



---

1250 Ponce de León Ave. ♦ Suite 801 ♦ San Juan, PR 00907-3912  
tels. 787.993.4360 ♦ 787.993.4364  
info@gtcpapr.com ♦ www.gtcpapr.com

**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2021**

**(WITH INDEPENDENT AUDITORS' REPORTS THEREON)**

**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2021  
TABLE OF CONTENT**

	<b>Pages</b>
<b>I. FINANCIAL SECTION</b>	
Independent Auditors' Report	1-3
Statement of Cash Receipts and Disbursements	4
Notes to Statement of Cash Receipts and Disbursements	5-13
<b>II. ADDITIONAL REPORTS AND INFORMATION REQUIRED BY THE SINGLE AUDIT ACT</b>	
Schedule of Expenditures of Federal Awards	14
Notes to Schedule of Expenditures of Federal Awards	15
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance with Government Auditing Standards	16-17
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	18-20
Schedule of Findings and Questioned Cost	21-22
Schedule of Prior Year Findings and Questioned Costs	23



---

1250 Ponce de León Ave. ♦ Suite 801 ♦ San Juan, PR 00907-3912  
tels. 787.993.4360 ♦ 787.993.4364  
info@gtcpapr.com ♦ www.gtcpapr.com

## **INDEPENDENT AUDITORS' REPORT**

Hon. Sigfrido Steidel Figueroa  
Administrative Director of Courts  
General Court of Justice  
Office of Court Administration  
Commonwealth of Puerto Rico  
San Juan, Puerto Rico

### **Report on the Financial Statements**

We have audited the accompanying Statement of Cash Receipts and Disbursements of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico for the year ended June 30, 2021, and the related notes to the financial statement.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on this financial statement 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 statement are free from material misstatement.

## INDEPENDENT AUDITORS' REPORT (Continued)

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

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

### Opinions

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the Statement of Cash Receipts and Disbursements of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico for the year ended June 30, 2021, in accordance with the cash basis of accounting described in Note 1.

### Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### Other Matters

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico basic financial statement. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statement. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional



## INDEPENDENT AUDITORS' REPORT (Continued)

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2022 on our consideration of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico internal control over financial reporting and compliance.

San Juan, Puerto Rico  
June 30, 2022

The stamp number E-487156  
was affixed to the original report.



