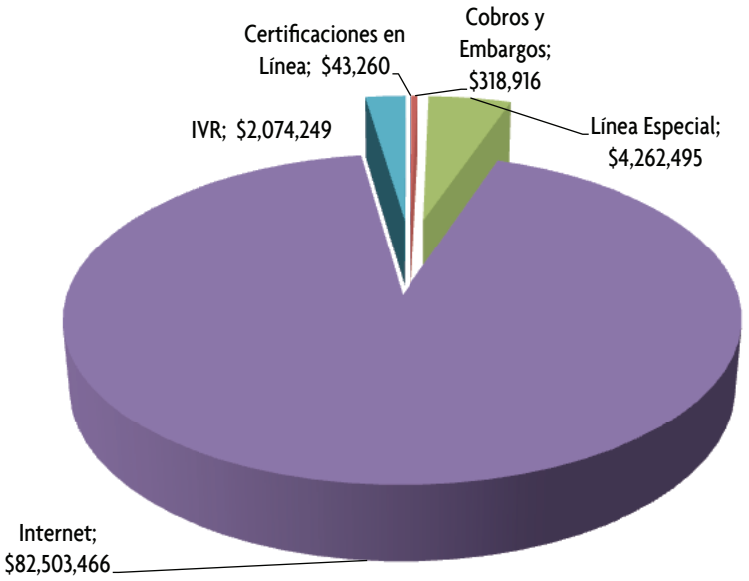
SERVICIO AL CONTRIBUYENTE

TRANSACCIONES DE PAGO ELECTRONICAS Y POR TELEFONO
AÑO FISCAL 2012-2013



El total de transacciones de pago electrónicas y por teléfono totalizó 69,316.

IMPORTE TRANSACCIONES ELECTRONICAS Y POR TELEFONO
AÑO FISCAL 2012-2013



El importe total de transacciones electrónicas y por teléfono totalizó $89,202,386.

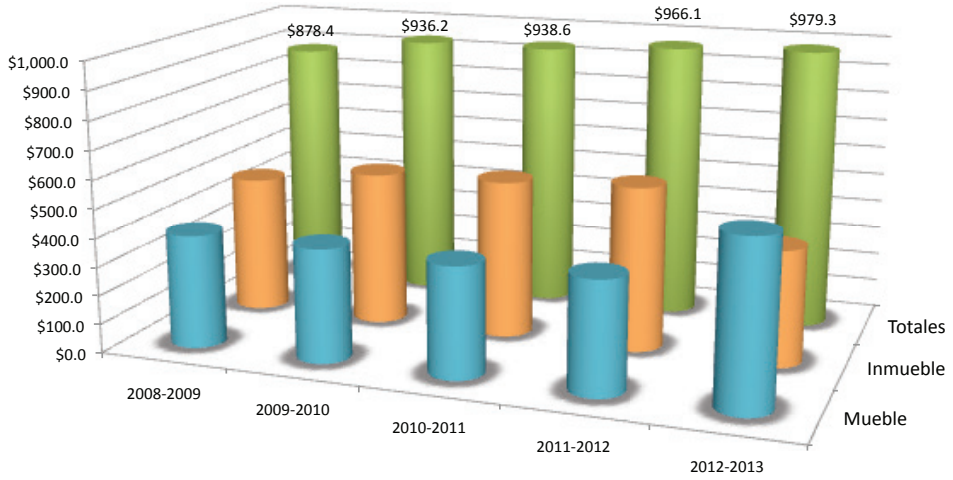
FINANZAS

La Oficina de Finanzas colabora, apoya y asesora en materia financiera a todas las áreas que conforman el CRIM. Además, contribuye al desarrollo de nuevos proyectos, ideas, estrategias, iniciativas y todo aquello donde los servicios financieros sean requeridos para el mejoramiento funcional y operacional.

COLABORAMOS CON LAS DIFERENTES DEPENDENCIAS DEL CRIM para día a día cumplir con la misión y la visión de esta entidad municipal.

Esta oficina está comprendida por dos áreas; Finanzas Municipales y Finanzas Administrativas que le ofrecen servicios a los contribuyentes internos y externos. El área de Finanzas Municipales se encarga de todos los aspectos relacionados a los municipios, y el área de Finanzas Administrativas se encarga de todas las actividades de la operación del CRIM.

RECAUDOS ANUALES EN CONTRIBUCIONES
CONCERNIENTES A LA CONTRIBUCIÓN A LA PROPIEDAD MUEBLE E INMUEBLE

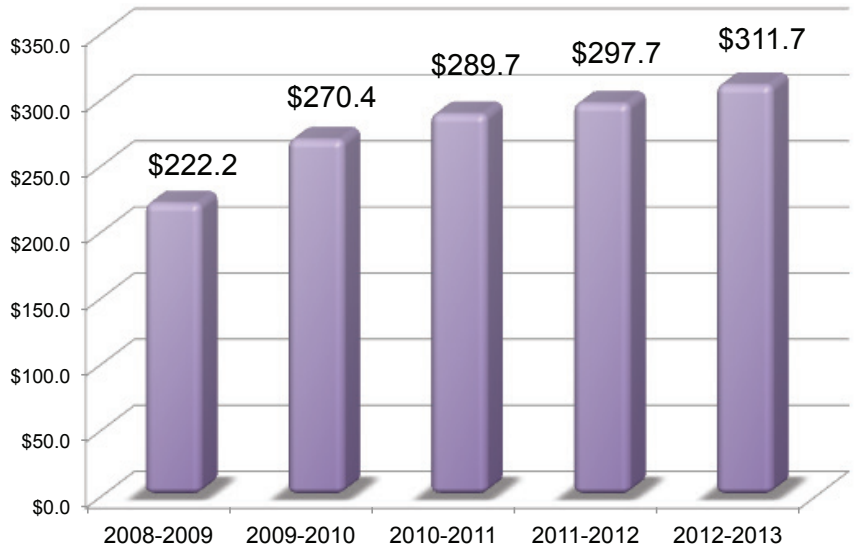


	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Mueble	$396.1	$396.3	$386.5	$392.2	$576.5
Inmueble	$482.3	$539.9	$552.1	$573.9	$402.8
Totales	$878.4	$936.2	$938.6	$966.1	$979.3

Este año fiscal 2012-2013 hubo un aumento en los recaudos de $13.2 millones en comparación con el año fiscal 2011-2012. De este aumento, $10.6 millones corresponde a los recaudos de la propiedad mueble y $2.6 millones de la propiedad inmueble.

FINANZAS

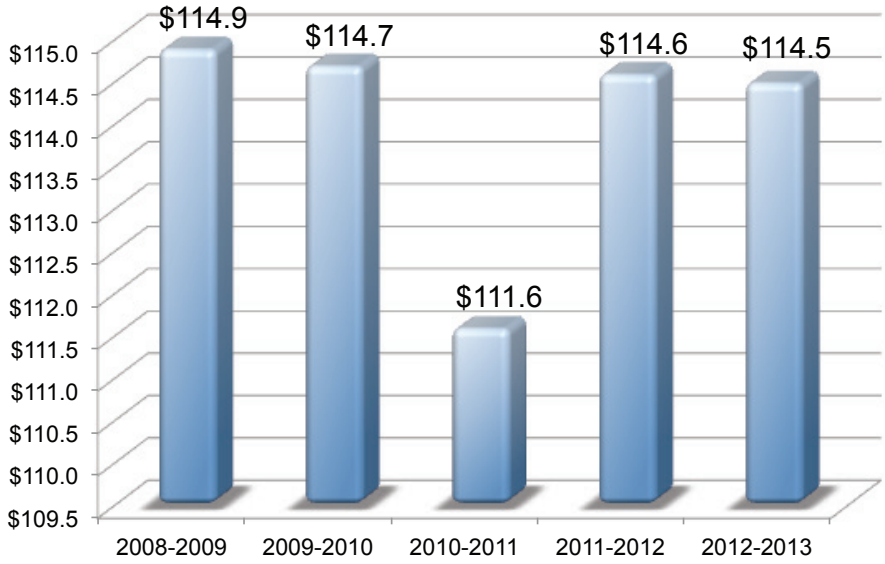
RECAUDOS ANUALES EN CONTRIBUCIÓN ADICIONAL ESPECIAL (CAE)



La Contribución Adicional Especial (CAE) es fundamental en los municipios para la realizacion de obras y mejoras permanentes. Durante el año 2012-2013 hubo un incremento de $14 millones, para un total de $311.7 millones. Esto representa un aumento de un 4.5% en comparación con el año anterior.

RECAUDOS ANUALES DEL FONDO DE REDENCIÓN DE DEUDA ESTATAL

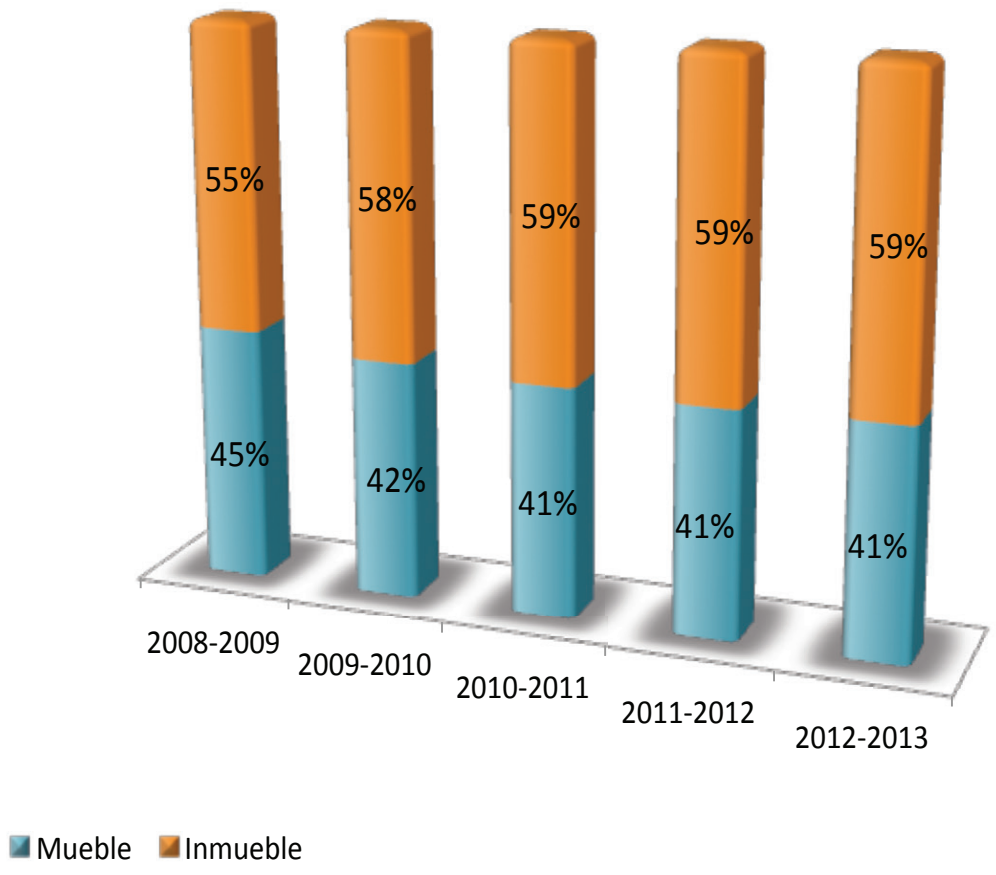
El Fondo de Redención de la Deuda Estatal (FRDE) es la aportación de cada municipio al gobierno central, equivalente al 1.03% de la contribución, según establecido por Ley Núm. 80. Los recaudos destinados para el FRDE se han mantenido estable durante los pasados cinco (5) años. A pesar que los recaudos totales han aumentado durante el mismo período, no se refleja un aumento en el FRDE porque el aumento surge del CAE, que no esta relacionado con el FRDE.



[EN MILLONES]

FINANZAS

RELACIÓN PORCENTUAL DE RECAUDOS



En términos porcentuales, los recaudos por concepto de mueble e inmueble se mantienen constante durante los pasados cinco (5) años, en proporción al total de recaudos.

FINANZAS

INGRESOS MUNICIPALES ($ EN MILLONES)

Aportaciones Gubernamentales	2009	2010	2011	2012	2013
20 Centésimas	$ 24.94	$ 24.30	$ 29.68	$ 32.19	$ 36.70
Básica Exonerada	86.55	86.00	86.00	86.00	86.00
CAE Exonerado	30.00	30.00	30.00	30.00	30.00
Lotería Adicional	47.83	51.30	42.60	42.98	51.87
Subsidio Gobierno Central	$ 200.55	$ 193.70	$ 183.17	$ 204.82	$ 210.14
Subtotal	**$ 389.87**	**$ 385.30**	**$ 371.45**	**$ 395.99**	**$ 414.71**
Recaudos					
Propiedad Mueble e Inmueble	$ 878.40	$ 936.20	$ 938.60	$ 966.19	$ 979.39
Total de Ingresos	**$ 1,268.27**	**$ 1,321.50**	**$ 1,310.05**	**$ 1,362.18**	**$ 1,394.10**

DISTRIBUCION DE INGRESOS ($ EN MILLONES)

Distribución para Pago de la Deuda Municipal y Estatal	2009	2010	2011	2012	2013
CAE Municipal	$ 252.21	$ 298.71	$ 317.70	$ 324.39	$ 341.66
Fondo Redención Estatal	114.91	114.70	111.60	114.66	114.50
Fondo General	0.73	1.69	2.15	3.56	0.36
Subtotal	**$ 367.85**	**$ 415.10**	**$ 431.45**	**$ 442.61**	**$ 456.52**
Liquidación a los Municipios	$ 900.42	$ 906.40	$ 878.60	$ 919.57	$ 937.58
Total de Distribuciones	**$ 1,268.27**	**$ 1,321.50**	**$ 1,310.05**	**$ 1,362.18**	**$ 1,394.10**

OFICINA DE AUDITORIA INTERNA

La Oficina de Auditoría Interna (OAI) funciona bajo las políticas establecidas por la Junta de Gobierno y la gerencia, y opera conforme a las disposiciones de la Ley Número 80 del 30 de agosto de 1991, según enmendada. Tiene como misión fiscalizar las transacciones de los fondos públicos y la propiedad, con independencia y objetividad para determinar si se han realizados de acuerdo a las leyes y reglamentos.

