

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO**

**SINGLE AUDIT REPORT**

**YEAR ENDED JUNE 30, 2009**



**FALCON SANCHEZ  
& ASSOCIATES, PSC**

**CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS CONSULTANTS**

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**FALCON SANCHEZ  
& ASSOCIATES, PSC**

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**INDEPENDENT AUDITORS' REPORT**

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SAN JUAN, PUERTO RICO**

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Office of the Women's Advocate of the Commonwealth of Puerto Rico (the Office), as of and for the year ended June 30, 2009, as listed in the accompanying table of contents, which collectively comprise a portion of the Office's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Office's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not adopted an accounting system and procedures in order to comply with the requirements of GASB statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments". As a consequence, we had a scope limitation due to the following reasons:

- Management was unable to provide us with a beginning balance of net assets as no government-wide financial statements were prepared for prior periods.
- There was no supporting documentation for the cash balances at year-end.
- Management was not able to complete a Management Discussion and Analysis due to time constraints.
- The capitalization and depreciation criteria of Capital Assets are not consistent with internal accounting policies. We noted that no depreciation is been recorded for these assets.
- Management does not follow an specific revenue recognition criteria based on the type of grants, as required by GASB.
- Management was not able to provide us with their conversion schedule from the Governmental Fund to the Government-Wide financial statements.

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO**

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The amount by which these departures would affect the assets, liabilities, fund balances, net assets, revenues and expenses of the general and special revenue funds cannot be reasonable determinable.

In our opinion, except for the effects of the limitations found in the general and special revenue funds, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general and special revenue funds of the Office as of June 30, 2009, and the respective financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2009 on our consideration of the Office of the Women's Advocate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Office's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations, but is not a required part of the basic financial statements of the Office. The schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, except for the limitations discussed in paragraph three, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Lalio Sánchez y Asociados, PSC*

December 29, 2009

Stamp number 2455959 was  
affixed to the original of this  
report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
GOVERNMENT- WIDE FINANCIAL STATEMENT  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

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	<u>Governmental Type Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash held with fiscal agent	\$2,031,693
<b>NONCURRENT ASSETS</b>	
Capital assets	<u>599,842</u>
<b>TOTAL ASSETS</b>	<u><b>\$2,631,535</b></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 227,066
Accrued compensated absences, current	<u>403,746</u>
<b>Total current liabilities</b>	630,812
<b>NONCURRENT LIABILITIES</b>	
Accrued compensated absences	<u>82,695</u>
<b>Total liabilities</b>	<u>713,507</u>
<b>NET ASSETS</b>	
Invested in capital assets	599,842
Unrestricted	<u>1,318,186</u>
<b>Total net assets</b>	<u>1,918,028</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$2,631,535</b></u>

See accompanying notes and independent auditors' report.



OFFICE OF THE WOMEN'S ADVOCATE  
 OF THE COMMONWEALTH OF PUERTO RICO  
 GOVERNMENT- WIDE FINANCIAL STATEMENT  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2009

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	<b><u>Governmental Type Activities</u></b>
<b>EXPENSES</b>	
Salaries and fringe benefits	\$2,455,867
Facilities and public services	103,777
Professional and consulting services	461,137
Travel and representation	20,326
Supplies	143,454
Donations and distributions	3,648,416
Advertisement	35,272
Others	<u>691,501</u>
<b>Total expenses</b>	<u>7,559,750</u>
<b>REVENUES</b>	
State appropriation	5,426,304
Federal appropriation	2,676,179
Other	<u>6,435</u>
<b>Total revenues</b>	<u>8,108,918</u>
<b>CHANGE IN NET ASSETS</b>	549,168
<b>NET ASSETS AT BEGINNING OF FISCAL YEAR</b>	<u>1,368,860</u>
<b>NET ASSETS AT END OF FISCAL YEAR</b>	<u>\$1,918,028</u>

See accompanying notes and independent auditors' report.



