Secretaría

MANUEL A. TORRES NIEVES
SECRETARIO DEL SENADO

- ☐ Ver al dorso
- ☐ Para su información
- ☐ Notas
- ☐ Para mantenerle al día
- ☑ Expediente
- ☑ Dar Cuenta
- ☑ Registrar y Procesar

Senado
DE PUERTO RICO

EL CAPITOLIO
PO Box 9023431
San Juan, Puerto Rico
00902-3431

T: 787.722.3460
787.722.4012
F: 787.723.5413
E: mantorres@senadopr.us
W: www.senadopr.us

REFERIDO A:

COMISIONES PERMANENTES

- ☐ Hacienda
- ☐ Gobierno
- ☐ Seguridad Pública y Judicatura
- ☐ Salud
- ☐ Educación y Asuntos de la Familia
- ☐ Desarrollo Eonómico y Planificación
- ☐ Urbanismo e Infraestructura
- ☐ Jurídico Penal
- ☐ Jurídico Civil
- ☐ Agricultura
- ☐ Recursos Naturales y Ambientales
- ☐ Comercio y Cooperativismo
- ☐ Turismo y Cultura
- ☐ Trabajo, Asuntos del Veterano y Recursos Humanos
- ☐ Bienestar Social
- ☐ Asuntos Municipales
- ☐ Recreación y Deportes
- ☐ Banca, Asuntos del Consumidor y Corporaciones Públicas
- ☐ Desarrollo de la Región del Oeste
- ☐ Asuntos de la Mujer
- ☐ Asuntos Internos
- ☐ Reglas y Calendario
- ☐ Asuntos Federales
- ☐ De la Montaña
- ☐ Ética

COMISIONES ESPECIALES

- ☐ Puerto de las Américas
- ☐ Derecho de Autodeterminación del Pueblo de Puerto Rico
- ☐ Sobre Reforma Gubernamental

COMISIONES CONJUNTAS

- ☐ Informes Especiales del Contralor
- ☐ Donativos Legislativos de Puerto Rico
- ☐ Internado Córdova-Fernós
- ☐ Internado Pilar Barbosa
- ☐ Internado Ramos Comas
- ☐ Código Penal
- ☐ Revisión y Reforma del Código Civil
- ☐ Alianzas Público Privadas
- ☐ Auditoría Fiscal y Manejo Fondos Públicos
- ☐ Revisión Continua Código Penal y Reforma de las Leyes

Re: M. Torres

7/21/10

Oficina del Presidente

Katherine Erazo
CHIEF OF STAFF

- ☐ Ver al dorso
- ☐ Para su información
- ☐ Evaluar y recomendar
- ☐ Para trabajar y contestar directamente
- ☑ Dar cuenta al cuerpo
- ☐ Para otorgar contrato
- ☐ Para nombramiento
- ☐ Autorizado

Senado
DE PUERTO RICO

EL CAPITOLIO
PO BOX 9023431
SAN JUAN, PUERTO RICO
00902-3431

T: 787.724.0296
787.725.2424
F: 787.725.6511
E: kerazo@senadopr.us
W: www.senadopr.us

13100

RECIBIDO SECRETARIA
SENADO DE P.R.
2010 JUL 22 PM 3:

BANCO GUBERNAMENTAL DE FOMENTO PARA PUERTO RICO
BGF
ESTADO LIBRE ASOCIADO DE PUERTO RICO

PO Box 42001
San Juan, PR 00940-2001
Teléfono (787) 722-2525

13 de julio de 2010

Hon. Thomas Rivera Schatz
Presidente
Senado de Puerto Rico
PO Box 9023431
San Juan, PR 00902-3431

Honorable Señor Presidente:

Informe sobre procedimientos para las transacciones en el Fondo de Desarrollo Municipal, Fondo de Redención Municipal y Fondo de Mejoras Municipales de acuerdo a la Ley Núm. 80 del 29 julio de 2007 para el Año fiscal 2009

