

**MUNICIPAL FINANCE CORPORATION**  
**(A Component Unit of the**  
**Commonwealth of Puerto Rico)**

**BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED**  
**JUNE 30, 2021 AND 2020**

**MUNICIPAL FINANCE CORPORATION**  
**(A Component Unit of the**  
**Commonwealth of Puerto Rico)**  
**BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Municipal Finance Corporation  
San Juan, Puerto Rico

### Report on the Financial Statements

We have audited the accompanying statements of net position of the Municipal Finance Corporation (the "Corporation") as of June 30, 2021 and 2020, and the statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the basic financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express opinions on these basic financial statements based on our audits. We conducted our audits 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 basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatements of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the basic 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 basic financial statements.

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

## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the Corporation, as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years 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 on pages 3 to 6 be presented to supplement the basic financial statements. Such information although is not a part of the basic financial statements. 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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Corporation's basic financial statements. The accompanying Schedules of Close Year Liquidation, on pages 22 through 27, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

San Juan, Puerto Rico  
October 29, 2021

*Ortiz, Rivera, Rivera & Co., LLC*

The stamp E472157 of the Puerto Rico Society of Certified Public Accountants was affixed to the original of this report.



## FINANCIAL SECTION

**MUNICIPAL FINANCE CORPORATION**  
**(A Component Unit of the Commonwealth of Puerto Rico)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AS OF AND FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

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This section represents the management's discussion and analysis of the Municipal Finance Corporation (the "Corporation") financial performance for the fiscal year ended June 30, 2021 and is presented as a narrative overview and analysis in conjunction with the basic financial statements. The information presented here should be read in conjunction with the basic financial statements, including the notes thereto.

The Corporation was created for purposes of collecting and distributing the one percent (1%) of the municipal sales and use tax, and to issue bonds and use other financing mechanisms to pay or refinance debt of municipalities that is secured by the municipal sales and use tax.

### **1. Financial Highlights**

- As of June 30, 2021, the Corporation's total assets increased by approximately \$6.8 million or 14% when compared to prior year, resulting from an increase in cash of approximately \$8.2 million and decreases in accounts receivable and due from municipalities of approximately \$902 thousand and \$422 thousand, respectively.
- As of June 30, 2021, the Corporation's total liabilities increased by approximately \$6.3 million or 44% when compared to prior year, resulting from an increase in accounts payable of approximately \$7.6 million and a decrease in due to municipalities of approximately \$1.3 million.
- As of June 30, 2021, the Corporation's change in net position decreased by approximately \$62 thousand or 10% when compared to prior year.

### **2. Financial Statements Overview**

The discussion and analysis are required supplementary information to the basic financial statements of the Corporation. The basic financial statements comprise three components: (1) the independent auditors' report, (2) the management's discussion and analysis section, and (3) the basic financial statements of the Corporation. The notes to the basic financial statements explain in more detail some of the information in the financial statements.

### **3. Required Financial Statements**

The financial statements of the Corporation report information using accounting methods similar to those used by private-sector entities. The statement of net position includes all of the Corporation's assets and liabilities providing information about the nature and amount of investment in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the Corporation and assessing its liquidity and financial flexibility.

Revenues and expenses are accounted for in the statement of revenues, expenses, and change in net position. This statement measures the results of the Corporation's operations over the past year and can be used to determine whether the Corporation has successfully recovered its costs from the revenues it generates.

The final required financial statement is the statement of cash flows. This statement reports cash receipts, cash payments, and net change in cash resulting from operating, investing, and capital and noncapital financial activities, and provides answers to such questions as where cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

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The statements are followed by the supplementary information that contains the Schedules of Close Year Liquidation.

**4. Financial Analysis**

The following is an analysis of the financial position and changes in financial position of the Corporation for fiscal year 2021.

**Net Position**

Condensed financial information from the statements of net position as of June 30, 2021, 2020, and 2019, is as follows (in thousands):

	2021	2020	Change		2019	Change	
			Amount	%		Amount	%
Current Assets	\$ 39,712	\$ 31,248	\$ 8,464	27%	\$ 44,020	\$ (12,772)	-29%
Non-current assets	15,460	17,076	(1,616)	-9%	15,382	1,694	11%
Total Assets	55,172	48,324	6,848	14%	59,402	(11,078)	-19%
Current liabilities	20,527	14,230	6,297	44%	25,921	(11,691)	-45%
Total Liabilities	20,527	14,230	6,297	44%	25,921	(11,691)	-45%
Net Position	\$ 34,645	\$ 34,094	\$ 551	2%	\$ 33,481	\$ 613	2%

As of June 30, 2021, the Corporation's total assets exceeded total liabilities by approximately \$34.6 million. Cash increased from approximately \$28.7 million to \$36.9 million as a result, among others, due to funds deposited in the Corporation's concentration bank account that corresponds to unidentified municipal sales and use tax collections for fiscal year 2021 amounting to approximately \$16.1 million less distribution to the municipalities of the last month of fiscal year 2020 amounting to approximately \$8.5 million paid during fiscal year 2021. The Due from Municipalities account decreased from approximately \$18.7 million to \$18.3 million as a result of the net effect of collections of funds received amounting to approximately \$1.5 million from municipalities related to collections agreements less distribution made during the current year amounting to approximately \$1.1 million.