OFFICE OF THE WOMEN'S ADVOCATE  
 OF THE COMMONWEALTH OF PUERTO RICO  
 BALANCE SHEET – GOVERNMENTAL FUND  
 JUNE 30, 2009

	<u>SPECIAL REVENUE</u>			<u>Total Governmental Fund</u>
	<u>General</u>	<u>Federal Grants</u>	<u>State Grants</u>	
<b>ASSETS</b>				
Cash held with fiscal agent	<u>\$518,903</u>	<u>\$(675,364)</u>	<u>\$2,188,154</u>	<u>\$2,031,693</u>
<b>TOTAL ASSETS</b>	<u>\$518,903</u>	<u>\$(675,364)</u>	<u>\$2,188,154</u>	<u>\$2,031,693</u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	<u>\$ 80,598</u>	<u>\$ 67,802</u>	<u>\$ 78,666</u>	<u>\$ 227,066</u>
<b>Total liabilities</b>	<u>80,598</u>	<u>67,802</u>	<u>78,666</u>	<u>227,066</u>
<b>FUND BALANCE (DEFICIT)</b>				
Reserved for encumbrances	119,750	244,569	292,244	656,563
Special programs	-	(987,735)	1,817,244	829,509
Unreserved	<u>318,555</u>	<u>-</u>	<u>-</u>	<u>318,555</u>
<b>Total fund balance (deficit)</b>	<u>438,305</u>	<u>(743,166)</u>	<u>2,109,488</u>	<u>1,804,627</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u>\$518,903</u>	<u>\$(675,364)</u>	<u>\$2,188,154</u>	<u>\$2,031,693</u>

See accompanying notes and independent auditors' report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND  
TO THE STATEMENT OF NET ASSETS  
YEAR ENDED JUNE 30, 2009**

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Total fund balance per balance sheet – governmental fund	<u>\$1,804,627</u>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the balance sheet – governmental fund.	599,842
Accrued compensated absences are not due and payable neither in the current period nor with current year budget resources and therefore are not reported in the balance sheet – governmental fund.	<u>(486,441)</u>
	<u>113,401</u>
<b>TOTAL NET ASSETS PER STATEMENT OF NET ASSETS</b>	<u><b>\$1,918,028</b></u>

See accompanying notes and independent auditors' report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2009**

	<u>SPECIAL REVENUE</u>			<u>Total Governmental Fund</u>
	<u>General</u>	<u>Federal Grants</u>	<u>State Grants</u>	
<b>REVENUES:</b>				
State appropriation	\$3,365,000	\$ -	\$2,061,304	\$5,426,304
Federal appropriation	-	2,676,179	-	2,676,179
Other	6,435	-	-	6,435
<b>Total revenues</b>	<u>3,371,435</u>	<u>2,676,179</u>	<u>2,061,304</u>	<u>8,108,918</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	2,269,797	247,916	46,420	2,564,133
Facilities and public services	89,124	14,653	-	103,777
Professional and consulting Services	59,804	305,853	95,480	461,137
Travel and representation	9,797	10,529	-	20,326
Capital outlays and supplies	190,985	52,689	-	243,674
Donations and distribution	-	1,855,956	1,792,460	3,648,416
Advertisement	3,397	920	30,955	35,272
Others	430,920	203,398	57,183	691,501
<b>Total expenditures</b>	<u>3,053,824</u>	<u>2,691,914</u>	<u>2,022,498</u>	<u>7,768,236</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	317,611	(15,735)	38,806	340,682
<b>FUND BALANCE (DEFICIENCY) AT BEGINNING OF FISCAL YEAR</b>	<u>120,694</u>	<u>(727,431)</u>	<u>2,070,682</u>	<u>1,463,945</u>
<b>FUND BALANCE (DEFICIENCY) AT END OF FISCAL YEAR</b>	<u>\$ 438,305</u>	<u>\$ (743,166)</u>	<u>\$2,109,488</u>	<u>\$1,804,627</u>

See accompanying notes and independent auditors' report.



**OFFICE OF THE WOMEN'S ADVOCATE  
 OF THE COMMONWEALTH OF PUERTO RICO  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES –  
 GOVERNMENTAL FUND  
 YEAR ENDED JUNE 30, 2009**

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Excess of revenues over expenditures	<u>\$340,682</u>
Amounts reported in the statement of activities are different because:	
Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(100,220)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.	<u>308,706</u>
	<u>208,486</u>
<b>CHANGE IN NET SSETS</b>	<u><b>\$549,168</b></u>

See accompanying notes and independent auditors' report.