Incluimos el informe de procedimientos para validar la corrección de los depósitos, distribuciones y transacciones de préstamos asociados con el Fondo de Desarrollo Municipal, Fondo de Redención Municipal y Fondo de Mejoras Municipales para el año terminado al 30 de junio de 2009. Este informe, preparado por la firma de contadores públicos autorizados Sanchez Rosa & Co., PSC, es requerido al Banco Gubernamental de Fomento como parte de sus responsabilidades de administración bajo la Ley Núm. 80 de 29 de Julio de 2007 relacionado a una porción (.5%) del impuesto de venta y uso (IVU) correspondiente a los Municipios de Puerto Rico.

De tener alguna duda, puede comunicarse con el CPA Harry Torres, Contralor del Banco al (787) 722-2525 extensión 2108 o al correo electrónico harry.torres@bgf.gobierno.pr.

Atentamente,

Jesús F. Méndez
Vicepresidente ejecutivo
Administración, Operaciones y Contraloría

Anejo

PUERTO RICO VERDE

PO_10923

Government Development Bank for Puerto Rico

Examination Report on Management's Assertion related to the Transactions in the Municipal Development Fund, Municipal Redemption Fund and Municipal Improvements Fund In Accordance With Law No 80 of July 29, 2007 for the year ended June 30, 2009

SÁNCHEZ ROSA & CO., PSC
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

To: President, Government Development Bank
for Puerto Rico
The Office of the Commissioner of Municipality Affairs
The Legislature of the Commonwealth of Puerto Rico

INDEPENDENT ACCOUNTANTS' REPORT

We have examined management's assertion that deposits, distributions and loans transactions in the Municipal Development Fund, Municipal Redemption Fund and Municipal Improvements Fund, for the year ended June 30, 2009, as it relates to the portion of the Municipal Sales Tax (.5%) that is administered by the Government Development Bank for Puerto Rico (the Bank), were executed in accordance with the provisions of Law No. 80 of July 29, 2007. The Bank's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The scope of our examination performed in regards to the transactions executed by the Bank, in the Municipal Development Fund, Municipal Redemption Fund and Municipal Improvements Fund included the following:

1. Examined municipal sales tax collections received by the Bank as detailed in ***Exhibit A.*** Such collections are received on a daily basis from a private banking institution contracted by the Puerto Rico Treasury Department (the Treasury Department) and the Bank.

2. Recomputed distributions made by the Bank, as detailed in ***Exhibit B,*** are based on the criteria established in Section 2706 of Law No. 80 of July 29, 2007, which requires that distributions are made based on a predetermined percentage.

3. Law No. 80 of July 29, 2007 Section 2707 (f) requires the annual revision of the formula no later than July 31 of each fiscal year. The revision for the year ended June 30, 2009 was done on September 11, 2009, due to lack of response from the municipalities.

4. Recomputed monthly distributions made by the Bank from the Municipal Development Fund to the Municipalities of Puerto Rico. Those distributions are based on the criteria established in Section 2707 (c) of Law No. 80 of July 29, 2007, which requires distributions to be made based on predetermined formulas. In addition, we ascertained compliance of distributions within the time frame as required by Section 2707 (e) of Law No. 80 of July 29, 2007

5. Such distributions were based on a formula developed and certified by an external consultant, following the criteria established in Section 2707 (c) of Law No. 80 of July 29, 2007, the limitations stated in section 2707(d) of Law No 80 of July 29, 2007, and the information submitted by the Municipalities of Puerto Rico, the Treasury Department, the Puerto Rico Office of the Commissioner of Municipality Affairs and the U.S. Census Bureau. A summary of total distributions detailed by Municipality is presented as part of ***Exhibit C.***

M 787.479.7551 - 787.479.5454
F 509.752.8229
E jorge@sanchezrosa.com

400 Calaf St. • PMB 38 • San Juan, PR 00918-1314

6. Tested distributions from the Municipal Development Fund in excess of $1,300,000 made to the Municipalities of Puerto Rico, based on the requirement of Section 2707(d) of Law No. 80 of July 29, 2007. A summary of excess distributions is also presented as part of ***Exhibit* C.**