Total liabilities increased from approximately \$14.2 million to \$20.5 million. This increase is due to the net effect of collection of unidentified municipal sales and use tax for fiscal year 2021 amounting to approximately \$16.1 million less distribution to the municipalities of the last month of fiscal year 2020 amounting to \$8.5 million paid during fiscal year 2021, and a decrease in due to municipalities amounting to \$1.3 million.

As of June 30, 2020, the Corporation's total assets exceeded total liabilities by approximately \$34.1 million. Cash decreased from approximately \$41.4 million to \$28.7 million as a result, among others, due to the distribution of funds deposited in the Corporation's concentration bank account that corresponds to unidentified municipal sales and use tax collections of prior years amounting to approximately \$16.9 million paid to participating municipalities. The Due from Municipalities account increased from approximately \$17.9 million to \$18.7 million as a result of an increase in due from municipalities on collection agreements amounting to approximately \$785 thousand.

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Total liabilities decreased from approximately \$25.9 million to \$14.2 million. This decrease is due to the distribution previously mentioned owed to the participating municipalities.

**Statements of Revenues, Expenses, and Changes in Net Position**

Condensed financial information of the statements of revenues, expenses, and changes in net position for the years ended June 30, 2021, 2020, and 2019, is as follows (in thousands):

	2021	2020	Change		2019	Change	
			Amount	%		Amount	%
Operating revenues	\$ 159,725	\$ 137,088	\$ 22,637	17%	\$ 136,161	\$ 927	1%
Expenses and non-operating revenues:							
Operating expenses	(160,571)	(137,912)	(22,659)	16%	(137,006)	(906)	1%
Non-operating revenues	1,397	1,437	(40)	-3%	24,040	(22,603)	-94%
Total expenses and non-operating revenues	(159,174)	(136,475)	(22,699)	17%	(112,966)	(23,509)	21%
Change in net position	551	613	(62)	-10%	23,195	(22,582)	-97%
Net position, beginning	34,094	33,481	613	2%	10,286	23,195	226%
Net position, ending	\$ 34,645	\$ 34,094	\$ 551	2%	\$ 33,481	\$ 613	2%

As of June 30, 2021, the Corporation's change in net position increased by approximately \$551 thousand. The Corporation's change in net position of \$551 thousand represents a reduction of approximately \$62 thousand when compared with prior year.

As of June 30, 2020, the Corporation's change in net position increased by approximately \$613 thousand. The Corporation's change in net position of \$613 thousand represents a reduction of approximately \$22.6 million when compared with prior year. This reduction amounting to \$22.6 million resulted from the Contribution from Commonwealth made during fiscal year ended 2018-2019, that was not received for the fiscal year ended on June 30, 2020.

**5. Currently known Facts**

In accordance with Act No. 19 of January 24, 2014, as amended, known as the "Municipal Finance Corporation Act" ("Act 19-2014"), the Corporation is authorized to issue bonds and to use other financing mechanisms to pay or refinance municipal debt secured by the municipal sales and use tax. As of June 30, 2021, the Corporation has not issued debt.

On August 14, 2020, the Governor enacted Act No. 107-2020, as amended, establishing the Municipal Code of Puerto Rico (the "Code"). The Code revokes, among others, Act No. 19-2014, as amended, known as the "Municipal Financing Corporation Law". It also stipulates the norms, rules and laws



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related to income and financing for the operation of municipalities, as well as describes the operation and new responsibilities of the Corporation in its articles 7.302 (21 L.P.R.A. § 8284) to 7.306 (21 L.P.R.A. § 8295).

As a result of the approval of the Code, the Corporation is attached to the Puerto Rico Fiscal Agency and Financial Advisory Authority (the "FAFAA"). The Code established that the FAFAA shall cover the operating expenses of the Corporation; provided, however, that if the FAFAA cannot cover such expenses, they shall be paid from the funds deposited in the Corporation's accounts, which is derived from the municipal sales and use tax collections.

**6. Contacting the Corporation's Financial Management**

This financial report is designed to provide all interested parties with a general overview of the Corporation's finances and to facilitate the Corporation's accountability for the resources it manages. Questions concerning any of the information provided in this report or requests for additional information should be addresses to Municipal Finance Corporation, PO Box 42001, San Juan, Puerto Rico 00940-2001.

