

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

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
AND REPORT ON COMPLIANCE
FOR THE YEAR ENDED JUNE 30, 2019

(WITH INDEPENDENT AUDITOR'S REPORTS THEREON)

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INDEPENDENT AUDITOR'S REPORT

Women's Advocate Office of the
Commonwealth of Puerto Rico
San Juan, Puerto Rico

We have audited the accompanying financial statement of Cash Receipts and Disbursements of the governmental activities each major fund of the Women's Advocate Office of the Commonwealth of Puerto Rico (PRWAO) for the year ended June 30, 2019, and the related notes to the financial statement.

Management's Responsibility for the Statement

The PRWAO's management is responsible for the preparation and fair presentation of this financial statement in accordance with the basis of accounting described in Note 1 to the financial statement; this includes determining that the basis of accounting is an acceptable basis for the preparation of the 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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 financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the governmental activities and the aggregate remaining fund information of the PRWAO for the year ended June 30, 2019, in accordance with the basis of accounting described in Note 1.

Emphasis of Matters

Basis of Accounting

As discussed in Note 1 to the financial statement, this financial statement is prepared on a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Uncertainty about Ability to Continue as a Going Concern – Primary Government

As discussed in Note 1, the PRWAO is part of the Government of Puerto Rico (Commonwealth). As of June 30, 2019, the financial condition and liquidity of the Commonwealth has deteriorated; and consequently, filed a petition for bankruptcy with the United States District Court for the District of Puerto Rico under Title III of the Puerto Rico Oversight, Management, and Economic Stability Act, 48 USC sec. 2101 et seq. (PROMESA). The accompanying financial statement of the PRWAO has been prepared assuming that the Commonwealth will continue as a going concern. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis 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*, and is also not a required part of the basic financial statement.

The schedule of expenditures of federal awards is the responsibility of PRWAO's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement itself, 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 statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 18, 2020, on our consideration of PRWAO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 PRWO's internal control over financial reporting and compliance.



RAMIREZ FLORES AND CO, PSC
CERTIFIED PUBLIC ACCOUNTANTS
License Number 231
Expired on December 1, 2021

San Juan, Puerto Rico
March 18, 2020



**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Programs	State Funds		Federal Funds		Total Memorandum Only	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
Management and Administration 2019	\$ 2,135,000	\$ 1,957,175	\$ -	\$ -	\$ 2,135,000	\$ 1,957,175
Violence Against Women (VAWA) 2018	-	-	-	936	-	936
Violence Against Women (VAWA) 2017	-	-	572,349	929,409	572,349	929,409
Violence Against Women (VAWA) 2016	-	-	906,022	452,541	906,022	452,541
Violence Against Women (VAWA) 2015	-	-	376,543	172,099	376,543	172,099
Violence Against Women (VAWA) 2014	-	-	90,057	119,047	90,057	119,047
Sexual Assault Services-Formula Grant Program 2016	-	-	69,010	255,543	69,010	255,543
Sexual Assault Services-Formula Grant Program 2015	-	-	101,139	68,658	101,139	68,658
Sexual Assault Services-Formula Grant Program 2014	-	-	74,224	48,613	74,224	48,613
Victim of Crime Act (VOCA) 2017	-	-	-	172,445	-	172,445
Victim of Crime Act (VOCA) 2016	-	-	218,322	178,474	218,322	178,474
Victim of Crime Act (VOCA) 2016	-	-	130,926	75,652	130,926	75,652
TOTALS	\$ 2,135,000	\$ 1,957,175	\$ 2,538,592	\$ 2,473,417	\$ 4,673,592	\$ 4,430,592

See accompanying notes to Statement of Cash Receipts and Disbursements.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

The principal functions of PRWAO are:

- Administer state and federal assistance programs for the realization of all matters necessary to support the personal, social and economic development of the women,
- Educate the public in the women's affairs, and
- Coordinate of inter PRWAO's activities related to special projects.