Esta Oficina realiza investigaciones, evaluaciones y auditorías de las unidades organizacionales y administrativas de la Agencia. Prepara los informes con señalamientos sobre las auditorías o evaluaciones realizadas y los somete a la consideración del Director Ejecutivo y la Junta de Gobierno. Asesora a la Gerencia de la Agencia en el establecimiento y uso de sistemas, procedimientos y otras medidas de control interno.

El objetivo primordial de la OAI es asistir a los miembros de la organización en el descargo efectivo de sus responsabilidades. Con este propósito en mente, la Oficina provee a las oficinas regionales y áreas operacionales con análisis, evaluaciones, recomendaciones, consejería e información concerniente a la actividad revisada.

EL OBJETIVO PRIMORDIAL DE LA OAI

es asistir a los miembros de la organización en el descargo efectivo de sus responsabilidades.

Entre las auditorias e investigaciones realizadas por la Oficina de Auditoría Interna se encuentran:

- Auditoría de procesos y procedimientos de Oficina de Gerencia de Sistema de Informática
- Auditoría de Contratos
- Auditoría de Reintegros
- Auditoría de Subastas
- Revisión de tasaciones
- Revisión y análisis de descuadres en recaudos
- Atención de querellas ciudadanas relacionadas a exoneraciones indebidas, evasión de contribuciones y posibles sobornos
- Seguimiento y evaluación de Planes de Acción Correctiva emitidos como resultado de los informes de auditorías internas
- Recopilación de información e investigación de casos referidos por la Oficina del Contralor de Puerto Rico y Oficina de Ética Gubernamental de Puerto Rico
- Colaboración con los auditores de la Oficina del Contralor de Puerto Rico en las auditorias que llevan a cabo en el CRIM
- Seguimiento a los Planes de Acción Correctiva emitidos como resultado de informes de auditoría de la Oficina del Contralor de Puerto Rico
- Pruebas de controles internos para la auditoría externa, revisión de los estados financieros del CRIM

RECURSOS HUMANOS

El área de Recursos Humanos tiene la misión de obtener, estimular y desarrollar recursos humanos, comprometidos, competentes y con un desempeño de excelencia para mejorar la productividad y eficacia de la organización, con el fin de lograr sus metas y objetivos.

NUESTRO OBJETIVO ES CONVERTIR EL CAPITAL HUMANO EN VALOR PRODUCTIVO

para la agencia, los municipios y sus contribuyentes.

Durante el año fiscal 2012-2013 se obtuvieron los siguientes logros:

- Se brindaron adiestramientos y talleres para desarrollo y crecimiento profesional ofrecidos por la Oficina Central de Asesoramiento Laboral y de Administración de Recursos Humanos (OCALARH) y otras Agencias:
  - El arte de hablar y escribir
  - National USPAP Update Course
  - Actividad profesional del personal administrativo (secretarias)
  - La Litigación en los medios
  - Presentación de Prueba testifical, pericial y documental bajo las reglas 2010
  - Lo que todo notario debe saber sobre el seguro de título en Puerto Rico
  - Cambios Significativos en la Ley de Quiebras
  - Repaso y análisis de jurisprudencia del Tribunal Supremo de Puerto Rico
  - Aspectos éticos importantes de la litigación civil moderna
  - Rediseñemos nuestro éxito
- Se brindaron adiestramientos técnicos con recursos internos y externos tales como:
  - Violencia Doméstica en el lugar de trabajo
  - Amnistía
  - Servicios y Cobros
- Se pagaron los excesos de licencias por enfermedad, vacaciones y tiempo compensatorio de acuerdo a la reglamentación vigente. Los pagos globales correspondientes a cada fueron los siguientes:

Licencias	Cantidad Pagada
Excesos de Vacaciones	$72,572
Excesos de Enfermedad	$388,536
Excesos de Tiempo Compensatorio	$11,556
Total	**$472,664**

RECURSOS HUMANOS

- Continuamos brindando el Programa de Ayuda al Empleado (INSPIRA). La cantidad de casos que se le brindaron los servicios de INSPIRA fueron los siguientes:

Tipo	
Voluntarios	74
Dependientes	96
Total	**170**

- En transacciones de personal se procesaron las siguientes:

Transacciones de Personal	Cantidad
Licencias Sin Sueldo	8
Licencia Sin Sueldo (Nombramientos en otra agencia de gobierno)	6
Licencia Sin Sueldo (Estudios)	1
Licencia Militar	3
Licencia Especial representación del país	1
Licencia Medico Familiar	9
Renuncias	41
Jubilaciones	34
Cesantías	3
Destitución	2
Terminación de Nombramiento Transitorio	49
Traslados entre Oficinas Regionales	5
Traslados a otra Agencia	1
Ascensos	1
Diferenciales	21
Cambios en Salarios Empleados de Carrera y Confianza	260
Intención de Suspensión de Empleo y Sueldo	1
Suspensión de Empleo y Sueldo	2
Suspensión de Empleo	1
Reprimendas Escritas	2

- Se realizaron los siguientes nombramientos:

Nombramientos	Cantidad
Nombramientos Transitorios	6
Nuevo Nombramiento Confianza	12
Nombramientos de Confianza	6
Nombramiento de Confianza con derecho a reinstalación	12

- Con el fin de hacer de nuestra Oficina una más eficiente, desarrollamos los siguientes proyectos los cuales nos ayudan a la consecución de nuestras metas, para servir con excelencia a nuestros empleados:

1. Visitas periódicas a las diferentes oficinas y regionales para determinar y evaluar las necesidades de los empleados en cuanto a los deberes y obligaciones, beneficios, adiestramientos y cualquier otro aspecto.

2. Implantación de un programa de adiestramientos sobre técnicas de capacitación y aprendizaje en el desarrollo de los recursos humanos. Esto estimula a lograr una mejor calidad, eficiencia y productividad en la organización y a la vez fomenta el más alto compromiso con el personal.

3. Continuidad a la política de ausentismo a través de Sistema de SENSE.

OFICINA DE GERENCIA
DE SISTEMAS DE INFORMATICA

La Oficina de Gerencia de Sistemas de Informática (OGSI) administra y desarrolla los sistemas que ofrecen la información necesaria a los Municipios, contribuyendo al desarrollo de los fundamentos y principios de la autonomía de éstos, establecidos en la Ley Núm. 80 del 30 de agosto de 1991, según enmendada, que crea el CRIM.

OGSI brinda los servicios tecnológicos y de apoyo a los usuarios de las nueve (9) Oficinas Regionales y Oficina Central del CRIM; además, a los empleados de los municipios, banca y agencias gubernamentales que tienen acceso a nuestros sistemas.

Durante el año fiscal 2012-2013 se iniciaron, implementaron o finalizaron los siguientes proyectos como parte del Plan de Actualización Tecnológica para la Agencia:

1. **Sistema Automatizado de Tasaciones con Apoyo Satelital (SATAS)**

   El CRIM implementó el Sistema de Automatización de Tasaciones con Apoyo Satelital, conocido como SATAS por sus siglas en español. Mediante este Sistema, todas las tasaciones tienen que ser realizadas a través de un dispositivo PDA (Personal Data Assistant). Dicho dispositivo permite colectar toda la información relativa a la tasación de las propiedades y mejoras, incluyendo la posición geográfica de la propiedad, y sincroniza la información obtenida directamente con el Sistema Contributivo HANSEN y el Catastro Digital de la Agencia.

   Se adiestró tanto el personal del CRIM como a los empleados municipales para el funcionamiento del mismo. Actualmente, tienen acceso 330 usuarios; entre ellos, 90 Técnicos y Especialistas en Valoración del CRIM, 90 tasadores municipales. Se logró obtener 20,401 tasaciones por el período de este año fiscal.

   Cabe destacar, que se llevó a cabo la subasta núm. 2012-10 con el propósito de adquirir los dispositivos para aquellos municipios que aún no contaban con ellos a un precio competitivo.

   Al momento, 44 municipios cuentan con dichos dispositivos y están trabajando en colaboración con el CRIM, redundando en mayores recaudos para el sostenimiento de las funciones de éstos.

   Se contempla continuar desarrollando una nueva fase en SATAS para incluir nuevas funcionalidades y mejoras.

2. **Nuevo portal cibernético del CRIM**

   Con el interés de ofrecer sevicios tecnológicos confiables, accesibles y seguros a la ciudadanía se optimizó el portal cibernético del CRIM. El propósito primordial es modernizar el interfaz gráfico; además de automatizar el registro, manejo y respuesta de servicios en línea. La misma tiene un módulo de manejo de pedidos que proveerá la capacidad de manejar el flujo de trabajo por el que atraviesan las solicitudes de servicios a través de las diferentes oficinas permitiendo el seguimiento

OFICINA DE GERENCIA
DE SISTEMAS DE INFORMATICA

y visibilidad del estatus de los pedidos por cada etapa del proceso.

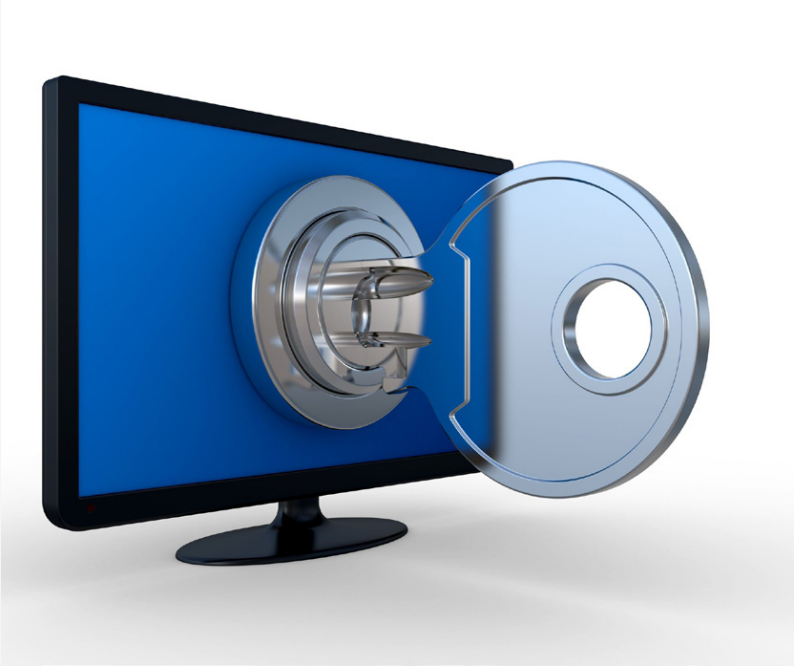
La misma se está trabajando por fases y se espera finalizar en marzo 2014.

Se han creado diversos módulos para el funcionamiento de dicho portal. Actualmente los contribuyentes pueden realizar los siguientes trámites:

- Solicitud de Certificaciones (Estados de Cuenta, Todos los Conceptos, Valores y Radicación de Planillas Mueble)
- Efectuar Pagos
- Cambio de la Dirección Postal
- Solitud de Servicios (Tasaciones, Segregaciones, Investigaciones, Aplicación de Pagos por Evidencia, Exoneración Retroactiva, Agrupaciones, Reintegro, Transferencia, Plan de Pagos por Citas, Arreglo de Mapas o Problemas de Configuración)
- Solicitud de Cambio de Dueño y Exoneración Contributiva/Exención de Veteranos
- Completar y someter la Planilla Mueble (para la Segunda Fase del Proyecto en febrero 2014)

3. Proyecto Piloto (BOOTH) Oficinas Regionales (Carolina y Bayamón)

Para ofrecer mejor servicio a nuestros contribuyentes y evitar el tiempo de espera en las Oficinas Regionales, se identificaron áreas de computadoras tipo "Booth" en las Regiones de Carolina y Bayamón. El contribuyente puede acceder y solicitar las siguientes certificaciones: Certificación de Deuda,



Certificación de Valor, Certificaciones por todos los Conceptos, y Certificación Negativa (de proceder) y al portal cibernético del CRIM.

4. Virtualización

El Proyecto de Renovación y Consolidación Tecnológica (Virtualización) fue completado durante el mes de octubre 2013. Con el mismo, se logró:

- Consolidar en un sólo Centro de Cómputos los servidores y aplicaciones de las Áreas de Sistemas de Informática y Catastro Digital
- Mejorar la seguridad, almacenamiento y calidad de servicios
- Actualización de Versiones

DIVISIÓN LEGAL

LA OFICINA DE ASESORAMIENTO LEGAL DEL CRIM, BRINDA SERVICIOS ESPECIALIZADOS

asesorando a la Junta de Gobierno y al Director Ejecutivo sobre asuntos legales internos y externos; además, vela porque se cumpla con la legislación y reglamentación vigente.

Evalúa proyectos y anteproyectos de ley y asesora al Director Ejecutivo y a la Junta en cuanto a la posición a adoptar con relación a estos. Asesora e interpone los remedios legales necesarios ante los tribunales y su comparecencia en representación del CRIM ante estos y prepara, otorga y notifica a la Oficina del Contralor de Puerto Rico los contratos de Servicios Profesionales, Técnicos y de Servicios en el Centro.

DIVISIÓN LEGAL

NUEVAS LEYES

Ley Núm. 179 de 16 de agosto de 2012

Enmienda el Artículo 3.01 de la Ley 83 de 1991, según enmendada (conocida como "Ley de Contribución Municipal sobre la Propiedad de 1991"), para establecer cómo el Centro de Recaudación de Ingresos Municipales computará el valor de tasación total de las propiedades en los municipios que utilizará el Banco Gubernamental de Fomento para determinar el margen prestatario de los municipios.

