

**ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL DE DORADO
DORADO, PUERTO RICO**

PROYECTO DE ORDENANZA NUM: 230
ORDENANZA NUM: 47

SERIE: 2016-2017

PARA REAJUSTAR EL PRESUPUESTO FUNCIONAL DEL AÑO 2016-2017, SEGÚN FUE APROBADO POR LA RESOLUCION NUM. 130 DEL 24 DE MAYO DE 2016, PARA APLICAR LA CANTIDAD DE \$2,000,000.00 DEL BALANCE EN CAJA AL 30 DE JUNIO DE 2016, SEGÚN LO DEMUESTRAN LOS ESTADOS FINANCIEROS AUDITADOS DEL 2015-2016.

POR CUANTO: Según lo demuestran los estados financieros auditados del 2015-2016 indican un superávit de \$3,818,060.00, la cual luego de haber realizado unos reajustes por \$1,646,269.83 hay un balance disponible de \$2,169,790.17 por lo cual se aplicara la cantidad de \$2,000,000.00.

POR CUANTO: Esta cantidad representa un aumento de \$2,000,000.00 que puede ser utilizado para aumentar el crédito de varias partidas en el presupuesto vigente.

POR TANTO: ORDENASE POR LA HONORABLE LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO:

SECCION 1RA: Reajustar el presente presupuesto funcional la cantidad de \$2,000,000.00 y aplicar el mismo para aumentar el crédito de varias partidas de gastos en la forma siguiente:

**SECCION DE EGRESOS:
PARA AUMENTAR EL CREDITO DE LAS SIGUIENTES PARTIDAS:**

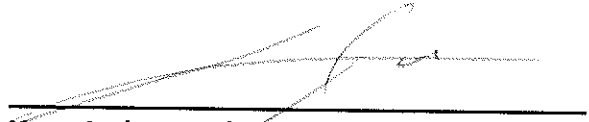
PARTIDA	NOMBRE	CANTIDAD
010-03-04-9411-00	Servicios Profesionales	\$ 179,011.51
010-02-16-9411-00	Servicios Profesionales	28,958.00
010-04-04-9473-00	Desperdicios Solidos	336,500.00
010-03-04-9235-00	Gastos de Teléfonos	12,000.00
010-09-21-9447-02	Donaciones	35,000.00
010-04-04-9432-00	Costo de Construcción	65,000.00
010-03-04-9232-00	Gastos de Acueductos y Alcantarillado	210,000.00
010-02-07-9447-00	Donaciones	13,000.00
010-08-01-9105-00	Empleados Transitorios	30,000.00
010-08-01-9106-00	Empleados Irregulares	576,000.00
010-02-45-9411-00	Servicios Profesionales	93,800.00
010-04-04-9464-00	Mantenimiento de Edificio	40,000.00
010-04-06-9242-00	Materiales y Suministro de Operaciones	20,000.00
010-13-04-9447-00	Donaciones	138,000.00
010-02-16-9447-00	Donaciones	100,000.00
010-02-09-9480-00	Fiestas Patronales	45,000.00
010-03-04-9451-00	Renta de Equipos	40,306.00
010-03-04-9465-01	Misceláneo	37,424.49
	Total	\$ 2,000,000.00

SECCION 2DA: Autorizar al Director de Finanzas a llevar las correspondientes operaciones a sus libros de contabilidad.

SECCION 3RA: Esta ordenanza por ser de carácter urgente y necesaria comenzará a regir tan pronto sea aprobada por el Alcalde.

SECCION 4TA: Que copia certificada de la misma sea enviada al Comisionado de Asuntos Municipales para la acción pertinente.

ADOPTADA POR LA LEGISLATURA MUNICIPAL EN LA CIUDAD DE DORADO, PUERTO RICO HOY 17 DE abril DE 2017.