**MUNICIPAL FINANCE CORPORATION**  
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**STATEMENTS OF NET POSITION**  
**JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets:		
Cash (Note 3)	\$ 36,856,587	\$ 28,684,102
Accounts receivable (Notes 2 and 4)	5,668	907,362
Due from Municipalities:		
Current year liquidation (Note 5)	1,119,672	48,144
Collections agreements (Note 6)	1,730,335	1,608,014
Total current assets	<u>39,712,262</u>	<u>31,247,622</u>
Noncurrent assets:		
Due from Municipalities:		
Collections agreements (Note 6)	15,460,285	17,076,314
Total noncurrent assets	<u>15,460,285</u>	<u>17,076,314</u>
Total assets	<u>55,172,547</u>	<u>48,323,936</u>
 <b>LIABILITIES</b>		
Current liabilities:		
Accounts payable (Note 7)	16,210,091	8,648,446
Due to Municipalities (Note 8)	4,316,952	5,581,273
Total current and total liabilities	<u>20,527,043</u>	<u>14,229,719</u>
 <b>NET POSITION</b>		
Unrestricted	<u>34,645,504</u>	<u>34,094,217</u>
Total net position	<u>\$ 34,645,504</u>	<u>\$ 34,094,217</u>

The accompanying notes are an integral part of these basic financial statements.

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**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Municipal sales and use tax	\$ 159,725,767	\$ 137,087,840
 <b>OPERATING EXPENSES</b>		
Distribution of municipal sales and use tax to municipalities	159,725,767	137,087,840
General and administrative	845,551	824,606
Total operating expenses	<u>160,571,318</u>	<u>137,912,446</u>
 <b>OPERATING LOSS</b>	 <u>(845,551)</u>	 <u>(824,606)</u>
 <b>NON-OPERATING REVENUES</b>		
Other income	62,306	31,975
Interest income	1,334,532	1,406,071
Total non-operating revenues	<u>1,396,838</u>	<u>1,438,046</u>
 <b>CHANGE IN NET POSITION</b>	 551,287	 613,440
 <b>NET POSITION AT BEGINNING OF THE YEAR</b>	 <u>34,094,217</u>	 <u>33,480,777</u>
 <b>NET POSITION AT THE END OF THE YEAR</b>	 <u>\$ 34,645,504</u>	 <u>\$ 34,094,217</u>

The accompanying notes are an integral part of these basic financial statements.

**MUNICIPAL FINANCE CORPORATION**  
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**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM/USED IN OPERATING ACTIVITIES</b>		
Cash received from municipal sales and use taxes	\$ 161,049,641	\$ 135,379,575
Cash paid to municipalities	(153,385,863)	(148,824,993)
Cash paid to suppliers	(870,801)	(779,356)
Net cash provided by/(used in) operating activities	6,792,977	(14,224,774)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Net other collections	44,976	31,975
Net cash provided by noncapital financing activities	44,976	31,975
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,334,532	1,466,171
Net cash provided by investing activities	1,334,532	1,466,171
<b>NET INCREASE/(DECREASE) IN CASH</b>	8,172,485	(12,726,628)
<b>CASH AT BEGINNING OF YEAR</b>	28,684,102	41,410,730
<b>CASH AT END OF YEAR</b>	\$ 36,856,587	\$ 28,684,102
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		
Operating loss	\$ (845,551)	\$ (824,606)
Adjustment to reconcile operating loss to net cash provided by/(used in) operating activities		
Changes in assets and liabilities:		
Decrease/(increase):		
Accounts receivable	901,694	(902,112)
Due from municipalities	422,180	(806,153)
Increase/(decrease):		
Account payable	7,578,975	(1,764,547)
Due to municipalities	(1,264,321)	(9,927,356)
Net cash provided by/(used in) operating activities	\$ 6,792,977	\$ (14,224,774)

The accompanying notes are an integral part of these basic financial statements.

**MUNICIPAL FINANCE CORPORATION**  
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**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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**1. REPORTING ENTITY**

The Municipal Finance Corporation (the "Corporation") is a public corporation and an independent instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth"). The Corporation was originally created by Act No. 19 of January 24, 2014, as amended ("Act No.19-2014") known as the "Municipal Financing Corporation Law", which was superseded by Act No. 107-2020, as amended, establishing the Municipal Code of Puerto Rico (the "Code"). The Code stipulates the norms, rules and laws related to income and financing for the operation of municipalities as well as describes the operation and new responsibilities of the Corporation in its articles 7.302 (21 L.P.R.A. § 8284) to 7.306 (21 L.P.R.A. § 8295).

As a result of the approval of the Code, the Corporation is attached to the Puerto Rico Fiscal Agency and Financial Advisory Authority (the "FAFAA"). The Code established that the FAFAA shall cover the operating expenses of the Corporation; provided, however, that if the FAFAA cannot cover such expenses, they shall be paid from the funds deposited in the Corporation's accounts, which is derived from the municipal sales and use tax collections.