OFFICE OF THE WOMEN'S ADVOCATE  
 OF THE COMMONWEALTH OF PUERTO RICO  
 STATEMENT OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP) - GENERAL FUND  
 YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
State appropriation	\$3,365,000	\$3,365,000	\$3,365,000	\$ -
Other	<u>173,000</u>	<u>173,000</u>	<u>6,437</u>	<u>(166,563)</u>
<b>Total revenues</b>	<u>3,538,000</u>	<u>3,538,000</u>	<u>3,371,437</u>	<u>(166,563)</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	2,465,000	2,440,000	2,269,797	170,203
Facilities and public services	145,000	145,000	89,124	55,876
Professional and consulting services	65,000	71,857	59,804	12,053
Travel and representation	26,000	15,000	9,797	5,203
Capital outlays and supplies	31,000	33,264	190,985	(157,721)
Advertisement	385,000	187,958	3,397	184,561
Others	<u>421,000</u>	<u>644,921</u>	<u>430,920</u>	<u>214,001</u>
<b>Total expenditures</b>	<u>3,538,000</u>	<u>3,538,000</u>	<u>3,053,824</u>	<u>484,176</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,613</u>	<u>\$317,613</u>

See accompanying notes and independent auditors' report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES**

**Organization**

The Office of the Women's Advocate of the Commonwealth of Puerto Rico (the Office) was created by Law 20 of April 11, 2001. The Office is headed by a Women's Advocate appointed by the Governor for a term of 10 years, and is in charge of the Office operations and the accomplishment of the public policies established by the Law. In addition, a Counseling Board composed of seven members, of whom five have to be women, was created to assist the Office in, among other things, matters related to their social, political, economical and cultural life, discrimination and oppression against women. Although the Office has to provide the members of the Counsel with office facilities, equipment, materials and human resources such members are not compensated with wages or salaries, but rather on a per diem amount.

The principal functions of the Office of the Women's Advocate are:

- a. Administer state and federal assistance programs for the realization of all matters necessary to support the personal, social and economical development of the women.
- b. Educate the public in women's affairs.
- c. Coordination of inter Office of the Women's Advocate activities related to special projects.

The main programs administered by the Office of the Women's Advocate consisted of:

- a. Stop Violence Against Women.

The general objective of this program is to provide support and counseling to women victims of crime. Federal funds are awarded by the U.S. Department of Justice under the Anticrime Law of 1994.

- b. Arrest Policies and Enforcement of Protection Orders.

The Victims of Crime Act was created to improve services to victims of federal crimes by supporting the federal victim notification system and federal victim coordinator and specialist positions.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Organization (continued)**

- c. Rural domestic violence assistance.

The general objective of this program is to identify, assess and appropriately respond to child, youth and adult victims of domestic violence, sexual harassment, dating violence and stalking in rural communities.

**Summary of Significant Accounting Policies**

The accounting policies and financial reporting practices of the Office conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except for the areas described in the Independent Auditors' Report (Page 1).

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This Statement, known as the Reporting Model, provides for the most significant change in financial reporting for state and local governments in over 20 years and affects the way the Office prepares and presents financial information. The Office is still in the process of implementing said statement.

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 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 have been considered and there are no agencies or entities which should be presented with the Office.

**Measurement Focus**

The Office basic financial statements include both government-wide (Statements of Net Assets and Activities) and government fund financial statements (Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances).



OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

*Government-Wide Financial Statements*

The government-wide financial statements report information of all of the nonfiduciary activities of the Office. 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 customer 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.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

*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 Office of the Women's Advocate considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims and judgment are recorded only when payment is due. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Basic Financial Statement Presentation**

*Financial Reporting Presentation*

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

1. The government-wide financial statements report information of all of the non-fiduciary activities of the Office. The statement of net assets presents the Office's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in two categories:
  - a. **Invested in Capital Assets** - This consists of capital assets, net of accumulated depreciation.



OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)

Basic Financial Statement Presentation (continued)

*Financial Reporting Presentation (continued)*

- b. **Restricted Net Assets** - These results when constraints placed on net assets use on either externally imposed by grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Assets** - These consist of net assets which do not meet the definition of the preceding category. Unrestricted net assets often are designated, to indicate that management does not consider them to be available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The government-wide Statement of Activities reports both the gross and net expenses of the Office's activities as well as the general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by the Office's activities revenues. In this Statement, net expenses are normally covered by general revenue.