*González Torres & Co., CPA, PSC*

**GONZÁLEZ TORRES & CO., CPA, PSC**  
License 96  
Expires December 1, 2023



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>STATE FUNDS</u>	<u>FEDERAL FUNDS</u>	<u>TOTAL</u>
<b>CASH RECEIPTS</b>			
General Fund (Management and Administration)	\$ 293,270,000	\$ -	\$ 293,270,000
Pay As You Go (General Fund)	29,128,000	-	29,128,000
Special Revenue Fund (Custom Duties / "Aranceles")	7,992,400	-	7,992,400
CARES ACT	-	36,785,042	36,785,042
Violence Against Women 2018 (2018WFAX0029SU)	-	11,756	11,756
Violence Against Women 2019 (2019WFAX0023SU)	-	55,066	55,066
Court Improvement Basic Program (2019G996437)	-	91,826	91,826
Court Improvement Data Program (2019G991512)	-	101,312	101,312
Court Improvement Training Program (2019G991513)	-	36,974	36,974
Court Improvement Basic Program (2020G996437)	-	53,426	53,426
Court Improvement Training Program (2020G991513)	-	24,920	24,920
Prevención de Contagio COVID-19 Rama Judicial (2020VD0ATPC01)	-	190,287	190,287
Edward Byne Justice Assistance Grant (2017DJBX0130SU)	-	15,806	15,806
Edward Byne Justice Assistance Grant (2019DJBX0041SUB)	-	35,282	35,282
Victims of Crime Assistance 2017 (2017VAGX0038SU)	-	281,462	281,462
Victims of Crime Assistance 2018 (2018V2SEPAT01SU)	-	240,320	240,320
<b>Total cash receipts</b>	<b><u>330,390,400</u></b>	<b><u>37,923,479</u></b>	<b><u>368,313,879</u></b>
<b>CASH DISBURSEMENTS</b>			
Payroll 2020-2021 and Related Costs	196,232,703	-	196,232,703
Pay As You Go (General Fund)	29,128,000	-	29,128,000
Rent	44,959,915	-	44,959,915
Professional Services	7,740,196	-	7,740,196
Facilities and Public Services	6,208,856	-	6,208,856
Purchased Services	10,117,651	-	10,117,651
Equipments	29,191,290	-	29,191,290
Supplies	1,772,502	-	1,772,502
Transportation	250,842	-	250,842
Others	2,731,884	-	2,731,884
Edward Byne Justice Assistance Grant (2015WFAX0029SUB)	-	8,025	8,025
Edward Byne Justice Assistance Grant (2017DJBX0130SU)	-	2,458	2,458
Victims of Crime Assistance 2017 (2017VAGX0038SU)	-	149,310	149,310
Violence Against Women 2017 (2017WFAX0044SUB)	-	974	974
Court Improvement Data Program (2018G991512)	-	610	610
Victims of Crime Assistance 2018 (2018V2SEOAT01SU)	-	202,461	202,461
Edward Byne Justice Assistance Grant (2019DJBX0041SUB)	-	22,899	22,899
Court Improvement Data Program (2019G991512)	-	140,028	140,028
Court Improvement Training Program (2019G991513)	-	50,350	50,350
Court Improvement Basic Program (2019G996437)	-	60,408	60,408
Violence Against Women 2019 (2019WFAX0023SU)	-	66,361	66,361
Court Improvement Data Program (2020G991512)	-	125,750	125,750
Court Improvement Training Program (2020G991513)	-	41,785	41,785
Court Improvement Basic Program (2020G996437)	-	76,046	76,046
Prevención de Contagio COVID-19 Rama Judicial (2020VD0ATPC01)	-	113,808	113,808
CARES ACT	-	977,972	977,972
<b>Total cash disbursements</b>	<b><u>328,333,839</u></b>	<b><u>2,039,245</u></b>	<b><u>330,373,084</u></b>
<b>INCREASE CASH</b>	<b><u>\$ 2,056,561</u></b>	<b><u>\$ 35,884,234</u></b>	<b><u>\$ 37,940,795</u></b>

See accompanying notes to financial statements

**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Office of Court Administration (OCA) is an administrative component of the General Court of Justice of the Commonwealth of Puerto Rico, created by organized pursuant to Law No. 201 of August 22, 2003, known as the “Judiciary Act of the Commonwealth of Puerto Rico”, as amended. The main purpose of OCA is to strengthen the Judicial Branch in all its dimensions, promote a prompt solution of cases and judicial controversies, and to provide more effective access to the courts.

**Basis of Financial Statement Presentation**

Basis of Presentation

The accounts of OCA are organized on the basis of two fund types; state funds and federal funds. OCA maintains appropriations for several individual state and federal funds within each fund type. As more fully explained in the section “Basis of Accounting” below, each fund is accounted for with a set of accounts which include only cash receipts and disbursements. No balance sheet accounts are reported. The individual funds account for the governmental resources allocated to them for purpose of carrying on specific activities in accordance with laws, regulations and other restrictions. State funds are appropriated by the Legislature of the Commonwealth of Puerto Rico and are the funds through which most functions typically are financed. Federal funds reflect the federal financial assistance managed by OCA from programs funded by the Federal Government.

As further explained below, state funds generally include the following governmental funds:

- General Fund (Management and Administration Fund / “Asignación para Gastos de Funcionamiento”) – The General Fund is the primary operating fund of the Commonwealth of Puerto Rico, which includes its Judicial Branch. Although Act 286-2002 provided a fixed amount to be allocated for the Judicial Branch in the General Fund's annual budget, subsequent legislation altered such scheme. See Act 66-2014; Act 3-2017; and the *Puerto Rico Oversight, Management, and Economic Stability Act* (PROMESA), Public Law 114-187. Currently, funds are awarded to the Judicial Branch pursuant to the General Fund's budget certification process established by PROMESA. The Judicial Branch receives monthly transfers from the General Fund to fund its operations based in budgetary appropriations.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Special Revenue Fund (Custom Duties / “Aranceles”) – Special fund created by Law No. 235 of August 28, 1998, as amended. In this fund, monies are collected from the cancellation of the internal revenue vouchers (“sellos de rentas internas”) from custom duties collected during civil causes presented in the Courts of Justice.