The Corporation was created for purposes of collecting and distributing the one percent (1%) of the municipal sales and use tax and to issue bonds or use other financing mechanisms to pay or refinance municipal debt secured by the municipal sales and use tax.

The Corporation's final settlement of the 1% municipal transfer is presented as supplementary information on the Schedule of Close Year Liquidation. The Schedule of Close Year Liquidation has been prepared on the cash basis of accounting. Sales and use tax revenues are recorded when collected and deducted when distributed to the municipalities.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Corporation conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to governmental entities, as prescribed by the Governmental Accounting Standards Board ("GASB").

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of changes in net position, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Following is a description of the Corporation's most significant accounting policies:

*Measurement Focus and Basis of Accounting*-The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Corporation recognizes revenues when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Operating revenues consist primarily of the collection of the 1% municipal sales and use tax. Operating expenses consist primarily of the distribution of the municipal sales and use tax.

The statement of net position presents the Corporation's assets and liabilities, with the difference reported as net position. Net position may be reported in three categories:

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*Net investment in capital assets* - consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding debt balances that is attributable to the acquisition, construction, or improvement of those assets.

*Restricted component* - consists of restricted assets reduced by liabilities related to those assets. Restrictions are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted component* - consists of net amount of the assets and liabilities that do not meet the definition of the preceding category. Unrestricted component of net position often is designated, to indicate that management does not consider them to be available for general operations. Unrestricted component of net position often has constraints on use that are imposed by management, but such constraints may be removed or modified.

As of June 30, 2021 and 2020, the Corporation's net position was presented as unrestricted component.

The statement of revenues, expenses, and change in net position demonstrates the degree to which the operating expenses are offset by operating revenues.

The statement of cash flows reports cash receipts, cash payments, and net change in cash resulting from operating, investing, and capital and noncapital financial activities, and provides answers to such questions as where cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

*Accounts Receivable*- Accounts receivable is stated net of estimated allowance for uncollectible accounts. The allowance is based on management's evaluation of the risk characteristics of the receivable, including such factors as past collection experience, sources of repayment, adverse situation that may affect the customer's ability to repay, and general economic conditions. Charge-offs are recorded against the allowance when management believes that the collectability is unlikely. Recoveries of amounts previously charged off are credited to the allowance. Because of uncertainties inherent in the estimation process, management's estimate may change in the future. Management estimates that the accounts receivable is collectible, therefore, did not establish a provision for uncollectible accounts.

*Recently Issued Accounting Pronouncements* - The GASB has issued the following accounting pronouncements that are effective for periods subsequent to June 30, 2021.

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable

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and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, as amended by GASB Statement No. 95.

- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, as amended by GASB Statement No. 95. Earlier application is encouraged.
- GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (i) commitments extended by issuers, (ii) arrangements associated with conduit debt obligations, and (iii) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

- GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety

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of topics and includes specific provisions about the following: The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

- **GASB Statement No.93, Replacement of Interbank Offered Rates (IBOR).** The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR most notably the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

This statement achieves its objective by:

- o Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
- o Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
- o Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
- o Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap.
- o Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
- o Clarifying the definition of reference rate, as it is used in GASB Statement No. 53, as amended.



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O Providing an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR.

- **GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements.** The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

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- GASB Statement No. 97, **Certain Component Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.** The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other than postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

- GASB Statement No. 98, **The Annual Comprehensive Financial Report -** This Statement establishes the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

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Management is evaluating the impact that these Statements will have on the Corporation's basic financial statements.

*Reclassifications-* Certain reclassifications were made to prior year basic financial statements in order to conform to current year presentation. These reclassifications had no effect on the previously reported net position or change in net position of the Corporation.

**3. CASH**

The Corporation is authorized to deposit only in bank institutions approved by the Department of Treasury of the Commonwealth. Such deposits should be kept in separate accounts in the name of the Corporation. It is the Corporation's policy to have all bank account openings approved by the Board.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a financial institution's failure, the Corporation's deposits may not be returned to it. The Corporation maintains cash deposits in one commercial bank located in Puerto Rico. Under the Commonwealth's statutes, public funds deposited in commercial banks must be fully collateralized for the amount deposited in excess of insurance provided by the Federal Deposit Insurance Corporation (FDIC). All securities pledged as collateral by the Corporation are held by the Puerto Rico Secretary of Treasury but not in the Corporation's name. The total deposits in commercial banks amounted to \$36,856,587 and \$28,684,102 as of June 30, 2021 and 2020, respectively.