BASIS OF FINANCIAL STATEMENT PRESENTATION

(A) BASIS OF PRESENTATION

The accounts of PRWAO are organized on the basis of two fund types: state funds and federal funds. PRWAO maintains appropriation 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 includes only cash receipts and disbursements. No balance sheet accounts are reported. The individual funds accounts for the governmental resources allocated to them for individual funds accounts for de governmental resources allocated to them for purposes of carrying on specific activities in accordance with law, regulations and other restrictions. State funds are appropriated by the Legislature of the Commonwealth and the funds through which most functions typically are financed. These funds are allocated by law, "Ley Orgánica de la Oficina de Gerencia y Presupuesto" No. 286, of December 20, 2002, which provides a fixed percent applicable to funds collected by the General Fund of the Central Government of the Commonwealth, to be used for ordinary operational and functioning expenditures. Federal Funds reflect the federal financial assistance managed by PRWAO from programs funded by the Federal Government.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF PRESENTATION (CONTINUED)

The individual funds included in these fund types are classified in the following program:

Management and Administration Fund (“Asignación de Gastos de Funcionamiento”) -- Funds awarded to PRWAO to cover operational expenditures of fiscal year. Beginning on fiscal year 2003-04, the funds awarded to PRWAO are determined following a formula with a fixed percentage applied to the monies collected in the General Fund of the Central Government of the Commonwealth, as required by Law # 286 of December 20, 2002, as amended.

Special Assignments – Funds provided to cover operational expenses and expenses related to contracting personnel, including their functions and duties, and for services offered to the community related to prevention of discrimination and violence against women. These funds are approved for a three-year period (PRWAO must expend them in three years), and if not used in a three-year period, they can be reprogrammed. Therefore, for statement of cash receipts and disbursement purpose, they are recorded based on the amount of expenses incurred during the year.

Violence Against Women Formula Grant – The Stop Violence Against Women Act (VAWA) Formula Grant Program fund projects that encourage the development and strengthening of effective law enforcement, prosecution, and judicial strategies to end violent crime against women and the development strengthening of victim services in cases involving crimes against women.

Sexual Assault Service Formula Grant Program – Funds are for intervention and related assistance to victims of sexual, including 24-hour hotline services providing crisis intervention services and referral, accompaniment and advocacy through medical, criminal justice, and social support systems including medical facilities, police, and court proceeding, crisis intervention and others.

Victim of Crime Act (VOCA) – Federal funds provided to the Puerto Rico Judicial Branch. The purpose is to fund direct services to victims of crime that 1) respond to the victims; 2) assist victims of crime to provide stabilization to their lives after a victimization; 3) assist victims to understand and participate in the criminal justice system; and 4) provide victims of crime with a safe and secure environment.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) BASIS OF PRESENTATION (CONTINUED)

For some of these federal awards the approved fund remittances have not been recorded in "PRIFAS" system described in noted (B) below, therefore, more disbursements are presented on the Statement of Cash Receipts and Disbursements on page 5.

(B) BASIS OF ACCOUNTING

PRWAO 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. Therefore, the statement of cash receipts and disbursement is not intended to present PRWAO results of operations in accordance with accounting principles generally accepted in the United States of America. PRWAO follows accounting recordkeeping requirements imposed by the Puerto Rico Treasury Department System called "PRIFAS" (Puerto Rico Integrated Financial Accounting System) for centralized Governmental agencies and Departments and also following the requirements of law #230 of July 23, 1974, as amended, known as "Accounting Law of the government of Puerto Rico".

(C) BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control tool for all funds of PRWAO. Annual operating budgets are adopted each fiscal year through passage of an annual budget which is approved by the Legislature of the Commonwealth and amended as required throughout the year.

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.

NOTE 2- RETIREMENT PLANS

The Employees' Retirement System (ERS) of the Government of Puerto Rico and its instrumentalities is a cost-sharing, multiple-employer, defined benefit pension plan sponsored by, and reported as a component unit of, the Commonwealth of Puerto Rico. All regular employees of the PRWAO under age 55 at the date of employment become members of the system as a condition of the employment.