2. Governmental fund financial statements focus on information about the Office's major governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements. The Office reports the following major governmental fund:
  - a. **General** - The general fund is the main operating fund of the Office. It is used to account for all financial resources except those required to be accounted for in another fund. All receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund.
  - b. **Special Revenue: Federal Grants** - The Federal grants special revenue fund is used to account for revenues derived from federal grants that are legally restricted to expenditures for purposes specified in the grant. The excess of revenues over expenditures in the administration of the special programs is carried-forward to the following fiscal year, unless said grant is expired.
  - c. **Special Revenue: State Grants** - The State grants special revenue fund is used for revenues derived from state awards and donations that are legally restricted for the administration of special programs. The excess of revenues over expenditures in the administration of the special programs is carried-forward to the following fiscal year.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Basic Financial Statement Presentation (Continued)**

*Financial Reporting Presentation (continued)*

3. Budgetary Accounting - As of the date of financial statements, the Office prepared its annual budget on a basis (budget basis) which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions were presented in accordance with the Office's method (budget basis) in the Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP) - General Fund to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that encumbrance are recorded as the equivalent of expenditures (budget) a opposed to a reservation of fund balance (GAAP). Procedures for establishing the budgetary data reflected in the financial statements follows:
  - a. The Executive Director submitted to the Puerto Rico Management and Budget Office, a projected operating budget for the fiscal year commencing next July 1. The budget includes projected expenditures for the current year on a cash basis.
  - b. The budget is approved through a resolution by the Legislature of the Commonwealth of Puerto Rico.
  - c. After the approval of the operating budget, and with the authorization of the Office of the Governor, the Secretary of the Treasury is authorized to transfer budgeted amounts within any fund.

The annual budget is prepared on a basis of accounting that differs from generally accepted accounting principles (GAAP). The major differences between the budgetary basis of accounting used in the annual budget and GAAP are the following:

- a. Revenues are recorded when they are approved instead of when resources are both measurable and available to finances expenditures of the fiscal year as required by GAAP.
- b. Encumbrances are recorded as expenditures instead of a reserve of fund balance as required by GAAP.

Since the budgetary basis differs from generally accepted accounting principles, actual amounts presented in the Statement of Revenues and Expenditures-Budget and Actual (Non-GAAP) - General Fund are presented under the budgetary basis to enhance comparability.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Basic Financial Statement Presentation (Continued)**

*Financial Reporting Presentation (continued)*

The budget prepared for each of the special revenue-federal funds is based on a program period, which is not necessarily the same fiscal year of the Commonwealth of Puerto Rico. Accordingly, it is not practical to present an annual comparison of budget and actual Revenues and Expenditures for the Special Revenue-Federal Fund.

4. Notes to Basic Financial Statements.

**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 at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

*Cash with Fiscal Agent*

The funds of the Office are under the custody of the Secretary of the Treasury of Puerto Rico pursuant to Act No. 230 of July 23, 1974, as amended, known as "Commonwealth of Puerto Rico Accounting Law". The Treasury Department follows the practice of pooling cash and cash equivalents under the custody and control of the Secretary of the Treasury. The funds of the Office in such pooled cash accounts are available to meet its current operating requirements. No collateral is required to be maintained for these pooled accounts.

*Capital Assets*

Capital assets, which include equipment, furniture, fixtures and vehicles, are reported in the government-wide financial statements.

The Office defines capital assets as assets, which have an initial, individual cost of \$25,000 or more at the date of acquisition and an estimated useful life of three 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.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Basis of Accounting (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 on the straight-line method over the assets' estimated life. The estimated useful life of capital assets is as follows:

<u>Type of Capital Assets</u>	<u>Years</u>
Equipment, furniture, fixtures, and vehicles	3-20

***Long-Term Obligations***

In the government-wide financial statements, special and other long-term obligations are reported as noncurrent liabilities in the statement of net assets. The liabilities reported in this statement include the Office's long-term liabilities for vacation and sick leave.

***Compensated Absences***

Compensated absences are those absences for which employees will be paid, such as 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 Office and its employees are accrued as employees earn its rights to benefits. Employees earn its rights to annual vacation leave at the rate of 30 working days per calendar year up to a maximum permissible accumulation of 60 working days for regular employees.