**Deposits in Commercial Banks**

The Corporation has the following depository accounts in a commercial bank:

Depository Account	June 30, 2021		June 30, 2020	
	Carrying Amount	Bank Balance	Carrying Amount	Bank Balance
Deposits insured by the FDIC	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Deposits subject to the collateral requirements	36,606,587	36,606,587	28,434,102	28,434,102
Total deposits	<u>\$ 36,856,587</u>	<u>\$ 36,856,587</u>	<u>\$ 28,684,102</u>	<u>\$ 28,684,102</u>

**MUNICIPAL FINANCE CORPORATION**  
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**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

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**4. ACCOUNTS RECEIVABLE**

The accounts receivable is related to the municipal sales and use tax collections made by the Collectors' Municipalities and submitted to the Corporation after fiscal years ended June 30, 2021 and 2020, respectively, and are as follows:

<u>Municipality of</u>	<u>2021</u>	<u>2020</u>
Aguada	\$ -	\$ 139
Aguadilla	76	-
Aguas Buenas	-	418
Aibonito	-	236
Añasco	10	2
Arecibo	-	6
Barranquitas	18	-
Barceloneta	-	3
Caguas	4,294	2,228
Camuy	-	735
Cataño	197	466
Cayey	-	9
Cabo Rojo	128	-
Canovanas	65	-
Fajardo	26	-
Guayanilla	-	121
Gurabo	205	-
Hatillo	-	45
Hormigueros	456	-
Humacao	-	4,906
Isabela	-	37
Juana Díaz	2	178
Juncos	-	210
Lajas	-	1,543
Luquillo	-	4,248
Manatí	-	122
Moca	-	138
Orocovis	-	52

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**MUNICIPAL FINANCE CORPORATION**  
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**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

<u>Municipality of</u>	<u>2021</u>	<u>2020</u>
Ponce	-	885,624
Rincón	-	26
Río Grande	-	266
Salinas	22	3,474
San Germán	16	79
Sabana Grande	65	-
San Sebastián	-	914
Santa Isabel	-	20
Toa Baja	-	18
Utua	-	752
Vega Baja	88	154
Vieques	-	144
Yauco	-	49
	<u>\$ 5,668</u>	<u>\$ 907,362</u>

**5. DUE FROM MUNICIPALITIES**

The amount due from Municipalities consists of advances made in excess of the collected funds.

The Corporation is required by law to prepare a settlement statement on a fiscal year basis, whereby a reconciliation between the amounts advanced to the municipalities and amounts collected from taxpayers is made. The Corporation prepares a settlement not later than October 31, after the end of the fiscal year (see supplementary information). The amount due from Municipalities is recorded and amortized through a pro rata deduction from the next fiscal year collections.

The balance of due from municipalities amount to \$1,119,672 and \$48,144 on June 30, 2021 and 2020, respectively.

**6. DUE FROM MUNICIPALITIES ON COLLECTION AGREEMENTS**

Annually, the Corporation reconciles the total cash remitted to the municipalities with the net cash collections received through all collection's channels, including the Web Portal of the Corporation or by direct deposit to the individual accounts of the Corporation on behalf of the Municipalities. Through this reconciliation, the Corporation determines if there were advances to the Municipalities in excess of the collections made, resulting in an accounts receivable to the Corporation, or if advances were less than collections, resulting in a debt of the Corporation to the Municipalities.

**MUNICIPAL FINANCE CORPORATION**  
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**YEARS ENDED JUNE 30, 2021 AND 2020**

Therefore, the Corporation identifies that several Municipalities maintain accounts receivable related from previous fiscal years, for which formal collection agreements are established.

In November 2018, the Corporation and certain Municipalities entered in several Collection Agreements for the repayment of prior year unpaid advances. The Collection Agreements interest rate depends on the maturity option selected by each Municipality. The first due date of the payment plans was October 2019, with a fixed and discounted interest rate that fluctuates between 4% and 8%, and a maturity of 5 to 15 years. As of June 30, 2021, all payment plans are performing.

Due from Municipalities as of June 30, 2021 and 2020, respectively, consist of the following:

<u>Municipality of</u>	<u>2021</u>	<u>2020</u>
Bayamón	\$ 6,653,645	\$ 6,653,645
Mayagüez	4,394,269	5,201,469
Carolina	3,387,200	3,543,382
Guaynabo	1,972,420	2,475,923
Canóvanas	783,086	783,086
Trujillo Alto	-	26,823
Total	<u>17,190,620</u>	<u>18,684,328</u>
Less: Current portion	<u>1,730,335</u>	<u>1,608,014</u>
Long-term portion	<u>\$ 15,460,285</u>	<u>\$ 17,076,314</u>

**7. ACCOUNTS PAYABLE**

At June 30, 2021 and 2020, the amount of accounts payable include funds deposited in the Corporation's concentration bank account that corresponds to unidentified municipal sales and use tax collections amounting to approximately \$16.1 million for fiscal year 2021 and to the municipal sales and use taxes receives during the last month of the fiscal year ended 2020 amounting to approximately \$8.5 million paid to the Municipalities after fiscal year ended, and certain other administrative expenses.