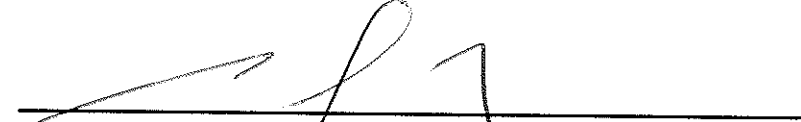


Hon. Carlos A. López Román
Presidente Legislatura Municipal



Sra. Carmen Lourdes Serrano Figueroa
Secretaria Interina Legislatura Municipal

APROBADA POR EL HONORABLE ALCALDE DE DORADO, PUERTO RICO HOY 20 DE Abril DE 2017.



HON. CARLOS A. LOPEZ RIVERA
ALCALDE

ESTADO LIBRE ASOCIADO DE PUERTO RICO
GOBIERNO MUNICIPAL DE DORADO
DORADO, PUERTO RICO

PROYECTO DE RESOLUCION: 187
RESOLUCION NUM: 130

SERIE: 2015-2016

DISPONER Y APROBAR EL PRESUPUESTO DE INGRESOS Y EGRESOS QUE HA DE REGIR DURANTE EL AÑO ECONOMICO 2016-2017 EN EL MUNICIPIO DE DORADO PUERTO RICO, PARA AUTORIZAR AL DIRECTOR DE FINANZAS A LLEVAR LOS LIBROS DE CONTABILIDAD A SU CARGO; Y PARA OTROS FINES:

POR CUANTO: Conforme al Artículo 7.00A de la Ley de Municipios Autónomos del Estado Libre Asociado de Puerto Rico, Ley Núm. 81 del 30 de agosto de 1991, el Alcalde del Municipio de Dorado, Puerto Rico, confeccionó el proyecto de ingresos y egresos de este Gobierno Municipal para el Año Económico 2016-2017.

POR CUANTO: Dicho documento fue sometido por el Alcalde el día 5 de mayo de 2016, a la consideración de la Legislatura Municipal reunidos en sesión extraordinaria para esos fines, según dispone el Artículo 7.001 de la misma Ley.

POR TANTO: RESUÉLVASE POR LA LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO; LO SIGUIENTE:

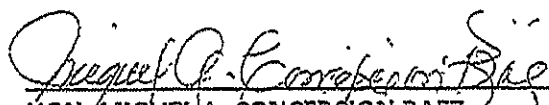
SECCION 1RA: Que para el pago de gastos municipales del Municipio de Dorado, Puerto Rico, durante el Año Económico 2016-2017 se recaudaron parte de las cantidades que se esperaba produjera los recursos consignados en dicho año económico.

SECCION 2DA: Se aprueba por la Legislatura Municipal de Dorado las partidas que se desglosan en el Proyecto de Presupuesto que se asignan para atender el pago de los gastos del Gobierno Municipal de Dorado, Puerto Rico, durante el año económico 2016-2017 por la cantidad de \$29,013,750.70.

SECCION 3RA: Que el Director de Finanzas de este Municipio lleve a los libros de contabilidad a su cargo, los estimados pertinentes a los fines de dar cumplimiento a esta Resolución.


SECCION 4TA: Que copia certificada de la misma sea enviada al Comisionado de Asuntos Municipales para su conocimiento y acción correspondiente.

ADOPTADA POR LA HONORABLE LEGISLATURA MUNICIPAL DE DORADO, PUERTO RICO, HOY 23 DE MAYO DE 2016.


HON. MIGUEL A. CONCEPCION BAEZ
PRESIDENTE LEGISLATURA MUNICIPAL


SR. JAVIER SOLANO RIVERA
SECRETARIO LEGISLATURA MUNICIPAL

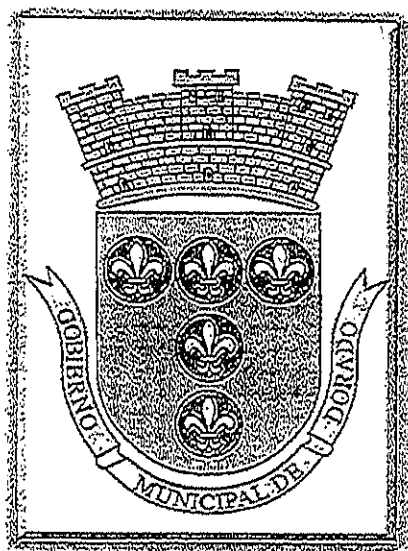
APROBADA POR EL HONORABLE ALCALDE DE DORADO, PUERTO RICO, HOY 24 DE MAYO DE 2016.