ERS provides retirement, death and disability benefits pursuant to Act No. 447, approved on May 15, 1951, as amended, which became effective on January 1, 1952. Retirement benefits depend upon age at retirement and number of years of credited service. Benefits vest after ten years of plan participation. Participants who have attained an age of at least fifty-five (55) years and have completed at least twenty-five (25) years of creditable service or members who have attained an

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2- RETIREMENT PLANS (CONTINUED)

age of at least fifty-eight (58) years and have completed at least ten (10) years of creditable service or who have attained an age of at least sixty five (65) years and have completed at least ten (10) years of service if hired after April 1990 are entitled to an annual benefit, payable monthly for life.

The annuity, for which a plan member is eligible, is limited to a minimum of \$400 per month and a maximum of 75% of his average compensation.

Participants who have completed at least thirty (30) years of creditable service are entitled to receive a Merit Annuity. Participants who have not attained fifty-five (55) years of age will receive 65% of their average compensation. Participants who have attained fifty-five (55) years of age will receive 75% of their average compensation. Disability retirement benefits are available to members for occupational and non-occupational disability. However, for non-occupational disability a member must have at least ten (10) years of creditable service.

No benefit is payable if the participant receives a refund of his accumulated contributions. Commonwealth law requires employees hired on or before March 31, 1990 to contribute to the ERS 5.775 percent for the first \$550 of their gross monthly salary and 8.275 percent in excess of \$550.

The contribution for employees hired after April 1, 1990 is 8.275 percent of their gross monthly salary. The PRWAO is required to contribute 9.275 percent of the participants' gross salaries. The PRWAO's contribution for the year ended June 30, 2017 was approximately \$11,369,000. On September 24, 1999 the law, which created ERS was amended for the purpose of establishing a defined contribution plan, known as System 2000.

System 2000 became effective on January 1, 2000. PRWAO employees participating in the defined-benefit plan system at December 31, 1999, had the option to either stay in the defined benefit plan or transfer to System 2000. Those employed by the PRWAO on or after January 1, 2000 are only allowed to become members of System 2000.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2- RETIREMENT PLANS (CONTINUED)

System 2000 became effective on January 1, 2000. PRWAO employees participating in the defined-benefit plan system at December 31, 1999, had the option to either stay in the defined benefit plan or transfer to System 2000. Those employed by the PRWAO on or after January 1, 2000 are only allowed to become members of System 2000.

System 2000 is a hybrid defined contribution plan; also known as a cash plan. Under this plan, there will be a pool of plan assets, which will be invested by ERS, together with those of the defined-benefit plan. Benefits at retirement age will not be guaranteed. The annuity will be based on a formula which assumes that each year the participants' contribution (with a minimum of 8.275% of the participants' salary up to a maximum of 10%) will be invested as instructed by the participant in an account which either: (1) earns a fixed rate based on the two-year Constant Maturity Treasury Notes; (2) earns a rate equal to 75% of the return of ERS's Investment portfolio (net of management fees); or (3) earns a combination of both alternatives.

Participants receive periodic account statements similar to those of defined contribution plans showing their accrued balances. Disability pensions are not granted under System 2000. The employers' contributions (9.275% of the employee's salary) will be used to fund the defined benefit plan instead of System 2000. Prior to July 1, 2013, System 2000 members could retire upon attainment of age 55 for Public Officers in High Risk Positions and attainment of age 60 otherwise.

Furthermore, on April 4, 2013, the Governor of Puerto Rico signed into law Act No. 3 of 2013, which represents a comprehensive reform of the ERS. Act No. 3 became effective on July 1, 2013 and amends the provisions of the different benefits structures under the ERS, including, but not limited to, the following:

1. For active participants of the contributory defined benefit programs under Act No. 447 of 1951 and Act No. 1 of 1990, all retirement benefits accrued through June 30, 2013 will be frozen, and thereafter, all future benefits will accrue under the defined contribution formula used for System 2000 participants, and will be paid at retirement through a lifetime annuity.
2. Increases the minimum pension for current retirees from \$400 to \$500 per month.
3. The retirement age for Act No. 447 participants will be gradually increased from age 58 to age 61.
4. The retirement age for current System 2000 participants is increased gradually from age 60 to age 65.
5. Eliminates the "merit annuity" available to participants who joined the ERS prior to April 1, 1990.
6. The retirement age for new employees is increased to age 67, except for new state and municipal police officers, firefighters, and custody officers, which will be age 58.
7. The employee contribution rate will increase from 8.275% to 10%.
8. For System 2000 participants, the retirement benefits will no longer be paid as a lump sum distribution, instead, they will be paid through a lifetime annuity.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2- RETIREMENT PLANS (CONTINUED)

9. Eliminates or reduces various retirement benefits previously granted by special laws, including Christmas and summer bonuses. The Christmas bonus payable to current retirees is reduced from \$600 to \$200 and is eliminated for future retirees. The summer bonus will be eliminated.
10. Disability benefits will be eliminated and substituted for a mandatory disability insurance policy.
11. Survivor benefits will be modified.

In addition, the Commonwealth has proposed incremental annual contributions from the General Fund per year, for the next 20 years, to increase the liquidity and solvency of the ERS. An appropriation for such annual contribution has been included in the Commonwealth's proposed budget for the fiscal year 2017.

The successful implementation of these measures cannot be assured, as it is dependent upon future events and circumstances whose outcome cannot be anticipated, including the direct impact of the determinations of the Fiscal Management oversight Board.

On June 27, 2017, the Secretary of Treasury of the Commonwealth of Puerto Rico issued its Circular Letter 1300-46-17, implementing the Paygo System, as prescribed by Act No. 106 of 2017, which determines by the Puerto Rico Fiscal Agency and Financial Advisory Authority (Spanish acronym AAFAF) to the Government, Municipalities, Legislature Body, Court Admiration, Public Corporations, and other entities. This charge will be equivalent to the actual amount paid to the beneficiaries. The Secretary of Treasury is authorized to collect the Paygo charge. There was no pension expense for the year ending June 30, 2019.

Additional information of ERS is provided in its financial statements for the year ended June 30, 2014 a copy of which can be obtained from the administrator of the Retirement System: P.O. Box 42003, San Juan, Puerto Rico 00940.

NOTE 3- LEASE COMMITMENTS

The PRWAO leases is services facilities on an operating lease, for ten year, commenced in December, 2011. Rent expense was approximately \$323,000 for the year ended June 30, 2019.

Future minimum rental payments are as follow:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 338,882
2021	141,200
Total	<u>\$ 480,082</u>

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 – CONTINGENCIES

(A) FEDERAL AWARDS

PRWAO participates in 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 disallowable due to noncompliance with grant program regulation, PRWAO may be required to reimburse the grantors. Nevertheless, the program compliance audits of certain programs including the fiscal year ended June 30, 2019 have not yet been conducted, and management believes their controls are in place to prevent any disallowed expenditures.

(B) COMPTROLLER'S OFFICE PUERTO RICO REPORT

PRWAO is also subject to audits by the Comptroller's Office of Puerto Rico (COPR). As per the Statement of Cash Receipts and Disbursement date, PRWAO has no outstanding audits from COPR. For years prior to June 30, 2019 a report dated December 17, 2013 was issued stating that PRWAO complied, to a significant extent, with applicable laws and regulations.

NOTE 5- LITIGATION AND CLAIMS

The legal advisory of PRWAO reports that, in any lawsuits filed against the PRWAO, according to the laws of the Commonwealth of Puerto Rico, the PRWAO is fully represented by the Department of Justice, and any successful claim against the PRWAO shall be paid from the general fund of the Commonwealth of Puerto Rico, with no effect on the functioning budget of the PRWAO, except cases related to claims involving restitution for salaries not received by an employee or an official. In that case, the claim is paid with funds of the PRWAO.