Ley Núm. 162 de 8 de agosto de 2012

Enmienda los Artículos 5, 6, 7 y 8, el inciso (c) del Artículo 9, y los Artículos 10 y 13 de la Ley 80 de 1991, según enmendada, (conocida como "Ley del Centro de Recaudación de Ingresos Municipales") para: (1) aumentar el número de miembros de la Junta de Gobierno del Centro; (2) modificar la manera en que son electos los miembros de la Junta de Gobierno y las condiciones del término de vigencia; (3) añadir facultades y funciones de la Junta de Gobierno del Centro; (4) aclarar las condiciones que rigen el nombramiento, facultades y deberes del Director Ejecutivo; (5) modificar el que la Oficina de Auditoría Interna responda directamente a la Junta de Gobierno en lugar de al Director Ejecutivo; y (6) modificar las condiciones y las delegaciones de funciones mediante convenios de trabajo mutuo entre el Centro y los Municipios, entre otros.

También añade un Artículo 2.11 a la Ley 83 de 1991, según enmendada, (conocida como "Ley de Contribución Municipal sobre la Propiedad de 1991"), para aumentar la compensación anual provista a los municipios por el Secretario de Hacienda por las contribuciones sobre la propiedad dejadas de cobrar por los municipios por la exoneración provista a los dueños de propiedades inmuebles residenciales (conocida como la exoneración por residencia).

Ley Núm. 179 de 16 de agosto de 2012

Enmienda varias leyes para proveer alternativas a la Sociedad de Educación y Rehabilitación de Puerto Rico que le permitan allegar los recursos necesarios para sus servicios de beneficencia social. Entre las leyes impactadas por ésta se encuentra el inciso (b) del Artículo 5.01 de la Ley 83 de 1991, según enmendada, (conocida como "Ley de Contribución Municipal sobre la Propiedad"), Este artículo trata de propiedades exentas de imposición de contribuciones sobre la propiedad.

Ley Núm. 209 de 25 de agosto de 2012

Enmienda los Artículos 3.26 y 3.27 de la Ley Núm. 83 de 1991, según enmendada, (conocida como "Ley de Contribución Municipal sobre la Propiedad de 1991"). Ordena que se le haga disponible al contribuyente la tarjeta de tasación del Centro de Recaudaciones Municipales. También dispone que la notificación de la valoración de la contribución impuesta deberá incluir un aviso adecuado sobre su derecho a solicitar por escrito una revisión administrativa donde exprese las razones para su objeción, la cantidad que estime correcta e incluir, si lo entiende necesario, la evidencia o documentos correspondientes, dentro del término de treinta (30) días calendario, a partir de la fecha de depósito en el correo de la notificación en conformidad con el Artículo 3.48 de la Ley.

DIVISIÓN LEGAL

Ley Núm. 1 de 10 de febrero de 2013

Esta ley se le denominó la "Ley de Empleos Ahora", para viabilizar la creación de cincuenta mil (50,000) nuevos empleos, dentro de un término de dieciocho (18) meses, entre otros puntos. Define lo que en la ley se denomina "Negocios Elegibles". Los "Negocios Elegibles" que sean "Negocio Nuevo" como lo define la ley y hayan firmado un "Acuerdo Especial para la Creación de Empleos" disfrutarán, entre otros incentivos, de exención total de la contribución sobre propiedad mueble del Negocio Elegible durante los dos años económicos a los que aplicará la exención, según especificados en el Acuerdo. El Negocio Elegible tendrá que incluir con su planilla de contribución sobre la propiedad mueble copia del Acuerdo en los dos años en que aplique la exención. Nota: la ley no expresa que enmienda la Ley 83 de 1991 (conocida como "Ley de Contribución Municipal sobre la Propiedad de 1991").

Ley Núm. 40 de 30 de junio de 2013

Crea la "Ley de Redistribución y Ajuste de la Carga Contributiva" para atender de forma justa, proporcional, integrada y responsable la crisis fiscal por la cual atraviesa el Gobierno del Estado Libre Asociado de Puerto Rico, entre otros asuntos relacionados. Enmienda, entre otras leyes, la Ley Núm. 83-1991, según enmendada, (conocida como "Ley de Contribución Municipal sobre la Propiedad de 1991") en su Artículo 3.14 para señalar que si el balance de los inventarios de cualquier fabricante, comerciante o negociante incluye la cantidad pagada por concepto del Impuesto de Ventas y Uso, se deberá reducir la cantidad correspondiente al pago de dicho impuesto, para el cómputo de la contribución sobre propiedad mueble.

ÓRDENES ADMINISTRATIVAS

1) 2013-001 Concesión de noventa (90) días a solicitudes de prórroga automática para rendir la planilla de contribución sobre propiedad mueble presentadas por las compañías de responsabilidad limitada (LLC).

2) 2013-002 Normas para otorgar una bonificación y/o pago en metálico a personal del CRIM por trabajo extraordinario realizado fuera de horas laborables durante el periodo para finalizar el proceso de planillas y prórrogas con pago 2012 de contribución mueble.

ESTADOS
FINANCIEROS

COMMONWEALTH OF PUERTO RICO

MUNICIPAL REVENUE COLLECTION CENTER

FINANCIAL STATEMENTS

Year Ended June 30, 2013

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López-Vega, CPA, PSC
Certified Public Accountants / Management Advisors

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

INDEPENDENT AUDITORS' REPORT

To the Governing Board
Municipal Revenue Collection Center
San Juan, Puerto Rico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **Municipal Revenue Collection Center** (the Center) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule on pages 3–9 and 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

LOPEZ-VEGA, CPA, PSC

San Juan, Puerto Rico
December 20, 2013

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

INTRODUCTION

The Management's Discussion and Analysis (MD&A) of the Municipal Revenue Collection Center (the Center) provides an overview of the Center's operational as well as financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Center's performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding.

The MD&A is an element of the reporting model adapted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A and is included in this report.

ORGANIZATION STRUCTURE

The Center is a municipal entity with legal personality, separate and independent from the Central Government of Puerto Rico, created in 1991 as part of the Municipal Reform. The Center is led by an Executive Director, who is appointed by the Governing Board. The Executive Director of the Center exercises the functions and powers provided by law, as well as those delegated to it by the Governing Board.

The Governing Board is comprised of eleven (11) members, from which nine (9) are majors, the Commissioner of Municipal Affairs, and the President of the Government Development Bank for Puerto Rico.

CENTER'S SERVICES

The Center has one (1) Central Office and nine (9) Regional Offices located throughout the Island. The offices are located in Aguadilla, Arecibo, Bayamón, Caguas, Carolina, Humacao, Mayagüez, Ponce and San Juan. These offices serve taxpayers, in addition to carrying out technical functions, such as real estate appraisals, machinery and property valuation, among others.

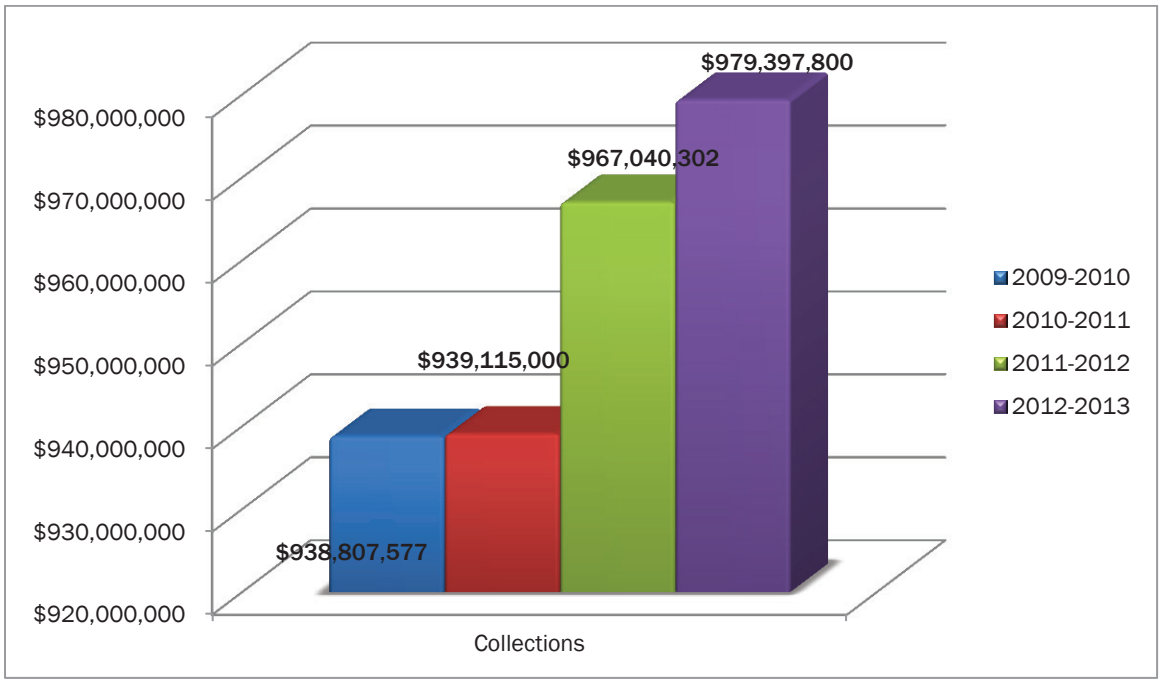
The Center provides fiscal services to all the municipalities including but not limited to notification, assessment and collection of both personal and real property taxes. To offer the service it renders, its principal source of revenue is derived from up to five percent (5%) of the property tax collections.

OPERATIONAL HIGHLIGHTS

The Center increases its tax collections from $967 millions in the fiscal year 2011-2012 to $979 millions in the current fiscal year, representing an increase of $12 millions. This increase is mostly driven by significant collection efforts and the procedures established in order to improve the efficiency of the Center and the quality of services. The amounts do not include assignments from state and revenues awarded from the Additional Lottery.

OPERATIONAL HIGHLIGHTS (CONTINUED)

The following chart show how the Center has increased revenue collections during the last four (4) years:



During the fiscal year 2012-2013, a decrease in the personnel assigned to the Collections and Executions departments, results in a decrease, as well of the collections related to notifications, bank executions and annotations. The following table shows the trend explained previously:

	2012-2013	*2011-2012*	*2010-2011*	*2009-2010*
Notifications, Bank Executions and Annotations on the Property Registry	2,562	38,838	15,562	39,060
Collections	$6,816,521	$21,119,918	$15,741,363	$13,070,365

In order to be more efficient and provide a faster and more reliable service to our taxpayers, many of the Center's services were provided through the Center's customer service phone line and through its website. With these tools we resolve more than sixty six (66) thousand questions and consultations. In addition, a total of approximately one (1) thousand, taxpayer's questions were received and resolved through the use of electronic mail. The phone calls and email consultations were primarily to online system access, owners or address change, certifications, account balance, payments and general orientation. These services resulted on collections of approximately $88 millions during the fiscal year 2012-2013.

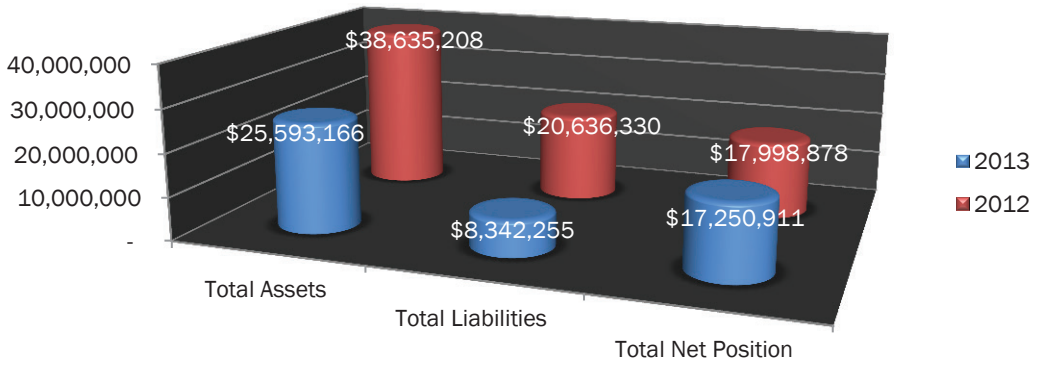
FINANCIAL HIGHLIGHTS

Government-wide highlights

As can be noted in the Statement of Activities and Governmental Fund Financial Statements, total beginning net position and fund balance have been restated to correct overstatement in the Accounts Payable and to reclassify certain transactions. Both balances were adjusted by $355,625 and $502,669, respectively.

Net Position – The total assets of the Center exceeded its total liabilities for fiscal year ended June 30, 2013 by $17,250,911 as presented in "total net position". Of this amount, the unrestricted portion consists of $731,785 and $16,519,126 are investments in capital assets, net of related debt. The Center's total net position decreased by $747,967 in comparison with prior fiscal year, as restated.

Condense Statement of Net Position	2013	2012	Change	%
Current and other assets	$ 7,719,601	$ 20,819,543	$(13,099,942)	(63)%
Capital assets	17,873,565	17,815,665	57,900	0.3%
Total assets	25,593,166	38,635,208	(13,042,042)	(34)%
Current and other liabilities	3,016,230	3,709,194	692,964	(19)%
Long-term liabilities	5,326,025	16,927,136	11,601,111	(69)%
Total liabilities	8,342,255	20,636,330	12,294,075	(60)%
Invested in capital assets, net of related debt	16,519,126	3,668,652	12,850,474	350%
Unrestricted (deficit)	731,785	14,330,226	(13,598,441)	(95)%
Total net position	$ 17,250,911	$ 17,998,878	$ (747,967)	(4)%



Governmental Fund highlights

Government funds – fund balances - As of the close of fiscal year 2013, the Center's governmental funds reported a combined ending fund balance of $6,361,218, representing a decrease of $12,699,129 in comparison with prior year, as restated. Of this total amounts, $1,798,039 represents unassigned fund balance, $1,700,585 are committed to specific purposes as established by the Governing Board, such as improvement to the telecommunications system, computer servers virtualization, overhaul to three (3) elevators at the central office building, general maintenance and painting; and $2,862,594 are assigned for payment of contracts and obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Center's basic financial statements. The Center's basic financial statements include three components: (1) government–wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Basic financial statements

The basic financial statements include two (2) kinds of financial statements that present different views of the Center: the government-wide financial statements and the fund financial statements. These financial statements also include the notes to the basic financial statements and provide more details.

