

**OFICINA DEL COMISIONADO DE ASUNTOS MUNICIPALES
ÁREA DE ASESORAMIENTO, REGLAMENTACIÓN E INTERVENCIÓN FISCAL
ÁREA DE ARCHIVO DIGITAL**

**MUNICIPIO DE HORMIGUEROS
AUDITORÍA 2014-2015**

30 DE JUNIO DE 2015

COMMONWEALTH OF PUERTO RICO MUNICIPALITY OF HORMIGUEROS



**BASIC FINANCIAL STATEMENTS, REQUIRED SUPPLEMENTARY
INFORMATION AND INDEPENDENT
AUDITORS' REPORT**

**(WITH ADDITIONAL REPORTS REQUIRED
UNDER THE OMB CIRCULAR A-133)**

FISCAL YEAR ENDED JUNE 30, 2015



Hon. Pedro J. Garcia Figueroa
Mayor

Miriam Irizarry
Finance Department Director

O.C.A.M.
AREA DE ASESORAMIENTO
GERENCIAL Y FISCAL
16 APR - 1 AM 9:14

O.C.A.M.
DIV. SERVICIOS GENERALES
16 MAR 31 PM 4:20
O.C.A.M.
AREA DE ASESORAMIENTO
GERENCIAL Y FISCAL
16 MAR 32 AM 9:06

**COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF HORMIGUEROS**

TABLE OF CONTENTS

	<u>Page</u>
 <u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4 – 14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances (deficit) - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (deficit) of Governmental Funds to the Statement of Activities	20
Notes to the Basic Financial Statements	21-59
Required Supplementary Information:	
Budgetary Comparison Schedule - General Fund	60
Notes to Required Supplementary Information - Budgetary Comparison Schedule – General Fund	61-62
Schedule of Municipality's Proportionate Share of Net Pension Liability and Schedule of Municipality's Contributions (unaudited)	63
Notes to Required Supplementary Information – Schedule of Municipality's Proportionate Share of Not Pension Liability and Schedule of Municipality's Contributions (unaudited)	64
Supplementary Information:	
Financial Data Schedule	65-67
Notes to Supplementary Information – Financial Data Schedule	68
 <u>SINGLE AUDIT SECTION</u>	
Supplementary Information:	
Schedule of Expenditures of Federal Awards	69
Notes to Schedule of Expenditures of Federal Awards	70-71
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 <i>Government Auditing Standards</i>	72-73
Independent Auditors' Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance Required by OMB Circular A-133	74-75
Schedule of Findings and Questioned Costs	76-78

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

VALDES, GARCIA, MARIN & MARTINEZ, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
MEMBER OF THE AICPA PRIVATE COMPANIES PRACTICE SECTION

P.O. Box 364831
SAN JUAN, P.R. 00936-4831

TELEPHONE: (787) 725-1600
TELEFAX: (787) 721-2795

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the Municipal Legislature
Municipality of Hormigueros
Hormigueros, Puerto Rico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Municipality of Hormigueros (the Municipality), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 opinions.