Law No.9 "Reclamaciones y Acciones Contra el Estado Libre Asociado" dated November 26, 1975, as amended, states that Commonwealth may provide its officers and employees of the Puerto Rico agencies and instrumentalities with legal representation, as well as assuming the payment of any judgment that may be entered against them. There is not limitation on the payment of such judgments, if the claim is in the federal court. If the claim is in the state court, the maximum amount permitted by law is \$75,000 per individual or \$150,000 per event. This is the requirement of law No. 104 "Ley de Reclamaciones y Demandas" of June 29, 1955 as amended, 32 LPRA section 3077.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 6- HIGH RISK GRANTEE DESIGNATION

On August 17, 2015, the U.S. Department of Justice (USDOJ) sent a notification designating the Commonwealth and each of its component units receiving DOJ grant funds, as high-risk grantees pursuant to 28 C.F.R. §66.12 and the DOJ's High-Risk Grantee Policy (the Policy). This included the Women's Advocate Office programs granted by the US Office of Violence Against Women (OVW).

The high-risk grantee designation to the PRWAO does not arise due to audit findings or weaknesses in their internal control structure or financial management capabilities. The high-risk designation is a result of deficiencies in the internal control structure of the Puerto Rico Department of Justice (PRDOJ) and the Commonwealth's fiscal crisis that indirectly affected the PRWAO. According to the USDOJ, the PRDOJ audit findings indicated a substantial number of questioned costs and significant weaknesses in their financial management capabilities and internal controls, which raised serious concerns about PRDOJ's administration of DOJ grant funds. Furthermore, the Commonwealth's fiscal crisis heightened those concerns. According to the USDOJ these two circumstances posed a substantial risk to the proper management of DOJ's grant funds. Therefore, the USDOJ exercised their authority under the Policy to designate the Commonwealth as a high-risk grantee. By invoking the restrictions prescribed by the Policy, they argued that were more able to closely monitor Puerto Rico's existing DOJ awards, providing increase training and technical assistance to the various government agencies that have received DOJ grant funding.

The USDOJ required the Commonwealth a corrective action plan which included various restrictions for the use of funds as: draw down funds only on a reimbursement basis; additional detailed reporting; quarterly requests for reimbursements; monthly general ledgers of each grant received to be revised and approved by the USDOJ program office, Office of the Chief Financial Officer, and Office of Audit, Assessment, and Management to determine allowability; provide, upon request, financial or programmatic- related documentation related to all USDOJ awards, including documentation of expenditures and achievements; and every POC needs to complete the USDOJ-sponsored Grants Financial Management Online Training, located on the OJP website at <http://gfrn.webfi rst.com/>.

Since this designation affected all USDOJ funded programs in Puerto Rico, the PRWAO was restricted from obligating, expending or drawing down any OVW funds granted.

As of June 30, 2019, the PRWAO has requested OVW funds of approximately \$3,672,417 in reimbursements, nevertheless, has only received approximately \$2,538,592. OVW has still pending to be processed and approved fund of approximately \$1,134,000.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – UNCERTAINTY AND LIQUIDITY RISK

As discussed in Note 1 part (A) to the Statement of Cash Receipts and Disbursements, The PRWOA principal sources of revenue are Federal Funds and Legislative appropriations from the Commonwealth of Puerto Rico (the Commonwealth). The funds of the PRWOA are under the custody of the Secretary of Treasury of the Commonwealth.

The Commonwealth's liquidity was severely affected during fiscal year 2016 and remains extremely limited, primarily, as a result of the Commonwealth's inability to access external sources of financing. The Commonwealth has not been able to fulfill its obligations on a timely manner.

Considering that the PRWAO is financially dependent from Commonwealth, the limitation of the commonwealth to meet its obligations on timely manner may prevent the PRWAO'S operations in the near future.

NOTE 8 – SUBSEQUENT EVENTS

The PRWOA evaluated subsequent events through March 18, 2020, which is the date the Statement of Cash Receipts and Disbursement was available to be issued.