Government–wide financial statements

The government-wide financial statements provide a broad view of the Center's operations in a manner similar to a private sector business. The statements provide both short and long-term information about the Center's financial position, which assists the Center's in assessing the Center's economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. They take into account all revenue and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two (2) statements:

- **Statement of net position** – presents all the Center's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in the Center's net position may serve as a useful indicator of whether the financial position of the Center is improving or deteriorating.

- **Statement of activities** – presents information showing how the Center'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 time of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as, earned but unused vacation leave).

Governmental 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 Center, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. The fund financial statements focus on individual parts of the Center's governmental funds, reporting the Center's operations in more detail than the government–wide statements. All of the funds of the Center can be divided into three (3) categories. It is important to note that these fund categories use different accounting approaches and will be interpreted differently. The three (3) categories of funds are the following:

- **Governmental funds financial statements** – Governmental funds are used to account for essentially the same activities reported in the government–wide financial statements. However, unlike the government- wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This approach is known as using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These statements provide a detailed short-term view of the Center's finances that assist in determining whether there will be adequate resources available to meet the current needs of the Center. Because the focus of the governmental funds 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 governmental fund balance sheet and governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Center has only one (1) governmental fund-the general fund. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary fund financial statements** – Proprietary funds, like the government-wide financial statements, provide both, short and long-term financial information about the activities that the Center operates like a business. The only proprietary fund operated by the Center is the building which is available to be rented. The accounting used for proprietary funds is accrual basis of accounting. The Center's proprietary fund records fee charged to customers for the services provided by the Center. The proprietary's statement of net position, statement of revenue, expenses and changes in net position, and statement of cash flows can be found immediately following the governmental fund financial statements.

- **Fiduciary funds** – These funds are used to account for resources held for the benefit of the municipalities. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Center's own activities. The accounting used for fiduciary funds is much like that used for proprietary funds. They use the accrual basis of accounting. The Center's fiduciary funds record the assets held for distribution by the Center as an agent for the municipalities. The statement of fiduciary net position-agency fund can be found immediately following the governmental funds financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found immediately following funds financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS–VARIANCES

The following summarizes the main variances in the government-wide financial statements totals:

Statement of net position

Total assets decreased by approximately $13 millions (63%) in comparison with prior fiscal year. One of the reasons for this decrease is the use of $13 millions for the payment of principal and interest of the long-term debt related to acquisition of the central office building.

GOVERNMENT-WIDE FINANCIAL ANALYSIS–VARIANCES (CONTINUED)

Total liabilities decreased by approximately $12 millions (60%) in comparison with prior fiscal year. This is the net effect of various changes as follows: (a) a decrease in accounts payable of approximately $692 thousands; (b) a decrease in long-term debt by approximately $12 millions related to the payment of principal during the year ended June 30, 2013. Approximately, $12 millions in debt to the proprietary fund were paid by the general fund.

Total net position decreased by approximately $747 thousands, mainly as a result of the change in net position in the Statement of Activities. Below we summarize the main reasons for such a decrease.

Statement of activities

Total expenses decreased by approximately $4.3 millions (13%) in comparison with prior fiscal year. The main reason for the decrease is the decrease in salaries and fringe benefits. In addition, utilities and professional and consulting services decreased by approximately $617 thousand and $877 thousand, respectively. Also, there was a reduction in postage and interest for approximately $218 thousand and $346 thousand, respectively mainly due to cost reduction by the Center.

Total revenues decreased by approximately $1.9 millions (6%) in comparison with prior fiscal year. This is the net effect of a decrease in the Center's operational budget of approximately $1.8 millions mainly due to the active period of the 2011 Amnesty during the fiscal year 2011-2012.

Condense Statement of Activities	2013	2012	Change	%
General revenues:				
Property tax administrative fee	$ 26,455,483	$ 28,340,419	$ (1,884,936)	(7)%
Sales of certification and maps	748,115	770,102	(21,987)	(3)%
Interest income	37,131	71,095	(33,964)	(48)%
Service charges to banks	1,571,213	1,619,531	(48,318)	(3)%
Total revenues	28,811,942	30,801,147	(1,989,205)	(6)%
Expenses:				
Salaries and fringe benefits	20,768,862	$22,890,282	2,121,420	9%
Professional and consulting services	1,556,036	2,433,854	877,818	36%
Travel and representation	533,336	679,166	145,830	21%
Depreciation	779,576	755,359	(24,217)	(3)%
Supplies	118,244	193,183	74,939	39%
Rent	2,005,644	1,518,170	(487,474)	(32)%
Repairs and maintenance	1,629,582	1,526,039	(103,543)	(7)%
Utilities	800,299	1,417,511	617,212	44%
Printed forms	182,940	107,905	(75,035)	(70)%
Postage	488,533	706,635	218,102	31%
Insurance	97,539	70,002	(27,537)	(39)%
Trainings	7,148	8,266	1,118	14%
Interest	432,780	778,999	346,219	44%
Other	159,390	847,886	688,496	81%
Total expenses	29,559,909	33,933,257	4,373,348	13%
Change in net position	(747,967)	(3,132,110)	2,384,143	76%
Net position, beginning, as restated	17,998,878	21,130,988	(3,132,110)	(15)%
Net position, end of year	$ 17,250,911	$ 17,998,878	$ (747,967)	(4)%

FINANCIAL ANALYSIS OF THE CENTER'S GOVERNMENTAL FUND

The focus of the Center's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Center's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. There are approximately $1.7 millions of fund balance committed to indicate that it is not available for new spending because it has already been committed to cover special projects according to the resolutions of the Governing Board, and there is approximately $2.8 millions assigned to liquidate contracts and purchase order.

The general fund is the sole operating fund of the Center. At the end of the current fiscal year, unassigned fund balance was $1,798,039, while the total fund balance reached $6,361,218. The Center's fund balance decreased by $12,699,129.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget and the final budget remained substantially the same except for reclassification of expenditures made throughout the fiscal year. For the fiscal year 2013, the general fund actual expenditures were $27,902,377, which represents approximately $1 million less than the final budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Center's capital assets for its government activities and business type activities, as of June 30, 2013, amounted to $35,525,545 with accumulated depreciation of $17,651,980, resulting in a book value of $17,873,565. This investment in capital assets includes land, building, building improvements, office equipment, computer hardware and software and vehicles.

Debt administration

Information on the Center's long-term debt obligations can be found in Note 6 to the basic financial statements.

CONTACTING CRIM FINANCIAL MANAGEMENT

The Center's financial statements are designed to present users with a general overview of its finances. Questions concerning any of the information provided in this report or requests or additional information should be addressed to the Municipal Revenue Collection Center at PO Box 195387 San Juan, PR 00919-5387.

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Net Position
June 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	$ 6,937,923	$ 46,357	$ 6,984,280
Accounts receivable	372,870	1,397	374,267
Due from other funds	361,054	-	361,054
Total current assets	7,671,847	47,754	7,719,601
Noncurrent assets			
Capital assets			
Nondepreciable assets	-	6,715,000	6,715,000
Depreciable assets, net of accumulated depreciation	1,314,004	9,844,561	11,158,565
Total capital assets	1,314,004	16,559,561	17,873,565
Total assets	$ 8,985,851	$ 16,607,315	$ 25,593,166
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	$ 1,310,629	$ 143,395	$ 1,454,024
Due to other funds	-	361,054	361,054
Current portion of:			
Notes payable	-	123,974	123,974
Capital lease obligations	-	91,932	91,932
Accrued compensated absences	985,246	-	985,246
Total current liabilities	2,295,875	720,355	3,016,230
Noncurrent liabilities			
Net of current portion			
Notes payable	-	1,230,465	1,230,465
Capital leases	-	246,552	246,552
Accrued compensated absences	3,849,008	-	3,849,008
Total noncurrent liabilites	3,849,008	1,477,017	5,326,025
Total liabilities	6,144,883	2,197,372	8,342,255
Net position			
Invested in capital assets, net of related debt	1,314,004	15,205,122	16,519,126
Unrestricted (deficit)	1,526,964	(795,179)	731,785
Total net position	2,840,968	14,409,943	17,250,911
Total liabilites and net position	$ 8,985,851	$ 16,607,315	$ 25,593,166

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Activities
For the Year Ended June 30, 2013

	Governmental Activities	Business-type Activities	Total
Expenses			
Salaries and fringe benefits	$ 20,768,862	$ -	$ 20,768,862
Professional and consulting services	1,460,402	95,634	1,556,036
Travel and representation	533,336	-	533,336
Depreciation	335,151	444,425	779,576
Supplies	118,244	-	118,244
Rent	1,709,364	296,280	2,005,644
Repairs and maintenance	885,748	743,834	1,629,582
Utilities	800,299	-	800,299
Printed forms	182,940	-	182,940
Postage	488,533	-	488,533
Insurance	33,400	64,139	97,539
Trainings	7,148	-	7,148
Interest	36,161	396,619	432,780
Other	159,390	-	159,390
Total expenses	27,518,978	2,040,931	29,559,909
General revenues			
Property tax administrative fee	26,455,483	-	26,455,483
Sales of certification and maps	748,115	-	748,115
Interest income	36,977	154	37,131
Service charges to banks	1,571,213	-	1,571,213
Total general revenues	28,811,788	154	28,811,942
Deficiency of revenues over expenses			
Other financing (uses) sources			
Transfers to other funds	(13,552,989)	-	(13,552,989)
Transfer from other funds	-	13,552,989	13,552,989
Total other financing (uses) sources	(13,552,989)	13,552,989	-
Change in net position	(12,260,179)	11,512,212	(747,967)
Net position beginning of fiscal year	14,785,806	2,710,402	17,496,208
Prior period adjustments	315,341	187,329	502,670
Net position end of fiscal year	$ 2,840,968	$ 14,409,943	$ 17,250,911

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Balance Sheet-Governmental Funds
June 30, 2013

	General Fund
Assets	
Cash and cash equivalents	$ 6,937,923
Accounts receivable	372,870
Due from other funds	361,054
Total assets	$ 7,671,847
Liabilities and fund balances	
Liabilities	
Accounts payable and accrued liabilities	$ 1,310,629
Fund balances	
Committed	1,700,585
Assigned	2,862,594
Unassigned	1,798,039
Total fund balances	6,361,218
Total liabilities and fund balances	$ 7,671,847

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

Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Position
For the Year Ended June 30, 2013

Total Fund Balances-Governmental Funds		$ 6,361,218
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital Assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds. In the current period, these amounts are:		
Depreciable capital assets	15,391,474	
Accumulated depreciation	(14,077,470)	
Total capital assets		1,314,004
Some liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of:		
Accrued compensated absences	4,834,254	
Total long-term liabilities		(4,834,254)
Total Net Position of Governmental Activities		$ 2,840,968

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds
For the Year Ended June 30, 2013

	General Fund
Revenues	
Property taxes administrative fee	$ 26,455,483
Sales of certifications and maps	748,115
Interest income	36,977
Service charges to banks	1,571,213
Total revenues	28,811,788
Expenditures	
Current:	
Salaries and fringe benefits	20,705,488
Professional and consulting services	1,460,402
Travel and representation	533,336
Capital outlays and supplies	647,719
Rent	1,709,364
Repairs and maintenance	1,193,748
Utilities	800,299
Printed forms	182,940
Postage	488,533
Interest and bank charges	36,161
Insurance	33,400
Trainings	7,148
Other	159,390
Total expenditures	27,957,928
Excess of revenues over expenditures	853,860
Other financing uses	
Transfers out	(13,552,989)
Total other financing uses	(13,552,989)
Net change in fund balances	(12,699,129)
Fund balance, beginning	18,704,722
Prior period adjustments	355,625
Fund balance, ending	$ 6,361,218

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds	$ (12,699,129)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	837,475
Depreciation expense on capital assets is reported in the Government-Wide Statements of Activities and Change in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(335,151)
Long-term compensated absences are reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, long-term compensated absences were not reported as expenditures in Govermental Funds. The following amount represent the change in long-term compensated absences from prior year.	(63,374)
Change in Net Position of Governmental Activities	$ (12,260,179)

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

Budgetary Comparison Schedule-General Fund
Year Ended June 30, 2013

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
OPERATING REVENUES:				
Property taxes administrative fee	$ 26,455,483	$ 26,455,483	$ 26,455,483	$ -
Sales of certifications and maps	680,000	680,000	748,115	68,115
Interest income	5,000	5,000	36,920	31,920
Service charges to banks	1,615,000	1,615,000	1,571,213	(43,787)
Other	205,000	205,000	57	(204,943)
Total revenues	28,960,483	28,960,483	28,811,788	(148,695)
OPERATING EXPENDITURES				
Current:				
Salaries and fringe benefits	21,732,768	21,729,923	20,705,486	1,024,437
Professional and consulting services	1,507,406	950,604	984,588	(33,984)
Travel and representation	551,300	577,110	533,320	43,790
Capital outlays and supplies	164,101	154,881	120,442	34,439
Rent	1,392,640	1,738,716	1,688,902	49,814
Repairs and maintenance	452,089	482,108	462,228	19,880
Utilities	692,500	829,450	870,872	(41,422)
Printed forms	155,200	275,056	280,040	(4,984)
Postage	673,000	499,364	488,533	10,831
Interest and bank charges	35,000	34,890	36,161	(1,271)
Insurance	-	33,400	33,400	-
Trainings	10,000	9,720	6,298	3,422
Transfers to proprietary fund	1,501,640	1,601,653	1,501,640	100,013
Other	92,839	43,608	190,467	(146,859)
Total expenditures and encumbrances	28,960,483	28,960,483	27,902,377	1,058,106
EXCESS OF REVENUES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING SOURCES	$ -	$ -	$ 909,411	$ 909,411

Explanation of Differences:

Uses/outflows of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 27,902,377
Differences-budget to GAAP:	
Prior year encumbrances recorded as current year expenditures for GAAP basis	889,742
Current year encumbrances recorded as expenditures for budgetary purposes	(605,341)
Transfer to proprietary fund	(1,501,640)
Special projects recorded as expenditures for GAAP Basis	1,272,790
Total expenditures and other financing uses as reported on the statement of revenues, expenditures, and changes in fund balances	$ 27,957,928

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

COMMONWEALTH OF PUERTO RICO Municipal Revenue Collection Center	Balance Sheet Proprietary Fund June 30, 2013

		Proprietary Fund
Assets		
Cash and cash equivalents	$	46,357
Accounts receivable		1,397
Capital assets-nondepreciable		6,715,000
Capital assets- net of accumulated depreciation		9,844,561
Total assets	$	16,607,315
Liabilities and net position		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$	143,395
Due to other funds		361,054
Current portion of:		
Capital lease		91,932
Note payable		123,974
Total current liabilities		720,355
Non-current liabilities-net of current portion		
Capital lease		246,552
Note payable		1,230,465
Total non-current liabilities		1,477,017
Total liabilities		2,197,372
Net position:		
Investment in capital assets, net of related debt		14,866,639
Unrestricted		(456,696)
Total net position		14,409,943
Total liabilities and net position	$	16,607,315

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Revenues, Expenditures and Changes in Net Position-Proprietary Fund
For the Year Ended June 30, 2013

	Total Proprietary Fund
Expenditures	
Repairs and maintenance	$ 296,280
Depreciation	444,425
Utilities	743,834
Security services	95,634
Insurance	64,139
Total operating expenses	1,644,312
Operating loss	(1,644,312)
Non-operating expenses	
Interest income	154
Interest expenses	(396,619)
Total non-operating expenses	(396,465)
Net loss before transfers	(2,040,777)
Transfers in	13,552,989
Change in net position	11,512,212
Net position, beginning	2,710,402
Prior period adjustments	187,329
Net position, beginning as restated	2,897,731
Net position, end of fiscal year	$ 14,409,943

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

Cash flows from operating activites		
Receipts from customers	$	16
Payments to suppliers		(1,275,023)
Net cash used in operating activities		(1,275,007)
Cash flows from capital and related financing activities		
Principal payments on notes payable		(12,365,758)
Principal payments on capital leases		(88,331)
Interest payments		(396,619)
Transfer from governmental fund		13,552,989
Loan from governmental fund		361,053
Net cash provided by capital and related financing activities		1,063,334
Cash flows from provided by investing activities		
Interest income		154
Net decrease in cash and cash equivalents		(211,519)
Cash and cash equivalents beginning of fiscal year		257,876
Cash and cash equivalents end of fiscal year	$	46,357

Reconciliation of operating income to cash used in operating activities		
Operating loss	$	(1,644,312)
Adjustments to reconcile operating income to net cash used in operating activities:		
Depreciation expense		444,425
Increase in accounts receivable		(16)
Increase in accounts payable		(75,104)
Decrease in capital assets		
Net cash used in operating activities	$	(1,275,007)

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

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Statement of Fiduciary Net Position-Agency Fund
June 30, 2013

	Citizen's Participation	Property Taxes	Municipal Redemption
Assets			
Cash and cash equivalents	$ 1,159,511	$ 68,561,783	$ 513,514,049
Due from:			
Taxpayers-real property, net of allowance for uncollectable of $1,473,693,031	-	1,305,263,070	-
Taxpayers-personal property, net of allowance for uncollectable of $265,367,818	-	430,295,828	-
Municipalities, net of allowance for uncollectable of $55,497,027	-	250,475,170	-
Commonwealth, net of allowance for uncollectable of $8,313,377	-	25,875,365	-
Total assets	$ 1,159,511	$ 2,080,471,216	$ 513,514,049
Liabilities			
Due to:			
Commonwealth	$ -	$ 343,585,093	$ -
Municipalities-other	1,159,511	1,327,225	-
Municipalities-real property	-	1,305,263,070	-
Municipalities-personal property	-	430,295,828	-
Restricted for municipalities debt	-	-	513,514,049
Total liabilities	$ 1,159,511	$ 2,080,471,216	$ 513,514,049

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

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Municipal Revenue Collection Center (the Center) was created by Act No. 80 as part of the Municipal Reform Legislation of August 30, 1991. The Center was created for the purpose of establishing a separate and independent governmental entity from the Commonwealth of Puerto Rico (the Commonwealth), to collect, receive and distribute the property tax revenues of the Municipalities. Prior to the enactment of this Act, the Commonwealth, through the Department of the Treasury, accounted for these revenues. The Center is exempt from the payment of taxes in its revenues and properties.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the primary government is financially accountable and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Criteria provided in Governmental Accounting Standards Board Codification Section 2100 has been considered and there are no agencies or entities which should be presented with the Center.

B. Basis of Accounting

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities are the date of the financial statements and the reported amounts of revenue, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Center has defines cash and cash equivalents to include cash on hand, demand, deposits, and short-term investments with original maturities of three (3) months or less from the date of acquisition.

Capital Assets

Capital assets include land, building, building improvements, and equipment, and are reposted in the government-wide financial statements.

The Center defines capital assets as assets, which have an initial, individual cost of more that $200 at date of acquisition and an estimated useful life of five (5) or more years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the time of donation.

Additions, improvements and other capital outlays that significantly extend the useful life of capital assets are capitalized. The costs of normal maintenance and repairs that do not add value to the assets or materially extend assets lives are not capitalized; instead, they are expensed as incurred.

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets utilized in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements.

Capital assets are depreciated using the straight-line methods over the assets estimated life. Equipment under capital leases is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statement. Land is a non-depreciable asset. The estimated useful lives of capital assets are as follows:

Types of Capital Assets	Years
Building/Infrastructures	40
Building/Infrastructure improvements	40
Office equipment	5
Computer hardware and software	5
Vehicles	5
Office equipment under capital lease	5

Long-Term Obligations

In the government-wide financial statements, special and other long-term obligations are reported as noncurrent liabilities in the statement of position. The liabilities reported in this statement include the Centers long term liabilities for the acquisition of office equipment, and the long-term accrued compensated absences.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as a vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Center and its employees is accrued as employees earn its rights to benefits. Employees earn its right to annual vacation leave at the rate of thirty (30) working days per calendar year up to a maximum permissible accumulation of sixty (60) working days for regular employees.

The excess is payable, if not used by the employee, by June 30 of the next fiscal year. Employees earn sick leave at the rate of eighteen (18) working days per calendar year. Sick leave is only payable if the regular employee resigns and has more than ten (10) years of employment, or retires. The maximum permissible accumulation is ninety (90) working days for all employees and the excess is payable if not used by employee by March 31 of the next fiscal year.

The Center accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Claims and Judgments

The estimated amount of the liability for claims and judgments, which is due on demand, such as from adjudicated or settled claims, is recorded in the general fund when the liability is incurred.

Those cases that, as a result of the settlement a property tax credit is awarded, such a credit is recorded by management as a contra-account in the property tax receivable balance.

C. Measurement Focus

The Center's basic financial statements include both government-wide (Statement of Net Position and Statement of Activities) and government fund financial statements (Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances).

Government-Wide Financial Statements

The government-wide financial statements report information of all the non-fiduciary activities of the Center. For the most part, the effect of inter-fund activity has been removed from these government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and, 2) contributions that are restricted to meeting the operational or capital requirements of a specific function. Management fees and other items not properly included among program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental Fund Financial Statements:

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Center considers revenue to be available if it is collected within sixty (60) days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences, claims and judgment are recorded only when payment is due.

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government wide financial statement. Major individual government funds are reported as separate columns in the fund financial statements.

D. Basic Financial Statements Presentation

Financial Reporting Presentation

Financial information of the Center is presented in this report as follow:

1. Management's discussion and analysis introduces the basic financial statements and provides analytical overview of the Municipalities financial activities.

2. The government-wide financial statements report information of all of the non-fiduciary activities of the Center. The statement of net position presents the Center's non fiduciary assets and liabilities, with the difference reported as net position. Net position are reported in two categories:

   a. Invested in capital assets, net of related debt – these consist of capital assets, net of accumulated depreciation and amortization and reduced for outstanding balances for notes and other debts that are attributed to the acquisition construction or improvements of those assets.

   b. Unrestricted net position – these consist of net position which does not meet the definition of the preceding category. Unrestricted net position often is designated, to indicate that management does not consider them to be available for general operations. Unrestricted net position often have constrains on resources that are imposed by management, but can be removed or modified.

   The government-wide statement of activities was prepared following the option available for single–program governments using a single column reporting expenses first followed by revenues (by major sources). The difference between these amounts is net revenue and followed by beginning and ending net position.

3. Governmental fund financial statements focus on information about the Centers general fund. The general fund is the operating fund of the Center. It is used to account for all financial resources except those required to be accounted for in another fund.

4. Required supplementary information such as the reconciliation of the balance sheet of governmental funds to the statement of net position, budgetary comparison schedule and other types of schedules required by the Governmental Accounting Standard Board.

5. The proprietary fund distinguishes operating revenue and expenses from non-operating items. Operating revenue and expenses result from providing services in connection with the fund principal ongoing operations. Revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. The statement of fiduciary net position is reported using the economic measurement focus and the accrual basis of accounting, similar to the government–wide financial statement described above. The Center reports the following fiduciary funds:

   a. Agency fund: This fund reports resources held by the reporting government in a purely custodial capacity. There are three major agency funds reported by the Center as follow:

      i. Property Tax Fund: Pursuant to Act No. 80, the Center is empowered to bill and collect property taxes in order to distribute property tax collections to the municipalities.

      ii. Municipal Redemption Fund: This fund is used to service the debt of the Municipalities.

      iii. Citizens Participation Fund: The Center is responsible for receiving and distributing funds assigned by the Commonwealth of Puerto Rico for citizens' participation in the municipality development program, (the program). The program was established by Act No. 2 of July 9, 1973 and is funded through legislative appropriations. Programs funds are distributed to the Municipalities based on some specific criteria established by the Act.

7. Notes to the financial statements

The emphasis in the fund financial statements is on major funds. The model as defined in GASB No. 34 establishes criteria for determination of a major fund. In summary, the Center reports in the following major funds: general fund and proprietary fund.

E. Reservations of Fund Balances–Governmental Fund

Fund balance classification: The government fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Center is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: this classification includes amounts that cannot be spent because they are either: a) not in spendable form, or b) are legally or contractually required to be maintained intact. The Center has currently no funds under this classification as there are no items that are not expected to be converted to cash or are not expected to be converted to cash within the next year.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either: (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Center has currently no funds under this classification.

1-ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Center's Governing Board (the Board). These amounts cannot be used for any other purpose unless the Board removes or charges the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

- Assigned: This classification includes amounts that are constrained by the Centers intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Center's Governing Board or through the Board delegating this responsibility to the Center's Executive Director through the budgetary process.

- Unassigned: This classification includes the residual fund balance for the general fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

The Center would typically use restricted balance first, followed by committed resources, and the assigned resources, as appropriate opportunities arose, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

F. Financial Risk

The Center carries commercial insurance to cover casualty, theft, tort claims and other losses. Cost of insurance for the year ended June 30, 2013 amounted to $33,400. The current insurance policies have not been cancelled or terminated. The Center also deducted $616,979 for workers compensations insurance covering all municipal employees.

G. Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between fund balance total governmental funds and net position—governmental activities as reported in the government- wide statement of net position. The two elements of the reconciliation explain that "long-term liabilities, including compensated absences, loans and notes payable, are not due and payable in the current period and therefore are not reported in the funds", and that "capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds".

Likewise the governmental funds statement of revenues, expenditures and changes in funds balance includes reconciliation between the deficiency of revenues over expenditures and the change in net position as reported in the government-wide statement of activities. The reconciliation explains, among other things, that the governmental fund reports capital outlays as expenditures, but are capitalized and their costs allocated over their estimated useful life in the government-wide.

2-CASH AND CASH EQUIVALENTS

A. Deposits

The Center is authorized to deposit only in bank institutions approved by the Department of the Treasury of the Commonwealth of Puerto Rico. Such deposits should be kept in separate accounts in the name of the Center. Under Puerto Rico statutes, public funds deposited in commercial banks must be fully collateralized for the amount deposited in excess of federal depository insurance. It is the Center's policy to have all bank account openings approved by its Governing Board. During the year ended June 30, 2013, the Center invested its funds in interest–bearing accounts.

B. Custodian Credit Risk

Custodian credit risk is the risk that, in an event of a bank failure, the Center's deposit might not be recovered. The Commonwealth of Puerto Rico requires that public funds deposited in commercial banks must be fully collateralized for the amount deposited in excess of federal depository insurance. All securities, pledge as collateral is held by the Secretary of the Treasury of the Commonwealth of Puerto Rico.

The Center had the following depository accounts in commercial banks. All deposits are carried at cost plus accrued interest.

Depository Account	Bank Balance at June 30, 2013
Deposits insured by the FDIC	$ 1,264,384
Deposits subject to the collateral requirements	63,793,740
Total deposits	$ 65,058,124

In addition, at June 30, 2013 the Center maintained cash deposited at the Governmental Development Bank of Puerto Rico (GDB), for $525,152,799. This amount is uncollateralized since by law, the governmental bank of the Commonwealth of Puerto Rico are exempt of the requirement of insuring the deposits of funds of the entities of the Commonwealth of Puerto Rico.

The carrying amount of deposits in commercial and governmental banks, at June 30, 2013, amounts to $590,210,923.

3-RECEIVABLES

Receivables in the general fund amount to $372,870 represent services charged to financial institutions for access in the web to their tax system, sale of maps, and parcel updates in the Digital Cadastre which are charged to the Office of Management and Budget of Puerto Rico.