The balance of accounts payable as of June 30, 2021 and 2020, respectively, consist of the following:

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	2021	2020
Municipal sales and use taxes	\$ 16,119,978	\$ 8,515,753
Administrative services	-	10,000
Bank charges	70,113	87,443
Audit fees	20,000	35,250
Total	\$ 16,210,091	\$ 8,648,446

**8. DUE TO MUNICIPALITIES**

The amount due to Municipalities represents the funds collected in excess to the advances of money made to the municipalities during the fiscal year.

The amount due to Municipalities is paid at settlement. The Corporation prepares a settlement not later than October 31, after the fiscal year ended (see supplementary information). The amount due to Municipalities is recorded and paid through the next fiscal year.

The balance of due to municipalities amounts to \$4,316,952 and \$5,581,273 at June 30, 2021 and 2020, respectively.

**9. SUBSEQUENT EVENTS**

Subsequent events were evaluated through October 29, 2021, the date the basic financial statements were available to be issued, to determine if any such events should either be recorded or disclosed in the June 30, 2021 and 2020 basic financial statements.

**Unidentified Municipal Sales and Use Tax (SUT) Funds**

On June 30, 2021, the balance of accounts payable included funds deposited in the Corporation's concentration bank account that correspond to unidentified municipal sales and use tax collections for fiscal year 2021 amounting to \$16,119,978. On October 1, 2021, the Board of Directors of the Corporation approved Resolution number 2021-09, which authorized the distribution of unidentified funds deposited in the concentration bank account to the participating municipalities of the Corporation.

**SUPPLEMENTARY INFORMATION**



**MUNICIPAL FINANCE CORPORATION**  
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**SCHEDULE OF CLOSE YEAR LIQUIDATION (UNAUDITED)**  
**JUNE 30, 2021**

Municipality of	Collections	Advances to Municipality	Due from Municipality	Due to Municipality
Adjuntas	\$ 194,901	\$ 193,652	\$ -	\$ 1,249
Aguada	1,691,929	1,668,774	-	23,155
Aguadilla	4,287,230	4,282,421	-	4,809
Aguas Buenas	538,026	525,762	-	12,264
Aibonito	1,190,278	1,204,272	13,994	-
Añasco	985,640	984,529	-	1,111
Arecibo	3,844,390	3,821,851	-	22,539
Arroyo	442,405	466,769	24,364	-
Barceloneta	4,142,703	4,100,344	-	42,359
Barranquitas	913,416	904,790	-	8,626
Bayamón	415,523	-	-	415,523
Cabo Rojo	1,860,209	1,866,269	6,060	-
Caguas	21,347,329	21,017,609	-	329,720
Camuy	1,052,342	1,061,890	9,548	-
Canóvanas	1,653,855	1,553,291	-	100,564
Carolina	408,093	-	-	408,093
Cataño	4,661,496	4,679,824	18,328	-
Cayey	5,099,464	5,011,511	-	87,953
Ceiba	272,126	267,640	-	4,486
Ciales	377,971	389,259	11,288	-
Cidra	1,861,811	1,879,608	17,797	-
Coamo	894,241	899,720	5,479	-
Comerío	367,054	365,434	-	1,620
Corozal	901,936	912,328	10,392	-
Culebra	104,730	105,389	659	-
Dorado	3,991,125	3,994,068	2,943	-
Fajardo	3,990,744	3,940,122	-	50,622
Florida	156,640	155,906	-	734
Guánica	278,876	270,361	-	8,515
Guayama	3,158,667	3,144,497	-	14,170
Guayanilla	433,558	431,954	-	1,604
Guaynabo	1,217,805	-	-	1,217,805
Gurabo	1,988,202	2,014,426	26,224	-

(Continues)

**MUNICIPAL FINANCE CORPORATION**  
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**SCHEDULE OF CLOSE YEAR LIQUIDATION (UNAUDITED) (CONTINUED)**