With regards to Federal Funds, the following are financial assistance programs funded by the federal government

- Courts Improvement Grant – The Court Improvement Program is a federal grant program administered by the United States Department of Health and Human Services. This grant program was established in 1994 as a response to the dramatic increase in child abuse and neglect cases and the expanded role of courts in achieving stable, permanent homes for children in foster care. Funds are awarded to the Puerto Rico Office of Courts Administrations to assess their foster care and adoption judicial processes, and to develop and implement a plan for system improvements.
- Court Improvement Program: Basic – This program’s goals are to (1) facilitate the implementation of improvements that the highest courts deemed necessary to provide for the safety, well-being and permanency of children in foster care; and (2) implement procedures that will expedite and improve the handling of child abuse cases in the court system. The Office of Courts Administrations has established this program in four judicial regions: San Juan, Bayamón, Mayagüez, and Utuado.
- Court Improvement Program: Data Sharing – Funds were awarded to help the courts develop an electronic information system that will allowed for data collection and analysis to help ensure that foster children’s needs for safety, permanency and well-being are being met in a timely and appropriate manner.
- Court Improvement Program: Training – To help court system provide training for judges, attorneys, other legal personnel and court administrative staff in child welfare cases. Professional development activities are organized through the Puerto Rico Judicial Academy and the Office of Development and Capacity Building.





**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- Violence Against Women Formula Grant – The STOP Violence Against Women (VAW) Formula Grant Program funds projects that encourage the development and strengthening of effective law enforcement, prosecution, and judicial strategies to end violent crimes against women and the development and strengthening of victim services in cases involving crimes against women. STOP VAW funds have been used by the OCA to provide specialized training to court personnel, to develop an automated protection orders processing system, procurement of equipment and materials for Specialized Domestic Violence Courts, and to recruit key personnel to the development of related programs and projects, among other purposes. The award was designated to the OCA during the fiscal year 2006-2007 and has continued through the current fiscal year.
- Victim Assistance Program Formula Grant – The Office for Victims of Crime (OVC) will award each eligible state and territory victim assistance program an annual grant to support eligible crime victim assistance programs in that state or territory. Services generally include those efforts that (1) respond to the emotional, psychological, or physical needs of crime victims, (2) help victims of crime to stabilize their lives after a victimization, (3) help victims to understand and participate in the criminal justice system, and (4) restore a measure of security and safety for the victim. The OCA has received the Victims of Crime Assistance (VOCA) grant from the Puerto Rico Justice Department since 2015. With these funds, organizations have been contracted to provide legal advocacy and legal representation for victims of domestic violence in the court system. In addition, personnel have been hired within the court system to provide security and coordinate efforts for domestic violence victim assistance.
- Adult Drug Court Program Discretionary Grant – The program managed by a multidisciplinary team that responds to the offenses and treatment needs of participants who are diagnosed with substance abuse. This explicitly excludes violent drug offenders who sold drugs for profit, as well as those who have committed acts of violence against law enforcement officers. The program has been established in ten (10) judicial regions. The grant is used to evaluate the process and effectiveness of the program.
- Federal Emergency Management Agency (FEMA) - Assistance to eligible applicants for eligible costs to repair, replace, and mitigate future damage to private property, including homes and access routes damaged by the September 2017 hurricanes. Hurricane Irma affected Puerto Rico from Sept. 5-7, 2017, and Hurricane Maria occurred Sept. 17, 2017, to Nov. 15, 2018.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- The Individual Assistance (IA) program is implemented under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207.
- CARES Act - The Coronavirus Aid, Relief, and Economic Security Act (CARES Act; P.L. 116-136), signed into law in March 2020, created the Coronavirus Relief Fund (CRF), which provided \$150 billion in general assistance for domestic governments. \$3 billion was allotted to governments in territories, including the District of Columbia (DC) and Puerto Rico. The deadline for spending CRF funds provided through the CARES Act was initially December 30, 2020, but was extended through December 31, 2021, by the Consolidated Appropriations Act, 2021 (P.L. 116-260). The purpose of the of the Coronavirus Relief Fund (the Fund) is to provide direct payments to state, territorial, tribal, and certain eligible local governments to cover, Necessary expenditures incurred due to the public health emergency, costs that were not accounted for in the government’s most recently approved budget as of March 27, 2020; and costs that were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021, per section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act.