4-CAPITAL ASSETS

The Center's capital asset activity for the year ended June 30, 2013 is as shown on the following table:

Proprietary Activities:	Beginning Balance at July 1, 2012, as restated	Additions	Retirements	Ending Balance at June 30, 2013
Capital assets, not being depreciated				
Land	$ 6,715,000	$ -	$ -	$ 6,715,000
Total capital assets, not being depreciated	6,715,000	-	-	6,715,000
Capital assets, being depreciated:				
Building/infrastructure	9,785,000	-	-	9,785,000
Building/infrastructure improvements	2,843,848	-	-	2,843,848
Office equipment under capital leases	790,223	-	-	790,223
Total capital assets, being depreciated	$ 13,419,071	$ -	$	$13,419,071
Less accumulated depreciation for:				
Building/infrastructure	$ (2,201,625)	$ (244,625)	$ -	$ (2,446,250)
Building/infrastructure improvements	(605,338)	(95,999)	-	(701,337)
Office equipment under capital leases	(323,123)	(103,800)	-	(426,923)
Total accumulated depreciation	(3,130,086)	(444,424)	-	(3,574,510)
Total capital assets, being depreciated, net	10,288,985	(444,424)	-	9,844,561
Proprietary activities capital assets, net	$ 17,003,985	$ (444,424)	$ -	$ 16,559,561

4-CAPITAL ASSETS (CONTINUED)

Governmental Activities:	Beginning Balance at July 1,2012, as restated	Additions	Retirements	Ending Balance at June 30, 2013
Capital assets, being depreciated:				
Building/infrastructure improvements	$ -	$ 308,000	$ -	$ 308,000
Office equipment	1,642,711	1,222	-	1,643,933
Computers hardware and software	5,423,757	528,253	-	5,952,010
Vehicles	166,983	-	-	166,983
Other equipment	7,320,548	-	-	7,320,548
Total capital assets, being depreciated	$ 14,553,999	$ 837,475	$ -	$ 15,391,474
Less accumulated depreciation for:				
Office equipment	$ (1,483,622)	$ (93,438)	$ -	$ (1,577,060)
Computers hardware and software	(4,771,254)	(241,625)	-	(5,012,879)
Vehicles	(166,985)	2	-	(166,983)
Other equipment	(7,320,458)	(90)	-	(7,320,548)
Total accumulated depreciation	(13,742,319)	(335,151)	-	(14,077,470)
Governmental activities capital assets, net	$ 811,680	$ 502,324	$ -	$ 1,314,004

5-LEASES

A. Operating Leases

The Center is obligated under various lease agreement, which expire from February 28, 2010 to October 1, 2022. Operating leases do not give rise to property rights or lease obligations, and therefore the result of the lease agreements are not reflected in the Center's financial statements as long-term liabilities. Therefore, leases are presented as rent expenditures.

Actual rent expenditures were $1,709,364 for the fiscal year ended on June 30, 2013. The following is a schedule of minimum rent payments under operating leases that have initial or remaining non-cancellable lease term in excess of one year as of June 30, 2013:

Year ending June 30,	Amount
2014	$ 1,481,931
2015	1,059,584
2016	1,059,584
2017	907,313
2018	907,313
Thereafter	2,716,000
Total	$ 8,131,725

5-LEASES (CONTINUED)

B. Capital Lease

The Center leases office equipment under a non-cancellable capital lease. The lease requires monthly payments of $8,650 plus 4% of interest which started on January 2012.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 are as follows:

Year ending June 30,	Principal	Interest	Total
2014	$ 91,932	$ 11,866	$ 103,798
2015	95,677	8,121	103,798
2016	99,575	4,223	103,798
2017	51,300	600	51,900
Total	$ 338,484	$ 24,810	$ 363,294

The depreciation expense for the office equipment under capital lease was $103,800. Amortized interest expense of outstanding obligation under such lease, presented in government-wide financial statements, was $15,465 in 2013.

6-LONG TERM LIABILITIES

A. Change in long term liability

Long term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due within One year
Loan payable	$ 13,720,197	$ -	$ (12,365,758)	$ 1,354,439	$ 123,974
Capital lease obligation	426,816	-	(88,333)	338,483	91,932
Accrued compensated absences	4,770,880	1,288,236	(1,224,862)	4,834,254	985,246
Total governmental long-term liabilities	$ 18,917,893	$ 1,288,236	$ (13,678,953)	$ 6,527,176	$ 1,201,152

The long term liabilities are described as follows:

1. **Loan payable** – The Center entered in a mortgage note payable for the acquisition and improvement of the main office building located in San Juan, Puerto Rico. The original amount of the mortgage note payable for the acquisition of the building was $20 millions. The note is payable in monthly payments of $136,450 including interest at 5.40% through June 27, 2023, collateralized by commercial mortgage. On November 21, 2012, the Center made a prepayment of $12,048,349. Of this amount, $12,000,000 was applied to the outstanding principal balance and the remaining was related to interest expenses. After the application of the prepayment the aggregate outstanding principal amount under the Note will be equal to $1,354,439, that will be payable in monthly payments of $16,090, including interest of 5.25% through October 21, 2022.

6-LONG TERM LIABILITIES (CONTINUED)

Principal and interest payments for the years following June 30, 2013, are as follow:

Year ending June 30,	Principal	Interest	Total
2014	$ 123,974	$ 68,478	$ 192,452
2015	130,736	62,346	193,082
2016	137,718	55,364	193,082
2017	145,380	47,702	193,082
2018	153,310	39,772	193,082
Thereafter	663,321	70,965	734,286
Total	$ 1,354,439	$ 344,627	$ 1,699,066

2. **Accrued compensated absences –**The government-wide statement of net position includes $3,000,571 of accrued sick leave benefits, and $1,833,683 of accrued vacation benefits, representing the Center's commitment to fund such costs from future operations.

7-FUND BALANCE

Fund balances are classified as follow:

A. **Nonspendable** – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

B. **Restricted** – amounts that can be spent only for specific purposes because of the Center charter, state or federal laws, or externally imposed conditions by grantors or creditors.

C. **Committed** – amounts that can be used only for specific purposes determined by a formal action by the Center's board of governor's resolution. This includes the budget reserve account.

D. **Assigned** – amounts that are designated by the Executive Director for a specific purpose but are not spendable until a budget is approved for such purposes or obligations incurred.

E. **Unassigned** – all amounts not included in other fund classifications.

The details of the fund balances are included in the governmental funds balance sheet. As discussed in Note 1, restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Center or the assignment has been changed by the Executive Director. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

7-FUND BALANCE

General Fund

The general fund has unassigned fund balance of $1,798,039 at June 30, 2013. Also, the general fund has assigned funds consisting of balances reserved for outstanding contracts of $2,862,594, and $1,700,585 committed for special projects as determined by the Governing Board resolutions.

8-AGENCY FIDUCIARY FUND

A. Agency Funds

Agency funds report resources held by the Center in a purely custodial capacity. The Center received resources from grants or other legally sources that are transferred to or spent on behalf of the Municipalities. The Center serves only as a cash conduit-that is, it has not administrative or direct financial involvement in the program, therefore these resources were reported in an agency fund as required by GASB Statements No. 34, and neither revenue nor expenditures are recorded, and no fund balance is required.

The agency fiduciary fund is used to account for the: (a) citizen's participation, (b) municipal redemption funds and (c) property taxes, which are custodial in nature and do not involve measurement of results of operations. These agency funds are described below:

I. Citizen's Participation Fund

The Center is responsible for the receiving and distribution of funds assigned by the Commonwealth of Puerto Rico for Citizen's Participation in the Municipal Development Program (the program). The Program was established by Act No. 81 of August 30, 1991, as amended by Act No. 84 of October 29, 1992 and is funded through legislative appropriations. Programs funds are distributed to the Municipalities based in some specific criteria established by the Act.

II. Municipal Redemption Fund

The Municipal Redemption Fund is used to service the debt of the Municipalities. The Government Development Bank for Puerto Rico (GDB) is the funds trustee. GDB maintains records of outstanding municipal bonds and notes, makes principal, interest payments on their due dates, and notifies the Center of the amounts paid. The fund increases by the collections of the designated portions of real and personal property taxes.

During the fiscal year 2012-2013, the Center collected to the Municipal Redemption Fund the amount of $311,779,082. Total debt service payments amounted to $291,773,940. Of such amount, principal and interest amounted to $173,785,596 and $117,988,344, respectively.

Outstanding notes and bonds of all Municipalities after the July 1, 2013 debt service payment amounted to $2,817,313,464.

8-AGENCY FIDUCIARY FUND (CONTINUED)

III. Property Tax Fund

Real property taxes are assessed on July based on the taxable values as of January 1, using the estimated values of 1957. Assessed values of personal property are based on the book value at January 1 of each year. Property taxes are assessed for all properties located at the Commonwealth of Puerto Rico.

Real property taxes are billed by the Center and are due in two equal installments in July and January following the assessment date. Personal property taxes are self-assessed and are due in May 15, when the related property tax return is required to be filed.

The property tax rate per annum varies among municipalities; however, for fiscal years commenced on or after July 1, 1992 it is comprised of a basic maximum tax of 4% for personal property or 6% for real property, 1.03% assessed by the Commonwealth of Puerto Rico for the payments of general obligation bond and notes. Property tax rate for fiscal year 2012-2013 varied from 5.80% to 8.83% for personal property and from 7.80% to 10.83% for real property.

The property tax fund includes a total of approximately $3.4 billions in gross receivables. Of these, approximately $2.7 billions and $695 millions are included in the accounts of real and personal property taxes, respectively. Management has performed an in-depth analysis of the aged receivables and has determined to establish an allowance for uncollectible accounts of 50%.

B. Exemptions and Discounts

Several Commonwealth of Puerto Rico Acts, primarily to promote economic development, provide for property tax exemptions. Under various industrial incentives acts, qualifying businesses are exempted totally or partially from real and personal property taxes for periods, which vary, by Municipality. Retailers with an annual sales volume of less than $150,000 are granted with an exemption from taxes on the first $50,000 of the assessed value of personal property.

Per Act No. 7 of March 9, 2009, the Commonwealth of Puerto Rico also exempts homeowners from taxes on the first $150,000 of the assessed value of real property used by owners as his principal residence. Veterans have an additional exemption from taxes on $50,000 of the assessed value of real property.

The Commonwealth of Puerto Rico pays to the municipalities property taxes exempted on real property. The amount paid by the Commonwealth of Puerto Rico for exempted real property is fixed at $86 millions per fiscal year.

Act No. 16 of May 1960 authorizes the Secretary of the Treasury of the Commonwealth of Puerto Rico to grant a discount of 20% of the annual basic tax over the assessment value of all real property not exempt from taxes. The Department of the Treasury will reimburses the 20% discounts to the municipalities. The Center has credited discounts of $36,707,753 for the fiscal year ended year ended a June 30, 2013.

8-AGENCY FIDUCIARY FUND (CONTINUED)

C. Equalization Process

Act No. 80 establishes a fund known as the Equalization Fund ("Fondo de Equiparación") and a subsidy known as the Income Guaranty Subsidy ("Garantia de Ingreso") for the purpose of ensuring that all municipalities receive at least the same amount of funds they received under prior Acts.

The Equalization Fund includes the following:

a) All funds derived from basic property taxes assessed by the Commonwealth prior to the 1991 Municipal Reform corresponding to a tax rate of 1% for personal property and a tax rate of 3% over the assessed value of all real property in Puerto Rico, not otherwise exempt. For the fiscal year ended June 30, 2013, this amount totaled $229,537,427.

b) A subsidy fixed at 2.50% for the fiscal years after 2002-2003 of the net internal revenue of the Commonwealth of Puerto Rico. For the fiscal year ended June 30, 2013, this amount totaled $210,145,000.

c) 35% of the Additional Lottery System net income as recorded at June 30, 2013. For the fiscal year ended June 30, 2013, this amount totaled $51,875,365.

d) An amount equal to 2% of the state imposed penalties described under Secs. 5001 of Title 9, known as "Ley de Vehiculos y Transito de Puerto Rico" to be distributed to municipalities by the Center.

Funds received under items (a) above are distributed to the corresponding municipalities. Funds received under items (b) and (c) above are distributed to the municipalities up to the amounts required to make each municipality's revenues equal its revenues from these sources for the prior fiscal year (i.e., equalize the municipalities). Any excess funds received under items (b) and (c) above are distributed to the municipalities using the four (4) factors provided by Act No. 80. If funds are not sufficient to equalize all the municipalities with less than 50 thousand habitants are equalized.

Funds under (d) are currently collected and distributed to the corresponding municipalities directly by the Puerto Rico Treasury Department; therefore such amounts are not part if the Schedule of Liquidation.

The Center distributed to the municipalities $229,537,427, $51,875,365 and $210,145,000 during the fiscal year 2013, related to the tax rate of 1% for personal property tax and the tax rate of 3% over the assessed value of all real estate property in Puerto Rico, to Lottery and Subsidies, respectively. The amount due from the Commonwealth of Puerto Rico for Lottery and Subsidies at June 30, 2013 are $25,875,365.

D. Debt service provided by the Property Tax Fund

The property tax fund provides debt services to the municipal's governments for the repayments of the following debts:

8-AGENCY FIDUCIARY FUND (CONTINUED)

- Line of credit agreements: In accordance with Act No. 42 of January 29, 2000 the Center's Governing Board approved a line of credit with Governmental Development Bank amounting to $166,449,961 to finance the accumulated debt due from municipalities up to June 30, 2000 for the excess of remittances received by the municipalities. The line of credit proceeds was used to pay off statutory and fiduciary obligations. This line of credit will be repaid from the increase of .48% of fixed subsidy of the net internal revenue of the Commonwealth of Puerto Rico granted to the municipalities.

  In accordance with Act No. 146 of October 11, 2011 the Center approved a line of credit amounting $105,000,000 to repurchase the bad debts sold to Puerto Rico Public Finance Corporation on June 30, 1998. The line of credit will be repaid from the increase of .48% of fixed subsidy of the net internal revenue of the commonwealth of Puerto Rico granted to the municipalities. The amount collected from the delinquent tax debt would be applied to principal. The Center cannot determine the amount to be collected from the delinquent tax debts.

  For the lines of credit described in the preceding two paragraphs, the Center is to receive the signed resolutions and note payable from municipalities. Once the municipalities complete such documents, each individual note will be part of the Municipal Redemption Fund.