Further, since December 28, 2019, the southwest portion of the island was impacted by a series of earthquakes, with the most powerful, a 6.4, on January 7, 2020. Several government and residential buildings were affected, and the PWWAO is evaluating the damages.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and Puerto Rico. As a result, and in response to the executive orders of the President of the United States and the Governor of the Commonwealth of Puerto Rico, executive orders: Families First Coronavirus Response Act ("FFCRA"), and Implementation of the Necessary Closings of Private and Government Operations to Combat the Effects and Spread of COVID-19 in the Island of Puerto Rico, issued on March 18, 2020 and March 15, 2020, respectively, and their amendments; we have temporarily closed our operating locations, reduced operating hours, and have seen a reduction in citizen traffic, all resulting in a negative impact to Puerto Rico's government and private operations. While the disruption is currently expected to be temporary, there is uncertainty around the duration. Therefore, while we expect this matter to negatively impact our results of operations and financial position, the related financial impact cannot be reasonably estimated at this time.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR / PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR NUMBER</u>	<u>PASS-THROUGH TO SUBRECIPIENTS</u>	<u>FEDERAL EXPENDITURES</u>
CASH ASSISTANCE:				
<u>U.S DEPARTMENT OF JUSTICE</u>				
Pass-Through Puerto Rico Department Justice				
Stop Violence Against Women (VAWA) 2018	16.588	2018-WF-AX-0029	\$ 936	\$ 936
Stop Violence Against Women (VAWA) 2017	16.588	2017-WF-AX-0044	929,409	929,409
Stop Violence Against Women (VAWA) 2016	16.588	2016-WF-AX-0018	452,541	452,541
Stop Violence Against Women (VAWA) 2015	16.588	2015-WF-AX-0029	172,099	172,099
Stop Violence Against Women (VAWA) 2014	16.588	2014-WF-AX-0024	119,047	119,047
Sexual Assault Services-Formula Grant Program 2016	16.017	2016-KF-AX-0014	255,543	255,543
Sexual Assault Services-Formula Grant Program 2015	16.017	2015-KF-AX-0041	68,658	68,658
Sexual Assault Services-Formula Grant Program 2014	16.017	2014-KF-AX-0049	48,613	48,613
Victim of Crime Act (VOCA) 2017	16.575	2016VAGX0038SUB	172,445	172,445
Victim of Crime Act (VOCA) 2016	16.575	2016VAGX0077SUB	178,474	178,474
Victim of Crime Act (VOCA) 2016	16.575	2016VAGX0077/SU	75,652	75,652
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,473,417	\$ 2,473,417

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1- GENERAL

The supplementary schedule of expenditures of federal awards (schedule) has been prepared using the cash basis method of accounting. It is drawn primarily from PRWAO's internal accounting records, which are the basis for PRWAO's Statement of Cash Receipts and Disbursements (the Statement).

NOTE 2- FEDERAL CFDA NUMBER

The CFDA numbers 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 Domestic Assistance.

NOTE 3- MAJOR PROGRAMS

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

NOTE 4- RELATIONSHIPS TO THE STATEMENT

Expenditures included in the Schedule of Expenditures of Federal Awards agree with the amounts included in the accompanying Statement of Cash Receipts and Disbursements.

NOTE 5- SUBRECIPIENTS

Of the federal expenditures presented in the schedule, PRWAO provided federal awards to subrecipient as follows:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Amount Provided to Subrecipient</u>
16.588	Stop violence against women	\$ 1,674,032
16.017	Sexual assault services-formula grant program	372,814
16.007	Victim of Crime Act	426,571
		<u>\$ 2,473,417</u>

NOTE 6- INDIRECT COST

The PRWAO has not elected to use the 10 percent de-minis indirect cost rate allowed under the Uniform Guidance.