7. Tested compliance with requirements applicable to loans granted by the Bank following the criteria established in Section 2708 of Law No 80 of July 29, 2007 of the Municipal Redemption Fund. A total of $450,545,000 has been approved as of June 30, 2009 of which $69,394,000 was approved during the current fiscal year by the Bank to the Municipalities of Puerto Rico. The loans were approved by the Bank estimating the municipal tax collections of each municipality. The funds distributed through the Municipal Redemption Fund serves as collateral for the loans granted.

8. Tested compliance with section 2709 of Law No 80 of July 29, 2007, related to distributions from the Municipal Improvements Fund to the municipalities. There were two distributions for the year ended June 30, 2009. On August 25, 2008 and March 2, 2009, Joint Resolutions no. 98 and no. 1, respectively were approved and distributions of $12,764,000 and $8,950,000 respectively were made following the requirements of Law.

9. As established in Section 2706 (h), the Municipalities of Puerto Rico must contribute $1,000,000, to cover the cost incurred by the Treasury Department for the programming and implementation of the Municipal Sales Tax system. On June 29, 2009 $1,000,000 was transferred to the Treasury Department.

10. Distributions from the Municipal Redemption Fund to the Municipalities of Puerto Rico are computed based on the sales tax collections made by each municipality and reported by the Treasury Department to the Bank. The Treasury Department is not submitting the reports on collections of each municipality on a timely basis. The bank distributes the funds based on the information provided by the Treasury Department, which does not agree with the amount deposited by the financial institution. Due to these discrepancies, there is an undistributed aggregate balance of $5,315,546 as of June 30, 2009. In addition, distributions related to the municipal tax collected in connection with sales made through the Internet remained without being distributed to the Municipalities of Puerto Rico. Undistributed balance aggregates amounts to $9,753,335 as of June 30, 2009 corresponding to 1% municipal allocation. The Treasury Department is currently collecting 6% on those sales instead of the regular 5.5% collected on all sales. As of June 30, 2009 there were $220,847 deposited in the "TVU Municipal Sin Identificar" account. This account is used by the bank to store funds that can't be readily identified as belonging to a particular municipality due to several of reasons. Law No 80 of July 29, 2007 does not offer any guidance on how to handle those exceptions.

In our opinion, except for the situation described in the item 10 above, management's assertion referred to above is fairly stated, in all material respects, based on the requirements of Law No 80 of July 29, 2007.

This report is intended solely for the information and use of The Government Development Bank for Puerto Rico, the Office of the Commissioner of Municipality Affairs and the Legislature of the Commonwealth of Puerto Rico.

Sanchez Rosa & Co. CPA, PSC

June 2, 2010

SANCHEZ ROSA & CO. CPA, PSC
Certified Public Accountants (Puerto Rico)
Stamp No. 2536113 was affixed
To the original of this report

EXHIBIT A

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

SUMMARY OF MUNICIPAL SALES TAX COLLECTIONS (.5%)
FOR THE YEAR ENDED JUNE 30, 2009

Month	Total Municipal Sales Tax Collections (.5%)
July 2008	$ 8,810,745
August 2008	8,705,373
September 2008	8,356,064
October 2008	6,815,899
November 2008	7,701,052
December 2008	8,412,473
January 2009	10,377,093
February 2009	7,711,565
March 2009	7,522,840
April 2009	7,804,423
May 2009	7,453,388
June 2009	8,264,988
	$ 97,935,903

EXHIBIT B

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
DISTRIBUTION OF MUNICIPAL SALES TAX COLLECTIONS (.5%) TO THE MUNICIPAL DEVELOPMENT FUND (.2%), MUNICIPAL REDEMPTION FUND (.2%) AND MUNICIPAL IMPROVEMENTS FUND (.1%)
FOR THE YEAR ENDED JUNE 30, 2009