Basis of Accounting

OCA follows the cash basis method of accounting to account for all funds administered. Under this method, cash or funds transferred-in are recognized as revenues when received, and expenditures are recognized when funds are disbursed or transferred-out. There, the Statement of Cash Receipts and Disbursements is not intended to present General Court of Justice’s results of operations in accordance with accounting principles generally accepted in the United States of America. Nevertheless, it is noted that the cash basis approach is a proper method of government accounting pursuant to the laws of the Commonwealth of Puerto Rico.

Budgetary Accounting

Formal budgetary accounting is employed as a management control tool for all funds of the General Court of Justice. Annual operating budgets are adopted each fiscal year through passage of an annual budget which is approved by the Legislature of the Commonwealth of Puerto Rico and amended as required through the year. Generally, all encumbered appropriations of state funds lapse after the end of the fiscal year.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Pursuant to Act 230-1974, known as the Puerto Rico Government Accounting Act, the Judicial Branch is exempted from such provision. The statement of Cash Receipts and Disbursements is presented at the programmatic level. However, budgetary control and accounting is exercised at a lower level to provide management with detailed control over expenditures at the appropriate budget level.

Totals Memorandum Only

The total memorandum only columns are presented only to facilitate additional analysis. These columns represent a summation of the combined receipts and disbursements. Consequently, amounts shown in these columns are not compatible to a consolidation and do not represent the total receipts and disbursements of the General Court of Justice.

Funds Advance

The General Court of Justice receives fund advances from the Treasury Department of Puerto Rico for the interim financing of federal programs, as authorized by Law 21 of the year 1979. This Law establishes that all funds advances made will be reimbursed to the General Fund of the State's Treasury as soon as the corresponding federal funds are received.

**NOTE 2 – PENSION COSTS**

General Court of Justice's employees are covered by one of two retirement systems:

- i) Non-judicial employees participate in the Government Employees Retirement System (PRERS), established by Act 447 of 1951 (Act 447). PRERS is structured as a cost-sharing, multiple-employer benefit plan. Since its establishment, PRERS has undergone several legislative changes. The most recent significant amendments to benefits provided under PRERS were enacted under Act 3 of 2013 which reduced benefits, increased employee contributions, and, in the case of active employees were entitled to the defined benefits program, replaced most of the defined benefit elements with a defined contribution structure.
- ii) Judges are covered by the Puerto Rico Judicial Retirement System (PRJRS), created by Act 12 of 1954. PRJRS provides benefits to members, or their beneficiaries, upon: retirement; disability; vested withdrawal; death; nonvested withdrawal (return of contributions); Christmas bonus (if hired before December 24, 2013). In accordance with the Commonwealth Adjustment Plan, effective March 15, 2022, all judges began to contribute to the 106 Retirement Plan.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 2 – PENSION COSTS (CONTINUED)**

The contributions under the Judiciary Retirement System up to that date were frozen. Judges under the age of 45 years contribute 2.3% to the Plan 106, and 6.2% to the compulsory social security, for a total of 8.5%. Judges over the age of 45 years contribute 8.5% to the Plan 106, except for those who voluntarily agreed to contribute to social security, in which case they withhold 2.3% for the Plan 106 and 6.2% for the social security.