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

The Office 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.



OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)

Basis of Accounting (continued)

*Encumbrances*

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities.

*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.

*Reservations of Fund Balances - Governmental Fund*

In the balance sheet fund financial statement, the general fund reports reservations of fund balance for amounts that are not available for appropriation for expenditures or are legally restricted for a specific use. The Office has the following reservations of fund balances:

- *Encumbrances*: Represent future expenditures under purchase orders, contracts and other commitments. These committed amounts generally will become liabilities in future periods as the goods or services are received.
- *Other Purposes*: Represents net assets available for specific use and/or legally segregated for other specific future use.

*Financing Risk*

The governmental fund balance sheet includes reconciliation between fund balance total governmental funds and net assets- governmental activities as reported in the government- wide statement of net assets. The two elements of the reconciliation explain that "long-term liabilities, including compensated absences 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".

Federal Government contributions are received from the Department of Justice to comply with the Anti Crime Law of 1994. These funds are used to provide support and counseling to women victims of crime.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

**NOTE B - CAPITAL ASSETS**

It considers capital assets, those with an estimated useful live of three year or more from the time of acquisition and a cost of \$25,000 or more, like was described in Note A. A summary of capital assets and changes occurring in 2009 are as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance at July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance at June 30, 2009</u>
<b>Capital assets, being depreciated:</b>				
Equipment, furniture, fixtures, and vehicles	<u>\$585,384</u>	<u>\$100,220</u>	<u>\$(85,762)</u>	<u>\$599,842</u>

**NOTE C- LONG-TERM LIABILITIES**

Long-term liabilities activity for the year ended June 30, 2009 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>	<u>Due in more than One Year</u>
Accrued compensated absences	<u>\$594,707</u>	<u>\$332,408</u>	<u>\$(440,674)</u>	<u>\$486,441</u>	<u>\$403,746</u>	<u>\$ 82,695</u>

**NOTE D – CONTINGENCIES AND COMMITMENTS**

**Federal Financial Assistance Programs**

The Office participates in certain federal financial assistance programs which are subject to financial and compliance audits by Federal Agencies or their representatives. This might result in the reimbursement of funds used which did not comply with the terms of the federal program. Any liability for reimbursement which may arise as the result of these audits is not believed to be material. The ultimate resolution of any instance of noncompliance is a matter to be resolved by the Federal Agencies or their representatives.

**Claims and Lawsuits**

The Commonwealth of Puerto Rico Law 104 of June 30, 1995, as amended, known as Claims and Lawsuits against the State provides that lawsuits initiated against an Office or instrumentally of the Commonwealth of Puerto Rico, present and former employees, directors, mayors, and others may be represented by the Department of Justice. Any adverse claim, the Secretary of the Treasury has the discretion of requesting reimbursement of the funds expended for these purposes from the public corporation, governmental institutions and municipalities of the defendant.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE D – CONTINGENCIES AND COMMITMENTS (CONTINUED)**

**Lease commitment**

*Operating Leases*

The Office is obligated under various leases agreements accounted for office facilities non-cancelable operating lease, which expires from October 1, 2007 to September 30, 2012. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in Office's financial statements as long-term liabilities. Therefore, leases are presented as rent expenditures.

The actual rent expenditures were \$348,250 for the fiscal year ended June 30, 2009. The following is a schedule by years of future approximately minimum rent payments under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2009:

<b>Year Ending <u>June 30,</u></b>	<b><u>Amount</u></b>
2010	\$ 324,883
2011	348,250
2012	<u>348,250</u>
	<u>\$1,021,383</u>

**NOTE F -RETIREMENT SYSTEM**

The Office is a participant in the Employee's Retirement System of the Government of Puerto Rico and its instrumentalities (ERS), a multiple-employer contributory retirement plan which covers only eligible full-time employees.

The system provides retirement, death and disability benefits and annuities to Commonwealth of Puerto Rico employees not covered by their own systems.

Retirement and related benefits provided by the system and required contribution to the system by employees are determined by Act No. 447 approved on May 15, 1951 as amended. Monthly contribution to the ERS equals 8% of the participating employee's salary up to March 31, 1990 and 8.275% thereafter.