JUNE 30, 2021

Municipality of	Collections	Advances to Municipality	Due from Municipality	Due to Municipality
Hatillo	7,632,673	7,588,292	-	44,381
Hormigueros	1,305,067	1,314,181	9,114	-
Humacao	6,320,980	6,285,450	-	35,530
Isabela	2,977,067	2,953,529	-	23,538
Jayuya	441,127	484,533	43,406	-
Juana Díaz	1,909,546	1,929,907	20,361	-
Juncos	1,316,448	1,324,149	7,701	-
Lajas	688,760	674,722	-	14,038
Lares	762,623	768,325	5,702	-
Las Marías	86,190	127,373	41,183	-
Las Piedras	1,181,119	1,183,804	2,685	-
Loíza	453,925	459,671	5,746	-
Luquillo	871,132	860,887	-	10,245
Manatí	4,602,539	4,602,089	-	450
Maricao	28,467	274,041	245,574	-
Maunabo	102,062	95,510	-	6,552
Mayagüez	52,186	-	-	52,186
Moca	1,035,022	1,025,993	-	9,029
Morovis	789,609	812,167	22,558	-
Naguabo	554,303	547,971	-	6,332
Naranjito	1,069,367	1,074,659	5,292	-
Orocovis	642,239	630,658	-	11,581
Patillas	394,191	392,047	-	2,144
Peñuelas	582,334	582,489	155	-
Ponce	16,191,296	15,840,904	-	350,392
Quebradillas	789,977	798,325	8,348	-
Rincón	762,437	739,431	-	23,006
Río Grande	2,136,817	2,092,750	-	44,067
Sabana Grande	651,671	654,938	3,267	-
Salinas	1,083,086	1,076,119	-	6,967
San Germán	1,490,901	1,519,765	28,864	-
San Juan	851,382	-	-	851,382
San Lorenzo	1,441,271	1,449,597	8,326	-
San Sebastián	1,914,188	1,927,292	13,104	-

(Continues)

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**SCHEDULE OF CLOSE YEAR LIQUIDATION (UNAUDITED) (CONTINUED)**  
**JUNE 30, 2021**

Municipality of	Collections	Advances to Municipality	Due from Municipality	Due to Municipality
Santa Isabel	2,228,286	2,232,289	4,003	-
Toa Alta	1,651,710	1,647,291	-	4,419
Toa Baja	7,109,940	7,077,312	-	32,628
Trujillo Alto	2,494,517	2,929,345	434,828	-
Utua	761,217	776,377	15,160	-
Vega Alta	1,633,673	1,608,794	-	24,879
Vega Baja	2,545,940	2,552,106	6,166	-
Vieques	400,618	428,793	28,175	-
Villalba	364,686	359,001	-	5,685
Yabucoa	807,668	816,087	8,419	-
Yauco	1,890,795	1,895,254	4,459	-
Total	<u>\$ 159,725,767</u>	<u>\$ 156,528,487</u>	<u>\$ 1,119,672</u>	<u>\$ 4,316,952</u>

**MUNICIPAL FINANCE CORPORATION**  
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**JUNE 30, 2020**

<b>Municipality of</b>	<b>Collections</b>	<b>Prior Year Collections</b>	<b>Total Collections</b>	<b>Advances to Municipality</b>	<b>Due from Municipality</b>	<b>Due to Municipality</b>
Adjuntas	\$ 110,952	\$ 50,309	\$ 161,261	\$ 158,873	\$ -	\$ 2,388
Aguada	1,141,668	198,577	1,340,245	1,335,933	-	4,312
Aguadilla	3,263,542	438,084	3,701,626	3,613,655	-	87,971
Aguas Buenas	411,770	90,616	502,386	495,503	-	6,883
Aibonito	971,015	169,296	1,140,311	1,113,110	-	27,201
Añasco	713,353	140,995	854,348	834,003	-	20,345
Arecibo	2,798,155	370,796	3,168,951	3,082,343	-	86,608
Arroyo	345,014	77,714	422,728	391,274	-	31,454
Barceloneta	3,228,578	388,950	3,617,528	3,552,376	-	65,152
Barranquitas	679,432	125,897	805,329	787,081	-	18,248
Bayamón	250,961	-	250,961	-	-	250,961
Cabo Rojo	1,486,718	218,416	1,705,134	1,675,803	-	29,331
Caguas	16,100,584	1,993,121	18,093,705	17,982,970	-	110,735
Camuy	791,575	149,331	940,906	889,095	-	51,811
Canóvanas	34,745	-	34,745	13,330	-	21,415
Carolina	361,303	-	361,303	-	-	361,303
Cataño	4,269,493	441,117	4,710,610	4,635,642	-	74,968
Cayey	4,086,307	494,737	4,581,044	4,386,302	-	194,742
Ceiba	195,797	60,705	256,502	253,415	-	3,087
Ciales	304,045	72,472	376,517	358,295	-	18,222
Cidra	1,322,646	226,809	1,549,455	1,479,725	-	69,730
Coamo	711,128	139,860	850,988	812,522	-	38,466
Comerío	282,996	72,819	355,815	349,428	-	6,387
Corozal	668,831	134,384	803,215	766,164	-	37,051
Culebra	152,549	59,234	211,783	210,003	-	1,780
Dorado	3,058,972	396,537	3,455,509	3,381,192	-	74,317
Fajardo	3,238,067	409,936	3,648,003	3,664,339	16,336	-
Florida	145,061	53,253	198,314	189,613	-	8,701
Guánica	245,251	77,026	322,277	327,836	5,559	-
Guayama	2,242,330	287,034	2,529,364	2,524,045	-	5,319
Guayanilla	259,337	73,004	332,341	320,804	-	11,537
Guaynabo	694,881	-	694,881	-	-	694,881
Gurabo	1,590,099	229,509	1,819,608	1,779,905	-	39,703