Month	Total Municipal Sales Tax Collections (.5%)	Distributions		
		Municipal Development Fund (.2%)	Municipal Redemption Fund (.2%)	Municipal Improvements Fund (.1%)
July 2008	$ 8,810,745	$ 3,524,298	$ 3,524,298	$ 1,762,149
August 2008	8,705,373	3,482,149	3,482,149	1,741,075
September 2008	8,356,064	3,342,426	3,342,426	1,671,213
October 2008	6,815,899	2,726,360	2,726,360	1,363,180
November 2008	7,701,052	3,080,421	3,080,421	1,540,210
December 2008	8,412,473	3,364,989	3,364,989	1,682,495
January 2009	10,377,093	4,150,837	4,150,837	2,075,419
February 2009	7,711,565	3,084,626	3,084,626	1,542,313
March 2009	7,522,840	3,009,136	3,009,136	1,504,568
April 2009	7,804,423	3,121,769	3,121,769	1,560,885
May 2009	7,453,388	2,981,355	2,981,355	1,490,678
June 2009	8,264,988	2,905,995 1	2,905,995 1	1,652,998 1
	$ 97,935,903	$ $ 38,774,362	$ 38,774,362	$ 19,587,181

1 Difference in the distributions belongs to the $1,000,000 transferred to the Puerto Rico Treasury Department referred to in item 9 of the Independent Accountants' Report.

EXHIBIT C

DISTRIBUTIONS FROM THE MUNICIPAL DEVELOPMENT FUND (.2%) TO THE MUNICIPALITIES OF PUERTO RICO IN ACCORDANCE WITH SECTIONS 2707 (C) AND (0) FOR THE YEAR ENDED JUNE 30, 2009

Municipality	Distributions Based on Pre-Determined Formulas (Sec. 2707(c))	Redistributions in Excess of $1,300,000 (Sec. 2707(d))	Total
Adjuntas	$ 709,010	$ 7,636	$ 716,646
Aguada	$ 462,103	$ 4,855	$ 466,958
Aguadilla	$ 267,101	$ 2,782	$ 269,883
Aguas Buenas	$ 608,084	$ 6,488	$ 614,572
Aibonito	$ 611,302	$ 6,570	$ 617,871
Añasco	$ 538,684	$ 5,734	$ 544,418
Arecibo	$ 283,551	$ 2,924	$ 286,476
Aroyo	$ 917,089	$ 10,551	$ 927,640
Barceloneta	$ 219,841	$ 2,322	$ 222,163
Barranquitas	$ 632,043	$ 6,722	$ 638,765
Bayamón	$ 378,183	$ 3,793	$ 381,976
Cabo Rojo	$ 348,792	$ 3,656	$ 352,448
Caguas	$ 256,175	$ 2,576	$ 258,751
Camuy	$ 570,430	$ 6,040	$ 576,469
Canóvanas	$ 331,647	$ 3,478	$ 335,126
Carolina	$ 328,915	$ 3,302	$ 332,217
Cataño	$ 165,513	$ 1,735	$ 167,248
Cayey	$ 243,040	$ 2,533	$ 245,573
Ceiba	$ 739,443	$ 8,053	$ 747,495
Ciales	$ 577,561	$ 6,505	$ 584,066
Cidra	$ 310,250	$ 3,266	$ 313,516
Coamo	$ 450,226	$ 4,756	$ 454,983
Comerio	$ 640,841	$ 7,033	$ 647,874
Corozal	$ 522,221	$ 5,538	$ 527,759
Culebra	$ 1,297,319	$ 2,681	$ 1,300,000
Dorado	$ 314,884	$ 3,325	$ 318,209
Fajardo	$ 304,542	$ 3,186	$ 307,728
Florida	$ 955,056	$ 10,560	$ 965,616
Guánica	$ 619,477	$ 6,696	$ 626,173
Guayama	$ 320,273	$ 3,359	$ 323,632
Guayanilla	$ 534,926	$ 5,778	$ 540,705
Guaynabo	$ 190,683	$ 1,923	$ 192,607
Gurabo	$ 347,475	$ 3,667	$ 351,142
Hatillo	$ 433,286	$ 4,711	$ 437,997
Hormigueros	$ 543,459	$ 5,744	$ 549,203
Humacao	$ 221,721	$ 2,295	$ 224,016
Isabela	$ 407,198	$ 4,268	$ 411,466
Jayuya	$ 692,867	$ 7,495	$ 700,362
Juana Diaz	$ 401,810	$ 4,221	$ 406,030
Juncos	$ 240,203	$ 2,580	$ 242,783
Lajas	$ 556,802	$ 5,916	$ 562,718