- Insurance and Other Withholdings: As part of the monthly remittances distributed by the Center, the municipalities authorize the Center to withhold funds for the payment of the following obligations:

  (1) Municipal Insurance Policies: The Municipalities carries a commercial insurance to cover casualty, theft, tort claims, and other losses. Insurance policies are negotiated by the Puerto Rico Treasury Department. Since 2012, the municipalities were allowed to negotiate their insurance policies directly with the insurance providers. As of June 30, 2013, 46 of the 78 municipalities were negotiating the insurance with private insurance providers.

  (2) Loans: Amounts due on loans which are payable to the Government Development Bank of Puerto Rico.

  (3) Center's Administrative Expenses: Amount equal to 5% of collections of the property taxes to cover for the Center's administrative expenses.

9-PENSION PLAN

All employees participate in the Retirement System of the Commonwealth of Puerto Rico (the System), a cost sharing multi-employer defines benefit pension plan. The payroll for employees covered by the system for the year ended June 30, 2013 was approximately $15,784,971.

All Centers' employees, who at the time of employment are 55 years old or less, become member of the System as a condition of their employment. Employees who retire at or after age 55 with 25 years of credited service or age 58 with 10 years of credited service are entitled to a retirement benefit, payable each month for life, computed based on a benefit rate set forth by Commonwealth statute. The System also provides death and disability benefits established by Commonwealth statute.

9-PENSION PLAN (CONTINUED)

The Center is subject to a possible claim by the System based on the provisions of Act No. 447 of 1951 (the Act). The Act provides that government instrumentality shall cover possible actuarial deficiencies related to the accrued benefits from the respective instrumentality.

No provision has been made in the financial statements for the liability that results from actuarial deficiency at June 30, 1994 and possible liability that may arise from actuarial study at June 30, 2005.

Commonwealth legislation requires employees to contribute 5.775% for the first $550 of their monthly gross salary and 8.275% for the excess over $550 of monthly gross salary. The Center is required by the same statute to contribute 9.25% of the participants' gross salary. Total employees and employees contributions during the fiscal year ended June 30, 2013 amounted to $1,261,621 and $1,537,088, respectively, that represented 100% of required contributions.

On September 24, 1999, an amendment to Act No. 447 of May 15, 1951, which created the Retirement System, was enacted with the purpose of establishing a new pension program (System 2000). Employees participating in the current system as of December 31, 1999, may elect to stay in the defined benefit plan or transfer to the new program. Persons joining the Center on or after January 1, 2000, will only be allowed to become member of System 2000. System 2000 will reduce the retirement age from 65 years to 60 for those employees who joined the current plan on or after April 1, 1990.

System 2000 is a hybrid defined contribution plan, also known as a cash balance plan. Under this plan, there will be a pool of pension assets, which assumes that each year the employees contribution (with a minimum of 8.275% of the employee's salary up to a maximum of 10%) will be invested in an account which will either: (1) earn a fixed rate based on the two-year Constant Maturity Treasury Note, or (2) earn a rate equal to 75% of the return of the System investment portfolio (net of management fees), or (3) earn a combination of both alternatives. Participants will receive periodic account statements similar to those of defines contribution plans showing their accrued balances. Disability pensions will not be granted under System 2000. The employer's contributions (9.275% of the employee's salary) will be used to fund the current plan.

10-CONTINGENCIES

Claims and Lawsuits

The Center is defendant in labor and other lawsuits arising from its operations; management is of the opinion that no reserve should be recorded in the statement of net position in the government-wide financial statements.

11-SUBSEQUENT EVENT

Management has evaluated subsequent events up to December 20, 2013, the date the financial statement were available to be issued, no additional adjustment are deemed necessary.

Act No. 145, was issued on December 9, 2013 by the Legislature established an incentive plan for the payment of real and personal property tax dues, beginning on December 18, 2013. This Act provides an amnesty to all property taxpayers forgiving all penalties, surcharges and interests of the unpaid principal of pass-due property tax liability. The period that taxpayers have to enjoy for such benefit is for exactly a hundred (100) days, beginning on December 18, 2013 through March 27, 2014. The unpaid property taxes covered under this Act are those related to fiscal year 2012-2013 and earlier for real property taxes, and for year 2012 and earlier for personal property tax.

12 – PRIOR PERIOD ADJUSTMENTS

A. Governmental Fund Financial Statement

Subsequent to the issuance of the Center's basic financial statements for the year ended June 30, 2012, the Center's management determined that the fund financial statements were misstated as a result of the following:

- **Overstatement of accounts payable**

Accordingly, the fund balance as of June 30, 2013, in the statement of revenues, expenditures, and changes in fund balance, as originally reported, has been restated to reflect an increase of $355,625 which represents the correction of the errors described above. A summary of the effects of the restatement in the fiscal year 2013 fund financial statements is as follows:

	Fund Balance
Beginning balance–as previously reported	$ 18,704,722
Overstatement of accounts payable	355,625
Beginning balance–as restated	$ 19,060,347

B. Government Wide Financial Statement

Subsequent to the issuance of the Center's basic financial statements for the year ended June 30, 2012, the Center's management determined that the Center's government-wide financial statements were misstated as a result of the following:

- Overstatement of accounts payable
- Reclassification of capital lease to the correct fund

Accordingly, the net assets as of June 30, 2013, in the statement of activities, as originally reported, have been restated to reflect an increase of $502,669 which represents the correction of the errors described above. A summary of the effects of the restatement in the fiscal year 2013 government-wide financial statements is as follows:

		Net Position Balance
Beginning balance–as previously reported		$ 17,496,208
Overstatement of accounts payables in Governmental Activities	$ 355,625	
Overstatement of accounts payables in Business Type Activities	147,045	
Reclassification of capital leases from Governmental to Business Type Activities	(790,224)	
Reclassification of capital leases depreciation from Governmental to Business Type Activities	323,123	
Reclassification of capital leases debt from Governmental to Business Type Activities	426,817	
Net effect of the reclassification in the Business Type Activities	40,284	
Total Adjustments		502,670
Beginning balance, as restated		$ 17,998,878

LIQUIDACIÓN

COMMONWEALTH OF PUERTO RICO
MUNICIPAL REVENUE COLLECTION
CENTER

SCHEDULE OF PROPERTY TAX FUND
LIQUIDATION (IN ACCORDANCE WITH
ACT NO. 80 OF AUGUST 30, 1991, AS
AMENDED)

Year Ended June 30, 2013

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COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Schedule of Property Tax Fund Liquidation (In Accordance With Act No. 80 of August 30, 1991, as amended)
Year Ended June 30, 2013

MUNICIPALITY	Revenues after the Approval of Act 80 of August 30, 1991, as amended	Advances made to Municipalities	Center's Budget	Total before other Deductions and Adjustments	Deductions and Adjustments	Due from Municipalities	Due to Municipalities
TOTAL	$ 937,588,005	$ 890,468,405	$ 26,455,481	$ 20,664,119	$ (6,621,887)	$ (3,068,040)	$ 17,110,272
Adjuntas	5,958,035	5,733,156	36,360	188,519	(24,580)	-	163,939
Aguada	8,067,026	7,582,859	134,945	349,222	(112,630)	-	236,592
Aguadilla	11,334,774	10,229,019	393,898	711,857	(202,202)	-	509,655
Aguas Buenas	6,848,231	6,510,691	64,206	273,334	(57,657)	-	215,677
Aibonito	6,297,976	6,148,586	75,418	73,972	(17,894)	-	56,078
Añasco	6,667,360	6,346,527	126,459	194,374	16,541	-	210,915
Arecibo	11,919,441	11,348,792	420,538	150,111	113,289	-	263,400
Arroyo	5,999,105	5,750,726	51,097	197,282	(23,378)	-	173,904
Barceloneta	8,982,092	9,331,632	255,336	(604,876)	32,349	(572,527)	-
Barranquitas	7,652,488	7,263,370	67,063	322,055	(55,985)	-	266,070
Bayamón	51,251,211	48,414,116	1,884,619	952,476	(132,204)	-	820,272
Cabo Rojo	8,814,893	8,066,522	325,694	422,677	(118,342)	-	304,335
Caguas	36,029,588	34,435,738	1,390,315	203,535	68,524	-	272,059
Camuy	7,345,231	6,879,736	84,717	380,778	(34,639)	-	346,139
Canóvanas	9,341,384	9,020,766	240,727	79,891	(7,795)	-	72,096

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Schedule of Property Tax Fund Liquidation (In Accordance With Act No. 80 of August 30, 1991, as amended)
Year Ended June 30, 2013

MUNICIPALITY	Revenues after the Approval of Act 80 of August 30, 1991, as amended	Advances made to Municipalities	Center's Budget	Total before other Deductions and Adjustments	Deductions and Adjustments	Due from Municipalities	Due to Municipalities
Carolina	50,816,238	49,496,294	1,851,830	(531,886)	1,168	(530,718)	-
Cataño	17,404,542	16,683,659	516,688	204,195	(7,794)	-	196,401
Cayey	10,455,182	9,433,336	387,770	634,076	(212,185)	-	421,891
Ceiba	5,467,867	5,305,159	58,535	104,173	(14,476)	-	89,697
Ciales	5,398,273	5,239,122	37,060	122,091	(12,282)	-	109,809
Cidra	7,669,625	7,018,254	191,219	460,152	(98,077)	-	362,075
Coamo	7,257,195	6,940,092	92,382	224,721	(20,889)	-	203,832
Comerío	7,233,232	7,009,908	32,284	191,040	(12,071)	-	178,969
Corozal	7,803,471	7,332,907	75,443	395,121	(75,977)	-	319,144
Culebra	2,378,939	2,249,907	25,597	103,435	(46,651)	-	56,784
Dorado	11,153,821	10,088,947	451,035	613,839	(331,856)	-	281,983
Fajardo	11,133,784	9,688,738	389,343	1,055,703	(718,346)	-	337,357
Florida	5,329,427	5,114,018	22,707	192,702	(18,045)	-	174,657
Guánica	5,863,770	5,621,798	52,657	189,315	(11,466)	-	177,849
Guayama	9,695,614	8,868,909	372,367	454,338	(92,788)	-	361,550
Guayanilla	5,643,697	5,258,283	60,822	324,592	(31,467)	-	293,125

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Schedule of Property Tax Fund Liquidation (In Accordance With Act No. 80 of August 30, 1991, as amended)
Year Ended June 30, 2013

MUNICIPALITY	Revenues after the Approval of Act 80 of August 30, 1991, as amended	Advances made to Municipalities	Center's Budget	Total before other Deductions and Adjustments	Deductions and Adjustments	Due from Municipalities	Due to Municipalities
Guaynabo	49,174,916	45,999,031	2,028,508	1,147,377	(1,576,101)	(428,724)	-
Gurabo	8,884,176	7,896,471	275,406	712,299	(150,507)	-	561,792
Hatillo	8,616,946	8,035,443	253,074	328,429	(33,823)	-	294,606
Hormigueros	5,479,283	5,317,505	104,884	56,894	(8,431)	-	48,463
Humacao	14,201,630	13,072,320	583,113	546,197	(289,281)	-	256,916
Isabela	8,911,557	8,215,354	218,327	477,876	(181,935)	-	295,941
Jayuya	5,351,366	5,252,585	40,987	57,794	27,342	-	85,136
Juana Díaz	6,368,826	6,288,043	129,011	(48,228)	(11,773)	(60,001)	-
Juncos	8,211,851	6,955,475	210,903	1,045,473	(625,977)	-	419,496
Lajas	6,227,414	5,897,228	93,890	236,296	(77,107)	-	159,189
Lares	7,349,221	7,097,253	66,514	185,454	(24,443)	-	161,011
Las Marías	5,012,642	4,901,603	18,236	92,803	26,831	-	119,634
Las Piedras	6,918,361	6,583,790	174,322	160,249	(14,792)	-	145,457
Loiza	7,826,794	7,478,997	76,260	271,537	(170,105)	-	101,432
Luquillo	6,509,336	5,722,015	162,692	624,629	(308,019)	-	316,610
Manatí	10,091,463	9,626,848	286,928	177,687	17,473	-	195,160

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Schedule of Property Tax Fund Liquidation (In Accordance With Act No. 80 of August 30, 1991, as amended)
Year Ended June 30, 2013

MUNICIPALITY	Revenues after the Approval of Act 80 of August 30, 1991, as amended	Advances made to Municipalities	Center's Budget	Total before other Deductions and Adjustments	Deductions and Adjustments	Due from Municipalities	Due to Municipalities
Maricao	3,962,928	3,901,970	14,691	46,267	(27,150)	-	19,117
Maunabo	5,608,072	5,502,119	28,452	77,501	(43,578)	-	33,923
Mayagüez	21,081,168	20,193,239	808,463	79,466	100,420	-	179,886
Moca	7,374,157	6,947,255	100,016	326,886	(89,367)	-	237,519
Morovis	7,514,930	7,096,665	65,991	352,274	(30,177)	-	322,097
Naguabo	6,214,123	5,840,885	86,600	286,638	(23,839)	-	262,799
Naranjito	7,820,721	7,454,160	71,855	294,706	(54,758)	-	239,948
Orocovis	7,414,635	7,166,058	43,416	205,161	(6,656)	-	198,505
Patillas	5,813,810	5,636,993	42,823	133,994	5,137	-	139,131
Peñuelas	6,509,521	6,724,432	141,769	(356,680)	(29,997)	(386,677)	-
Ponce	33,516,016	31,432,400	1,278,542	805,074	(566,281)	-	238,793
Quebradillas	6,376,351	6,127,832	66,325	182,194	(17,433)	-	164,761
Rincón	5,815,792	5,347,672	97,323	370,797	(171,932)	-	198,865
Rio Grande	9,186,300	8,357,120	345,011	484,169	(135,683)	-	348,486
Sabana Grande	6,120,721	5,869,822	65,598	185,301	(51,465)	-	133,836
Salinas	6,569,230	6,365,270	77,264	126,696	(29,798)	-	96,898