(Continues)

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**SCHEDULE OF CLOSE YEAR LIQUIDATION (UNAUDITED) (CONTINUED)**  
**JUNE 30, 2020**

<b>Municipality of</b>	<b>Collections</b>	<b>Prior Year Collections</b>	<b>Total Collections</b>	<b>Advances to Municipality</b>	<b>Due from Municipality</b>	<b>Due to Municipality</b>
Hatillo	\$ 5,274,618	\$ 647,174	\$ 5,921,792	\$ 5,819,841	\$ -	\$ 101,951
Hormigueros	978,320	190,381	1,168,701	1,128,518	-	40,183
Humacao	4,128,441	470,186	4,598,627	4,411,232	-	187,395
Isabela	2,083,609	274,672	2,358,281	2,150,370	-	207,911
Jayuya	339,397	82,064	421,461	445,617	24,156	-
Juana Díaz	1,469,400	207,412	1,676,812	1,624,995	-	51,817
Juncos	1,076,392	182,980	1,259,372	1,229,321	-	30,051
Lajas	531,121	113,042	644,163	636,418	-	7,745
Lares	604,411	118,260	722,671	710,961	-	11,710
Las Marías	62,354	42,805	105,159	100,270	-	4,889
Las Piedras	980,389	174,582	1,154,971	1,125,954	-	29,017
Loíza	277,048	74,715	351,763	350,903	-	860
Luquillo	595,531	117,494	713,025	672,045	-	40,980
Manatí	3,301,831	422,709	3,724,540	3,585,803	-	138,737
Maricao	20,573	37,317	57,890	56,877	-	1,013
Maunabo	77,985	47,166	125,151	127,244	2,093	-
Mayagüez	91,217	-	91,217	-	-	91,217
Moca	734,698	139,205	873,903	862,950	-	10,953
Morovis	588,647	114,486	703,133	681,401	-	21,732
Naguabo	412,222	90,522	502,744	490,769	-	11,975
Naranjito	811,436	154,092	965,528	940,774	-	24,754
Orocovis	471,130	96,124	567,254	552,696	-	14,558
Patillas	281,556	78,508	360,064	348,931	-	11,133
Peñuelas	441,764	89,969	531,733	510,974	-	20,759
Ponce	12,913,765	1,491,303	14,405,068	14,328,397	-	76,671
Quebradillas	529,376	114,823	644,199	614,461	-	29,738
Rincón	582,580	114,684	697,264	690,080	-	7,184
Río Grande	1,688,181	229,496	1,917,677	1,900,575	-	17,102
Sabana Grande	536,038	108,224	644,262	622,253	-	22,009
Salinas	809,351	138,365	947,716	910,360	-	37,356
San Germán	1,075,474	209,621	1,285,095	1,242,309	-	42,786
San Juan	780,054	-	780,054	(69)	-	780,123
San Lorenzo	1,106,242	189,505	1,295,747	1,228,179	-	67,568
San Sebastián	1,361,977	227,954	1,589,931	1,531,140	-	58,791

(Continues)

**MUNICIPAL FINANCE CORPORATION**  
(A Component Unit of the Commonwealth of Puerto Rico)  
**SCHEDULE OF CLOSE YEAR LIQUIDATION (UNAUDITED) (CONTINUED)**  
**JUNE 30, 2020**

<b>Municipality of</b>	<b>Collections</b>	<b>Prior Year Collections</b>	<b>Total Collections</b>	<b>Advances to Municipality</b>	<b>Due from Municipality</b>	<b>Due to Municipality</b>
Santa Isabel	\$ 1,519,988	\$ 216,230	\$ 1,736,218	\$ 1,700,067	\$ -	\$ 36,151
Toa Alta	1,292,401	207,577	1,499,978	1,464,984	-	34,994
Toa Baja	5,412,818	676,398	6,089,216	6,015,222	-	73,994
Trujillo Alto	2,435,736	323,571	2,759,307	2,153,527	-	605,780
Utuado	670,152	118,128	788,280	769,342	-	18,938
Vega Alta	1,273,273	204,779	1,478,052	1,443,046	-	35,006
Vega Baja	1,686,529	254,305	1,940,834	1,899,598	-	41,236
Vieques	366,465	86,564	453,029	441,665	-	11,364
Villalba	283,550	72,970	356,520	349,413	-	7,107
Yabucoa	718,908	123,635	842,543	821,165	-	21,378
Yauco	1,310,886	228,316	1,539,202	1,499,554	-	39,648
<b>Total</b>	<b>\$ 120,144,989</b>	<b>\$ 16,942,851</b>	<b>\$ 137,087,840</b>	<b>\$ 131,554,711</b>	<b>\$ 48,144</b>	<b>\$ 5,581,273</b>