EXHIBIT C

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO
DISTRIBUTIONS FROM THE MUNICIPAL DEVELOPMENT FUND (.2%) TO THE MUNICIPALITIES
OF PUERTO RICO IN ACCORDANCE WITH SECTIONS 2707 (C) AND (0)
FOR THE YEAR ENDED JUNE 30, 2009

Municipality	Distributions Based on Pre-Determined Formulas (Sec. 2707(c))	Redistributions in Excess of $1,300,000 (Sec. 2707(d))	Total
Lares	$ 487,397	$ 5,212	$ 492,609
Las Marías	$ 1,091,119	$ 12,390	$ 1,103,509
Las Piedras	$ 435,586	$ 4,617	$ 440,203
Loiza	$ 614,327	$ 6,561	$ 620,889
Luquillo	$ 613,593	$ 6,536	$ 620,129
Manatí	$ 268,912	$ 2,799	$ 271,711
Maricao	$ 1,300,000	$ -	$ 1,300,000
Maunabo	$ 624,047	$ 6,714	$ 630,761
Mayagüez	$ 218,328	$ 2,223	$ 220,550
Moca	$ 503,407	$ 5,352	$ 508,759
Morovis	$ 553,346	$ 5,886	$ 559,231
Naguabo	$ 584,806	$ 6,273	$ 591,079
Naranjito	$ 539,346	$ 5,730	$ 545,076
Orocovis	$ 649,900	$ 7,029	$ 656,929
Patillas	$ 772,358	$ 8,513	$ 780,871
Peñuelas	$ 469,150	$ 5,165	$ 474,315
Ponce	$ 330,355	$ 3,324	$ 333,679
Quebradillas	$ 629,662	$ 6,705	$ 636,367
Rincón	$ 657,783	$ 7,107	$ 664,890
Rio Grande	$ 350,494	$ 3,663	$ 354,157
Sabana Grande	$ 553,971	$ 5,923	$ 559,894
Salinas	$ 411,333	$ 4,371	$ 415,704
San Germán	$ 369,120	$ 3,898	$ 373,018
San Juan	$ 642,679	$ 6,398	$ 649,077
San Lorenzo	$ 387,409	$ 4,101	$ 391,509
San Sebastián	$ 417,258	$ 4,387	$ 421,646
Santa Isabel	$ 500,645	$ 5,286	$ 505,931
Toa Alta	$ 377,042	$ 3,956	$ 380,998
Toa Baja	$ 230,854	$ 2,359	$ 233,213
Trujillo Alto	$ 338,528	$ 3,532	$ 342,060
Utuado	$ 499,013	$ 5,297	$ 504,310
Vega Alta	$ 342,555	$ 3,604	$ 346,159
Vega Baja	$ 320,354	$ 3,341	$ 323,695
Vieques	$ 498,563	$ 5,413	$ 503,976
Villalba	$ 531,171	$ 5,776	$ 536,947
Yabucoa	$ 375,304	$ 4,016	$ 379,319
Yauco	$ 405,657	$ 4,250	$ 409,907
Total	$ 38,389,402	$ 384,960	$ 38,774,362