**RAMIREZ FLORES AND CO, PSC
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COLISEUM TOWER
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SAN JUAN, PR 00918**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Women's Advocate Office of the
Commonwealth of Puerto Rico
San Juan, Puerto Rico

Report on Compliance for Each Major Federal Program

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 Receipt and Disbursement (the Statement) of the Women's Advocate Office of the Commonwealth of Puerto Rico (PRWAO) for the fiscal year ended June 30, 2019, and have issued our report thereon dated March 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the statement, we considered the PRWAO's internal control over financial reporting (internal control) to determine the audit procedures that are appropriated in the circumstances for the purpose of expressing our opinion on the statement, but not for the purpose of expressing an opinion on the effectiveness of the PRWAO's internal control. Accordingly, we do not express an opinion on the effectiveness of the PRWAO'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 function, 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 of the entity's financial statement 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 and therefore, material weakness or significant deficiencies may exist that were not identified. 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 PRWAO's statement is 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 determination of statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our test 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 result of that testing, and not to provide an opinion on the effectiveness of PRWAO's internal control or on compliance. Accordingly, this communication is not suitable for any others purpose.



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License Number 231
Expired on December 1, 2021

San Juan, Puerto Rico
March 18, 2020



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

Women's Advocate Office of the
Commonwealth of Puerto Rico
San Juan, Puerto Rico

Report on Compliance for Each Major Federal Program

We have audited the Women's Advocate Office of the Commonwealth of Puerto Rico (from now on PRWAO) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of PRWAO's major federal programs for the year ended June 30, 2019. The PRWAO's major federal programs are identified in the summary of auditor's result section of the accompanying Schedule of Findings and Questioned Cost.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the PRWAO'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 standard applicable to financial audits contained in the Government Auditing Standard, issued by the Comptroller General of the United States; and the audit requirement of Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administration Requirement, Cost Principles, and Audit Requirement 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 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 PRWAO's federal program occurred. An audit includes examining, on a test basis, evidence about PRWAO'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 PRWAO's compliance.

Opinion on Each Major Federal Program

In our opinion, PRWAO 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, 2019.

Report on Internal Control Over Compliance

Management of PRWAO 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 PRWAO's internal control over compliance with the types of requirements that could have a direct and material effect on 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 the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PRWAO's internal control over compliance.

A deficiency in internal control over compliance exist 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 combination of deficiencies of deficiencies, in internal control over compliance with a type of compliance requirements 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 requirement of the Uniform Guidance Accordingly, this report is not suitable for any other purpose.



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San Juan, Puerto Rico
March 18, 2020



**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2019**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Statements of Cash Receipts and Disbursements

The independent auditor's report on the statement of cash receipts and disbursements expressed that such statement was prepared using the cash basis method of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Financial Statements

- | | |
|---|--|
| <ul style="list-style-type: none"> • Type of auditors' report issued: • Internal control over financial reporting: • Material weakness (es) identified? • Significant deficiency (ies) identified that are not considered to be material weaknesses? • Noncompliance material to financial statements noted? | <p>Unmodified opinion</p> <p>___ Yes <u>X</u> No</p> <p>___ Yes <u>X</u> No</p> <p>___ Yes <u>X</u> No</p> |
|---|--|

Federal Awards

- | | |
|---|---|
| <ul style="list-style-type: none"> • Type of auditors' report issued on compliance for major programs: • Internal control over major programs: • Material weakness (es) identified? • Significant deficiency (ies) identified that are not considered to be material weaknesses? • Any audit findings disclosed that are required to be reported in accordance with FR § 200.516 (a)? • Identification of major programs: | <p>Unmodified opinion</p> <p>__ Yes <u>X</u> No</p> <p>__ Yes <u>X</u> No</p> <p>__ Yes <u>X</u> No</p> |
|---|---|

The PRWAO major programs were:

Federal Agency/Pass-Through Agency/Program Title	CFDA number
Department of Justice	
Stop Violence Against Women	16.588

- Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000** or **5%** of total federal awards expended
- Auditee qualified as low-risk auditee? X Yes ___ No

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO**
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUE)
FOR THE YEAR ENDED JUNE 30, 2019

Part II – Findings Related To the Statement of cash receipts and disbursements:

No findings related to the statement of cash receipts and disbursements were noted.

Part III – Findings and questioned cost related to federal Awards:

No findings related to federal awards were noted.

**WOMEN'S ADVOCATE OFFICE OF THE
COMMONWEALTH OF PUERTO RICO**
SCHEDULE OF PRIOR YEARS AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Prior Year Findings

There are no previous audits findings that require follow up.