Membership in both plans is compulsory for substantially all regular employees and judges. On September 30, 2016, the Fiscal Oversight Board for Puerto Rico (the Board) designated certain entities, including the Commonwealth of Puerto Rico, the PRERS, and the PRJS, as covered entities subject to fiscal supervision, in accordance with the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA Act).

On August 23, 2017, the Commonwealth enacted Act 106 to address the imminent depletion of the assets of the Commonwealth's retirement systems. Act 106 authorized the Commonwealth General Fund to assume the pension payments of the Retirement Systems through a PayGo system (Pay-Go).

Under Pay-Go, the Government of the Commonwealth of Puerto Rico becomes responsible for paying the pension benefits to retirees. Accordingly, the Puerto Rico Treasury Department created a separate payment account distinct from other government assets which would receive appropriations as the sole fund source for the disbursement of pension benefits. All other employer contributions to the Retirement Systems were eliminated.

Act 106-2017 further provides that every government entity shall earmark the funds needed for the payments of pension benefits. The Office of Management and Budget can withhold from any of the allocations to the agencies of the government the amounts necessary to pay for the Pay-Go contribution. In addition, the employer contributions to the Retirement Systems are eliminated.

The last and most recently available actuarial valuation of the Basic System Benefits and System Administered Benefits as of June 30, 2018, reflects that the System was severely underfunded. As of June 30, 2018, the System's net pension liability was approximately \$589 million, and its net fiduciary position was approximately negative \$26 million.

Statement No. 68 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Pensions an Amendment of GASB Statement No. 27 (GASB 68) became effective during the fiscal year ended June 30, 2015. This Statement replaced the requirements of Statement No. 27, Accounting for Pensions for State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 2 – PENSION COSTS (CONTINUED)**

trusts or equivalent arrangements that meet certain criteria as is the case of the PRJRS. Prior to July 1, 2017, the retirement plans were administered as a trust and followed the guidance of GASB Statement No. 68. The establishment of the new pension system, caused that participating employers of the ERS change their accounting for pensions from GASB Statement No. 68 to GASB Statement No. 73 “*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*”.

**NOTE 3 – LEASE COMMITMENTS**

**Operating Leases**

The General Court of Justice is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights and obligations; therefore, neither the assets nor the liabilities of the lease agreements are reflected in the accounting records. Most of the property occupied by OCA is leased from the Puerto Rico Public Buildings Authority, a component unit of the Commonwealth of Puerto Rico.

Rent paid during the fiscal year ended June 30, 2021 under these lease agreements amounted to \$43,609,500 for rental of public buildings and \$1,350,415 for other leases. As of June 30, 2021 the aggregate future rental to be paid under the operating leases are as follows:

<u>Year Ending June:</u>	<u>Amount</u>
2022	\$ 33,454,397
2023	32,284,428
2024	31,376,298
2025	29,502,712
2026	28,179,321
Subsequent Years	<u>360,814,573</u>
<b>Total</b>	<b><u>\$ 515,611,729</u></b>



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 4 – CONTINGENCIES**

**Federal Awards**

OCA participates in a number of federal financial assistance programs funded by the federal government. Expenditures financed by these programs are subject to financial and compliance audits by the appropriate grantors. If expenditures are disallowed due to noncompliance with grant program regulations, OCA may be required to reimburse the grantors. Accordingly, OCA's compliance with applicable requirements and conditions will be established in a future date. Nevertheless, it is OCA's management opinion that no material liabilities for disallowed costs will arise from audits previously performed or to be performed.

**Pandemic Lockdown**

On March 15, 2020, an Executive Order of the Governor of Puerto Rico entered into effect establishing a lockdown for individuals and businesses, with limited exceptions, ordering the closure of businesses and requiring individuals to remain in their residences to attend the worldwide pandemic of COVID-19, commonly known as the coronavirus. This pandemic is considered a global public health crisis. In addition, the Government of Puerto Rico has established a financial assistance plan with financial aid to certain individuals and businesses to deal with the reduction in the economy that has come along with the pandemic. This situation will have a global economic impact that has not yet been determined but a possibly unprecedented economic reduction is projected. The economic impact on the financial statements has not been determined in relation to this uncertainty.