Members who have attained an age of at least fifty-five years and have completed at least twenty-five year of creditable service, or employees of at least fifty-eight year (65 years for employees that became participants after March 31, 1990) and have completed at least ten years of creditable service, are entitled to an annual benefit, payable monthly for life.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

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**NOTE F -RETIREMENT SYSTEM (CONTINUED)**

The amount of the annuity shall be one and one-half percent of the average compensation multiplied by the number of years of creditable service up to twenty years, plus two percent of the average compensation multiplied by the number of years of creditable service in excess of twenty-year. For those employees covered after March 31, 1990, the annuity shall be equal to one and one-half percent of the average compensation multiplied by the number of years of creditable service. In no case shall the annuity be less than \$2,400 per month, per life.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

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<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor Number</b>	<b>Total Expenditures</b>
<b>U.S. Department of Justice</b>			
Stop Violence Against Women	16.588	VAWA-2003-WF-BX-0172	\$ 20,733
		VAWA-2004-WF-AX-0039	106,107
		VAWA-2005-WF-AX-0038	198,727
		VAWA-2006-WF-AX-0017	1,158,530
		VAWA-2007-WF-AX-0045	595,040
		VAWA-2008-WF-AX-0035	17,395
Rural Domestic Violence and Child Victimization	16.589	2004-WR-AX-0074	130,614
Enforcement Program Grant to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2005-WE-AX-0090	301,884
<b>U. S. Department of Justice</b>			
Puerto Rico Department of Justice	15.575	2006 VAGX 0043096	3,689
		2007 VAGX 0054096	44,020
		2008 VAGX 0051096	<u>47,373</u>
<b>Total</b>			<b><u>\$2,624,112</u></b>

See accompanying notes and independent auditors' report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2009**

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**NOTE A - GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activities of all federal financial assistance programs of the Office. The Office's reporting entity is defined in Note A of the financial statements. Federal financial assistance received passed - through from a federal agency is included in the schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE B - BASIS OF ACCOUNTING**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in Note A of the financial statements.

**NOTE C - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amount reported in the accompanying schedule agree with the amount reported in the related federal financial report, as follows:

<u>Description</u>	<u>Amount</u>
Expenditures per financial statements	\$2,691,914
Less amount represents accounts payable	<u>(67,802)</u>
Total Expenditures per Schedule of Expenditures of Federal Awards	<u>\$2,624,112</u>





FALCON SANCHEZ  
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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SAN JUAN, PUERTO RICO**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the Women's Advocate of the Commonwealth of Puerto Rico (the Office), as of and for the year ended June 30, 2009, which collectively comprise the Office's basic financial statements and have issued our report thereon dated December 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office as of and for the year ended at June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Office's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Office's internal controls.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weakness. We found no deficiencies that we consider to be significant deficiencies.

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
Page 24**

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A summary of the material weaknesses detected during our audit are presented in the Schedule of Findings and Questioned Costs (Page 29).

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office's basic financial statements are free of material misstatement, we performed test of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect in the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, other within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Salvador Sanchez & Associates, PSC*

December 29, 2009

Stamp number 2455960 was  
affixed to the original of this  
report.





**FALCON SANCHEZ  
& ASSOCIATES, PSC**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SAN JUAN, PUERTO RICO**

**Compliance**

We have audited the compliance of the Office of the Women's Advocate of the Commonwealth of Puerto Rico (the Office) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The Office's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Office's management. Our responsibility is to express an opinion on the Office's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Office's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Office's compliance with those requirements.

In our opinion, the Office complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of the Office is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Office's internal control over compliance with the requirements that could have a direct and material effect on major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Office's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Office response and, accordingly, we express no opinion on it.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO**  
Page 27

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Luis Sánchez & Asociados, PSC*

December 29, 2009

Stamp number 2455961 was  
affixed to the original of this  
report.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2009**