COMMONWEALTH OF PUERTO RICO
Municipal Revenue Collection Center

Schedule of Property Tax Fund Liquidation (In Accordance With Act No. 80 of August 30, 1991, as amended)
Year Ended June 30, 2013

MUNICIPALITY	Revenues after the Approval of Act 80 of August 30, 1991, as amended	Advances made to Municipalities	Center's Budget	Total before other Deductions and Adjustments	Deductions and Adjustments	Due from Municipalities	Due to Municipalities
San Germán	7,525,150	7,253,891	161,064	110,195	(22,057)	-	88,138
San Juan	145,877,881	142,251,176	5,732,982	(2,106,277)	1,100,290	(1,005,987)	-
San Lorenzo	8,027,433	7,570,734	130,881	325,818	(107,990)	-	217,828
San Sebastian	8,238,934	7,696,988	160,448	381,498	(78,842)	-	302,656
Santa Isabel	5,591,168	5,253,774	88,924	248,470	12,170	-	260,640
Toa Alta	8,316,427	7,330,738	209,015	776,674	(346,247)	-	430,427
Toa Baja	14,822,567	14,284,780	475,470	62,317	(145,723)	(83,406)	-
Trujillo Alto	11,852,897	10,835,133	341,954	675,810	(294,548)	-	381,262
Utuado	7,550,717	7,314,350	71,724	164,643	(16,286)	-	148,357
Vega Alta	8,750,401	8,334,694	262,849	152,858	3,798	-	156,656
Vega Baja	9,402,956	8,443,341	262,128	697,487	(92,108)	-	605,379
Vieques	4,338,488	4,190,769	42,690	105,029	84,762	-	189,791
Villalba	7,032,474	6,763,162	39,521	229,791	(36,755)	-	193,036
Yabucoa	7,095,544	6,743,591	90,609	261,344	175,718	-	437,062
Yauco	7,917,199	7,485,864	158,897	272,438	(25,059)	-	247,379

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Municipal Revenue Collection Center (the Center) was created by Act No. 80 of August 30, 1991, as amended, (the Act) as part of the Municipal Reform Legislation. The Center was created for the purpose of establishing a separate and independent governmental entity from the Commonwealth of Puerto Rico (the Commonwealth) to collect, receive and distribute the property tax revenue of the municipalities. Prior to the enactment of this Act, the Commonwealth, through the Department of Treasury, accounted for these revenues. The Center is exempt from the payment of taxes on its revenues and properties.

The Schedule of Property Tax Fund Liquidation (in accordance with the Act) has been prepared on the cash basis of accounting. Property tax revenues are recorded when collected and deducted when distributed to the municipalities. Advances to the municipalities are made on a monthly basis based on estimated of revenues in accordance with the Act, as amended.

B. PROPERTY TAX FUND

Pursuant to the Act, as amended, the Center is empowered to bill and collect property taxes, and to distribute property tax collections to the municipalities.

The Center must advance to the municipalities, on a monthly basis, one-twelfth of the estimate of annual revenues. The Center is required to provide a preliminary certification on liquidation on or before September 30 of each given year and to distribute such certification on or before three (3) business days.

A final liquidation of due to or from each municipality is required within the six month, following the close of the fiscal year.

Property Taxes

Real property taxes are assessed on July based on the taxable values as of January 1, using the estimated values of 1957. Assessed values of personal property are based on the book value at January 1 of each year. Property taxes are assessed for all properties located at the Commonwealth of Puerto Rico.

Real property taxes are billed by the Center and are due in two equal installments in July and January following the assessment date. Personal property taxes are self-assessed and are due in May 15, when the related property tax return is required to be filed.

The property tax rate per annum varies among municipalities; however, for fiscal years commenced on or after July 1, 1992 it is comprised of a basic maximum tax of 4% for personal property or 6% for real property, 1.03% assessed by the Commonwealth of Puerto Rico for the payments of general obligation bond and notes. Property tax rate for fiscal year 2013 varied from 5.80% to 8.83% for personal property and from 7.80% to 10.83% for real property.

B. PROPERTY TAX FUND (CONTINUED)

Exemptions and Discounts

Several Commonwealth laws, primarily to promote economic development, provide for property tax exemptions. Under various industrial incentives laws, qualifying business are exempted totally or partially for real and personal property taxes for periods, which vary, by municipality. Retailers with annual sales volume of less than $150,000 are granted with an exemption from taxes on the first $50,000 of the assessed value of personal property.

The Commonwealth of Puerto Rico also exempts home owners from taxes on the first $150,000 of the assessed value of real property used by the owner as his principal residence. Veterans have an additional exemption from taxes on $50,000 of the assessed value of real property.

The Commonwealth of Puerto Rico compensates the municipalities for the exempt portion of the property tax. The amount compensated by the Commonwealth of Puerto Rico for exempted basic rate on real property is fixed at approximately $86 millions per fiscal year.

Act No. 16 of May 1960 authorizes the Secretary of the Treasury of the Commonwealth of Puerto Rico to grant a discount of .20% of the annual basic tax over the assessment value of all real and personal property not exempt from taxes. The Department of the Treasury reimburses the discount to the municipalities. For the fiscal year ended June 30, 2013, the discount totaled $22,121,521.

Equalization Fund

Act No. 80 of August 30, 1991, as amended, established a special fund known as the Equalization Fund ("Fondo de Equiparación") for the purpose of ensuring that all municipalities receive at least the same amount of revenues as they received on the prior year from these sources.

The Equalization Fund includes the following:

(a) All funds derived from basic property taxes assessed by the Commonwealth of Puerto Rico prior to the 1991 Municipal Reform corresponding to a tax rate of 1% for personal property tax and a tax rate of 3% over the assessed value of all real estate property in Puerto Rico, not otherwise exempt. For the fiscal year ended June 30, 2013, these funds amounted to $229,537,427.

(b) A subsidy, fixed since fiscal year 2001-2002 at 2.50% of the net internal revenue of the General Fund of the Commonwealth of Puerto Rico. For the fiscal year ended June 30, 2013, these funds amounted to $210,145,000.

(c) An amount equal to 35% of the Puerto Rico Additional Lottery System net operational income. For the fiscal year ended June 30, 2013, these funds amounted to $51,875,365.

(d) An amount equal to 2% of the state imposed penalties described under Sec. 5001 of Title 9, known as "Ley de Vehículos y Tránsito de Puerto Rico" to be distributed by municipalities by the Center.

B. PROPERTY TAX FUND (CONTINUED)

Funds received under items (a) above are distributed to the corresponding municipalities. Funds received under items (b) and (c) above are distributed to the municipalities up to the amounts required to make each municipality's revenue equal its revenue from these sources for the prior fiscal year (i.e., equalize the municipalities). Any excess funds received under items (b) and (c) above are distributed to the municipalities using the four (4) factors provided by Act No. 80. If funds are not sufficient to equalize all the municipalities, then the available funds are distributed in proportions to the funds received in the prior year, after the municipalities with less than 50 thousand habitants were equalized.

Funds under (d) are currently collected and distributed to the corresponding municipalities directly by Puerto Rico Treasury Department; therefore such amounts are not part of the Schedule.

Insurance and Other Withholdings

As part of the municipalities' monthly remittances distributed by the Center, withholdings are made in order to cover the municipalities' obligations, and includes the following:

- Municipal Insurance Policies: The Municipalities carries commercial insurance to cover casualty, theft, tort claims, and other losses. Insurance policies are negotiated by the Puerto Rico Treasury Department. Since 2012, the Municipalities were allowed to negotiate their insurance policies directly with insurance providers. As of June 30, 2013, 46 of 78 municipalities of Puerto Rico negotiated their insurance policies with private insurance providers. All costs associated with the insurances are withheld from the property tax collections.

- Loans: The Center also withholds from the property tax advances to the municipalities all amounts due on loans which are payable to the Government Development Bank of Puerto Rico from the monthly remittances to the Municipalities.

- Center Administrative Expenses: In addition, the Center withholds from property tax advances the amount equal to 5% of the collections of the property tax to cover for the Center's administrative expenses.

Advances and Final Liquidation

On June 4, 2013 the Center's Governing Board approved the Preliminary Liquidation that advanced 75% of the funds to be distributed to the Municipalities. The total funds distributed in this preliminary liquidation amounted to $7,804,900. This amount is included in the column of Deductions and Adjustments of the Schedule.

On September 26, 2013 another advance was approved in relation to the preliminary liquidation of funds corresponding to the fiscal year 2012-2013 amounting to $7,342,206.

On December 5, 2013 was approved the final liquidation. The last remittance of $9,768,066 was made to liquidate the total funds collected and distributed according to the Act No. 80 of August 31, 1991, as amended.

C. LIQUIDATION AND CLAIMS

There are various municipalities that had filed legal actions against the Center, challenging the final liquidations for certain prior years.

On March 26, 2013, the Commonwealth of Puerto Rico Court of Appeals of the Judicial Region of San Juan ordered the Center to redistribute $2.4 millions net fund deficiency originally distributed as part of the property tax fund liquidation corresponding to the year ended June 30, 2009. Said redistribution has not been made. The redistribution will also affect all subsequent annual property tax fund liquidations, since the annual liquidation considers prior year liquidation as one of the basis for the annual fund distribution. Accordingly, the distribution of funds from each municipality shown in the accompanying Schedule may require a restatement.

The dispute was with the distribution of the resulting deficiency amounting to $2.4 millions, such deficiency correspond to the Property Tax Fund Liquidation for the fiscal year 2008-2009.

The court sentence states that the final liquidation of the fiscal year 2008-2009 should be amended using objectives criteria, according with Act No. 80 of August 30, 1991, as amended. The court do not established a methodology for the redistribution of the deficiency. As result of this case, additional adjustments are deemed necessary to the property tax liquidation issued for fiscal year 2012-2013 and earlier.

At June 30, 2013, no provision for any liability that may result from these claims has been made in the Property Tax Fund Liquidation.

D. SUBSEQUENT EVENTS

Management has evaluated subsequent events up to December 20, 2013, the date the financial statements were available to be issued.

Act No. 145, was issued on December 9, 2013 by the Legislature establishing an incentive plan for the payment of real and personal property tax dues, beginning on December 18, 2013. This Act provides an amnesty to all property taxpayers forgiving all penalties, surcharges and interests of the unpaid principal of past-due property tax liability. The period that taxpayers have to enjoy for such benefit is for hundred (100) days, beginning on December 18, 2013 through March 27, 2014. The unpaid property taxes covered under this Act are those related to fiscal year 2012-2013 and earlier for real property taxes, and for year 2012 and earlier for personal property tax.

Invierte en ti

CRIM

CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

ESTAMOS AVANZANDO

CRIMPR.NET

REFERIDO A:

COMISIONES PERMANENTES

- ☐ HACIENDA Y FINANZAS PÚBLICAS
- ☐ GOBIERNO, EFICIENCIA GUBERNAMENTAL E INNOVACIÓN ECONÓMICA
- ☐ JURIDICA, SEGURIDAD Y VETERANOS
- ☐ SALUD Y NUTRICIÓN
- ☐ EDUCACIÓN, FORMACIÓN Y DESAROLLO DEL INDIVIDUO
- ☐ ASUNTOS DE LA MUJER
- ☐ INFRASTRUCTURA, DESAROLLO URBANO Y TRANSPORTACIÓN
- ☐ AGRICULTURA, SEGURIDAD ALIMENTARIA Y SUSTENTABILIDAD DE LA MONTAÑA
- ☐ RECURSOS NATURALES, AMBIENTALES Y ASUNTOS ENERGÉTICOS
- ☐ COOPERATIVISMO, PEQUEÑAS Y MEDIANAS EMPRESAS Y MICRO-EMPRESAS
- ☐ TURISMO, CULTURA, RECREACIÓN Y DEPORTES Y GLOBALIZACIÓN
- ☐ RELACIONES LABORALES, ASUNTOS DEL CONSUMIDOR Y CREACIÓN DE EMPLEOS
- ☐ DERECHOS CIVILES, PARTICIPACIÓN CIUDADANA Y ECONOMÍA SOCIAL
- ☐ AUTONOMÍA MUNICIPAL, DESCENTRALIZACIÓN Y REGIONALIZACIÓN
- ☐ BANCA, SEGUROS Y TELECOMUNICACIONES
- ☐ VIVIENDA Y COMUNIDADES SOSTENIBLES
- ☐ ÉTICA E INTEGRIDAD LEGISLATIVA
- ☐ CORPORACIONES PÚBLICAS Y ALIANZAS PÚBLICO-PRIVADAS
- ☐ REGLAS, CALENDARIO Y ASUNTOS INTERNOS

Presidencia
Senado de Puerto Rico
El Capitolio, San Juan

REFERIDO

Lcda. Tania Barbarossa
Secretaría del Senado

Fecha	***3 de febrero de 2014***
Persona u Organización Referida	***Informe Anual CRIM (3514)***
Comentarios	***Para información y acción correspondiente.***

Referido por:

Myrna L. Rosado Vélez
Oficial Administrativo

Estado Libre Asociado de Puerto Rico

#170

CENTRO DE RECAUDACIÓN DE INGRESOS MUNICIPALES

Lcdo. Víctor Falcón Dávila, CPA
Director Ejecutivo

30 de enero de 2014

Hon. Eduardo Bathia Gautier
Presidente del Senado
P.O. Box 9023431
San Juan, PR 00902-3431

Estimado Señor Presidente:

Reciba un cordial saludo de todos los que laboramos en el Centro de Recaudación de Ingresos Municipales (CRIM).

Adjunto encontrará el Informe Anual correspondiente al Año Fiscal 2012-2013, conforme a la Ley 80 de 30 de agosto de 1991, según enmendada. Para poder fomentar el control en los gastos y reducir la utilización del papel, hemos decidido enviarle el Informe en forma digital.

De tener cualquier duda o comentario puede comunicarse con el que suscribe al (787) 625-4027.

Cordialmente,

Lcdo. Víctor Falcón Dávila, CPA
Director Ejecutivo

Anejo

P.O Box 195387, San Juan, PR 00919-5387