As a result of the pandemic and following the Centers for Disease Control and Prevention (CDC) guidelines and recommendations, the Commonwealth of Puerto Rico ordered a complete lockdown of non-essential services, and such lockdown was in place through June 15, 2020. Although the lockdown was lifted, certain significant government restrictions continued throughout the rest of the year ended December 31, 2021. While the OCA's had temporarily closed its operations during the lockdown period, we have been able to partially operate remotely and, to date, have not experienced any material adverse effects on our operations.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

---

**NOTE 5 – LITIGATION AND CLAIMS**

The General Court of Justice, as an arm of the Commonwealth of Puerto Rico is a defendant or co-defendant in various lawsuit and investigations. The Secretary of Justice of the Commonwealth of Puerto Rico reports that, in any lawsuits filed against the Court, according to the laws of the Commonwealth of Puerto Rico, the Court is fully represented by the Department of Justice, and any successful claim against the Court shall be paid from the General Fund of the Commonwealth of Puerto Rico, with no effect on the functioning budget of the General Court of Justice, except cases related to claims involving restitution for salaries not received by an employee or an official, or cases in which the General Court of Justice is empowered by law to claim or to be sued. In that case, the claims are paid with funds of the Court.

Under Act No. 104 of June 29, 1955, as amended, persons are authorized to sue the Commonwealth only for causes of actions set forth in said Act to a maximum amount of \$75,000 or \$150,000 if it involves actions for damages to more than one person or where a single injured party is entitled to several causes of action. Under certain circumstances, as provided in Act. No. 9 of November 26, 1975, as amended, the Commonwealth may provide its officers and employees sued in their personal capacity with legal representation, as well as assume the payment of any judgement that may be entered against them, There is no limitation on the payment of such assumed judgments.

**NOTE 6 – SUBSEQUENT EVENT**

For the year ended June 30, 2021, the OCA adopted ASC 855, related to Subsequent Events. ASC 855 establishes the general standards for accounting and disclosure of events that occurred after the date of the statement of cash receipts and cash disbursements, but before the date of issuance of financial statement.

Specifically, it establishes the period after the date of the statement of cash receipts and cash disbursements during which the OCA management must evaluate events or transactions that could occur and that would need to be recorded or disclosed in the financial statement, the circumstances under which the OCA should recognize and disclose such events, and the type of disclosure that should be offered for these events that occurred after the date of the statement of cash receipts and cash disbursements.

The OCA evaluated additional subsequent events through June 30, 2022, which is the date the financial statement are available to be issued. Additional events have not occurred subsequent to the statement of cash receipts and disbursements that would require additional disclosure in the financial statement.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

	<u>Assistance Listing Number</u>	<u>Expenditures</u>
<b>US Department of Health And Human Services</b>		
Pass-through of the Administration of Families and Children - State Court Improvement Grants (Basic State Grant, Data Sharing and Training Program)	93.586	\$ <u>494,977</u>
<i>Total US Department of Health And Human Services</i>		<u>494,977</u>
<b>US Department of the Treasury</b>		
Coronavirus Relief Fund (CARES Act)	21.019	<u>977,972</u>
<i>Total US Department of Treasury</i>		<u>977,972</u>
<b>US Department of Justice</b>		
Pass-through the Puerto Rico Womens Advocate Office - Stop Violence Against Women- Formula Grant Program (VAWA)	16.588	67,335
Pass-through the Puerto Rico Department of Justice - Edward Byrne memorial Justice Assistance Grant (JAG)	16.738	33,382
Pass-through the Puerto Rico Department of Justice - Coronovirus Emergency Supplemental Fund (CESF)	16.034	113,808
Pass-through the Puerto Rico Department of Justice - Victims of Crime Assitance (VOCA)	16.575	<u>351,771</u>
<i>Total US Department of Justice</i>		<u>566,296</u>
<b>US Department of Homeland Security</b>		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	<u>16,718</u>
<i>Total US Department of Homeland Security</i>		<u>16,718</u>
<b>Total Federal Assisstance</b>		<b>\$ <u>2,055,963</u></b>

The accompanying notes are an integral part of this schedule





**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

---

**1. GENERAL**

The supplementary Schedule of Expenditures of Federal Awards (SEFA) has been prepared using the cash basis method of accounting. It is drawn primarily from OCA's internal accounting records, which are the basis for OCA's Statement of Cash Receipts and Disbursements.