---

**A. SUMMARY OF AUDITS RESULTS**

1. The auditors' report includes a qualified opinion on the financial statements of the Office of the Women's Advocate of the Commonwealth of Puerto Rico (the Office).
2. The auditors' report on compliance for the major federal award program expresses an unqualified opinion.
3. A material weakness was disclosed during the audit of the financial statements and included in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
4. No instances of significant deficiencies related to the financial statements of the Office were found during the audit.
5. No reportable conditions are disclosed during the evaluation of internal control over major federal award programs and are reporting in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
6. The programs tested as a major federal award program for the Office included: Stop Violence against Women Grant Program, CFDA No. 16.588 and Enforcement Program Grant to Encourage Arrest Policies and Enforcement of Protection Orders, CFDA No. 16.590.
7. The dollar threshold used to distinguish between Types A and B programs was \$300,000.
8. The Office major federal programs qualify as low-risk.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF THE PUERTO RICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2009**

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**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY  
ACCEPTED GOVERNMENT AUDITING STANDARDS OF THE UNITED STATES  
OF AMERICA (GAGAS)**

**FINDING REFERENCE NO. 2009-01**

**Accounting Records**

**CONDITION**

The Office current accounting system and procedures does not assist management in complying with the financial reporting requirements set forth in GASB statement 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments".

**CRITERIA:**

Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements and governmental fund financial statements.

**CAUSE:**

During our planning procedures we noticed that management is not aware of all the financial reporting requirements that are set forth in GASB 34 plus lack of an understanding of the journal entries that are automatically generated in their internal accounting systems (PRIFAS). In addition, management is not clear as to the accounting policies that said agency should follow in order to comply with all the financial reporting requirements, but more specifically with regards to property plant & equipment and revenue recognition of state and federal grants. As a consequence, prior period financial statements were issued without a government-wide financial statement. Management was also unable to keep record of the cash balance in custody of the Puerto Rico Treasury Department (or "Due from" balances) needed in order to complete the balance sheet and statement of net assets. Property plant and equipment were been capitalized but no depreciation was been recorded for them.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF THE PUERTO RICO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2009**

---

**B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY  
ACCEPTED GOVERNMENT AUDITING STANDARDS OF THE UNITED STATES  
OF AMERICA (GAGAS) (CONTINUED)**

**EFFECT:**

All of these situations, among others, have the following effects in the financial statements:

- a. Financial statements are not significantly in compliance with accounting principles generally accepted in the United States of America.
- b. Been unable to accurately calculate the ending balance of net assets.
- c. Have inaccurate cash balances in the financial statements or possibly unrecorded due to and due from accounts in the balance sheet and statement of net assets.
- d. Have an overstatement of capital assets in the statement of net assets and an understatement in expenses in the statement of activities due to lack of recognition of depreciation expenses.
- e. Inability to measure revenue recognition in accordance with GASB.

**RECOMMENDATION:**

We highly encourage management to train the personnel in-charge of the financial reporting process with GASB 34 and all other key GASB pronouncements. We also consider important to develop an internal accounting policy in order to assist the Director of Finance in the preparation of the Office financial statements in accordance with GAAP and also to enhance the internal control structure.

**CLIENT RESPONSE:**

Recommendation accepted. The corrective action plan is in process.



**OFFICE OF THE WOMEN'S ADVOCATE  
OF THE COMMONWEALTH OF PUERTO RICO  
SUMMARY OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2009**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND CORRECTIVE ACTION PLAN**

As required by Section 320(c) of OMB Circular A-133 the reporting package, among others, must include a summary of prior audit findings and a corrective action plan. Those schedules will be prepared and submitted to the applicable federal agencies once completed by the management of the Office of the Women's Advocate. Following the schedule for summary of prior audit findings and corrective action plan:

<u>FINDINGS</u>	<u>CORRECTIVE ACTION PLAN</u>	<u>RESULTS</u>	<u>ESTIMATED DATE</u>
The Office does not maintain a complete general ledger, nor accounting procedures to provide reasonable assurance that all transactions are properly recorded and that the financial condition is properly reflected.	Personal received training in the preparation of major referrals. All corresponding entries are being made through an excel worksheet. The Finance Director gave orders to all finance employees so that from the July 1, 2003 work would start with the revenues and expenses ledger and their respective consolidations. The administrative and fiscal auxiliaries responsible for the assignment and revenue ledger already have the up to date internal accounting register, and have realized the corresponding reconciliation on excel.	Not complied	June 30, 2009
Trial balances and subsidiary ledgers are not prepared for each fund.	In order to produce the trial balance and keep the employee benefit accounts up to date, we are working on an accounting system that will be able to compile all the information.	Not complied	June 30, 2009