**2. FEDERAL CFDA NUMBER**

The CFDA number included in this schedule are determined based on the program name, review of grant contract information and the Office of Management and Budget's Catalogue of Federal Assistance.

**3. MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor Results Section of the Schedule of Findings and Questioned Costs.

**4. RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS**

Expenditures included in the Schedule of Expenditures of Federal Awards agree with the amounts included in the accompanying statement of Cash Receipts and Disbursements, except for those related to Disaster Grants – Public Assistance (CFDA 97.036) that are recognized when incurred and approved by the granting Agency (FEMA). The disbursements included in the SEFA related to FEMA funds were incurred in fiscal year 2017-2018, but approved during the fiscal year 2020-2021 for which the amount of \$16,718 is presented.



**INDEPENDENT AUDITORS' 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**

Hon. Sigfrido Steidel Figueroa  
Administrative Director of Courts  
General Court of Justice  
Office of Court Administration  
Commonwealth of Puerto Rico  
San Juan, Puerto Rico

We have audited, in accordance with the 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, the statement of cash receipts and disbursements of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico, for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's basic financial statement, and have issued our report thereon dated June 30, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's internal control. Accordingly, we do not express an opinion on the effectiveness of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement

**INDEPENDENT AUDITORS' 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 (CONTINUED)**

of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's financial statement are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Juan, Puerto Rico  
June 30, 2022

The stamp number E-487157  
was affixed to the original report.



*González Torres & Co., CPA, PSC*

**GONZÁLEZ TORRES & CO., CPA, PSC**  
License 96  
Expires December 1, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

Hon. Sigfrido Steidel Figueroa  
Administrative Director of Courts  
General Court of Justice  
Office of Court Administration  
Commonwealth of Puerto Rico  
San Juan, Puerto Rico

**Report on Compliance for Each Major Federal Program**

We have audited the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's major federal programs for the year ended June 30, 2021. The Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE (CONTINUED)**

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 Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control over Compliance**

Management of the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Puerto Rico Office of Court Administration (OCA), General Court of Justice of the Commonwealth of Puerto Rico's internal control over compliance



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE (CONTINUED)**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

San Juan, Puerto Rico  
June 30, 2022

The stamp number E-487158  
was affixed to the original report.



*González Torres & Co., CPA, PSC*

**GONZÁLEZ TORRES & CO., CPA, PSC**  
License 96  
Expires December 1, 2023



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

---

**Section I. Summary of Auditors' Results:**

**Part I Financial Statements**

1. Type of audit report:

Unmodified opinion  
 Adverse opinion

Qualified opinion  
 Disclaimer of opinion

2. Reportable conditions reported:

Yes

No

3. Reportable condition reported as a major weakness and/or significant deficiency:

Yes

No

4. Material noncompliance disclosed:

Yes

No

**Part II Federal Awards**

1. Type of report on compliance for major programs:

Unmodified opinion  
 Adverse opinion

Qualified opinion  
 Disclaimer of opinion

2. Reportable condition reported as a major weakness and/or significant deficiency:

Yes

No

**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

---

3. Material noncompliance disclosed:

Yes

No

4. Audit findings required to be reported under the Uniform Guidance:

Yes

No

5. Major Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
93.586	State Court Improvement Grants

6. Dollar threshold used to distinguish Type A  
and Type B programs:

\$750,000

7. Low-risk auditee

Yes

No

**Section II. Financial Statements Findings**

NONE.

**Section III. Federal Awards Findings and Questioned Costs**

NONE.



**COMMONWEALTH OF PUERTO RICO  
GENERAL COURT OF JUSTICE OFFICE OF COURT ADMINISTRATION  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

---

**NONE**