HON. CARLOS A. LOPEZ RIVERA
ALCALDE

COMMONWEALTH OF PUERTO RICO
AUTONOMOUS MUNICIPALITY OF DORADO

BASIC FINANCIAL STATEMENTS
WITH ADDITIONAL REPORTS AND INFORMATION
REQUIRED BY THE SINGLE AUDIT ACT

Year Ended June 30, 2016



Municipality of Dorado, P.O. Box 588, Dorado, Puerto Rico 00646
Hon. Carlos A. López Rivera



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

Member of:

- American Institute of Certified Public Accountants
- Puerto Rico Society of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
the Municipal Legislature
Autonomous Municipality of Dorado
Dorado, Puerto Rico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Autonomous Municipality of Dorado, Puerto Rico (Municipality), as of and for the year ended June 30, 2016, 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 of 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 auditors' judgment, including the assessment of 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
Business-type Activities	Unmodified
General Fund	Adverse
Special Revenue Fund-Head Start Program	Unmodified
Capital Projects Fund	Adverse
Municipal Hotel Construction Fund	Qualified
Debt Service Fund	Qualified
Aggregate Remaining Fund Information	Qualified

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Basis for Adverse Opinion on Governmental Activities

Noncompliance with GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" – an amendment of GASB Statement No. 27

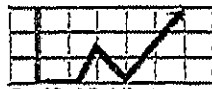
The Municipality's pension plan administrator has not provided the audited actuarial and financial information necessary for the proper recognition and reporting of its net pension liability as of June 30, 2016. As a result, management has not complied with the accounting and financial reporting requirements for pensions that are provided to the employees of state and local governmental employers through pension plans trusts that comply with the criteria set forth in the GASB Statement No. 68. Accounting principles generally accepted in the United States of America require that governmental employers whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans recognize a liability and pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of the collective net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources reported by the pension plan trust. The amount by which this departure would affect the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the Municipality's governmental activities has not been determined.

In addition, the Municipality's financial statements do not disclose the descriptive information about the pension plans through which the pensions are provided required by the GASB Statement No. 68 for cost-sharing employers. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Impairment loss on deposits with fiscal agent

On October 18, 2016, the Puerto Rico Department of Treasury issued Circular Letter No. 1300-08-17 "Impairment Loss on Deposits with the Governmental Development Bank of Puerto Rico". This Circular Letter instructs the public corporations and municipalities of the Commonwealth to recognize an impairment loss on the deposits maintained with the Governmental Development Bank (GDB). The deposits with the GDB are not insured nor collateralized with investments; therefore, these deposits are exposed to a significant custodial credit risk: the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations; for example, the issuer of a debt instrument may not redeem the instrument at maturity. Due to the financial and fiscal crisis faced by the Commonwealth and certain public entities, they have been unable to repay their loans and lines of credit with the GDB, seriously affecting the bank's liquidity and ability to repay its own debts. As a result, the GDB was unavailable to pay on May 1, 2016 the principal due on its bonds and notes and the interest payments due thereafter. On April 2016, the Governor of Puerto Rico declared the GDB in a state of emergency and issued a moratorium on the payments of its debts. Also, the GDB has not issued its financial statements for the fiscal years ended on June 30, 2015 and 2016. As a result of these events, the management of the GDB believes that a substantial doubt exists as to the bank's ability to continue as a going concern.

However, the management of the Municipality has not complied with the accounting and financial reporting requirements for the recognition of an impairment loss on deposits with a significant custodial credit risk. Accounting principles generally accepted in the United States of America require that nonparticipating interest-earning investment contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. The amount by which this departure would affect the assets and net position of the Municipality's governmental activities is \$17,760,347.



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Autonomous Municipality of Dorado, Puerto Rico, as of June 30, 2016, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on General Fund and Capital Projects Fund

As previously explained in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the management of the Municipality has not complied with the accounting and financial reporting requirements for the recognition of an impairment loss on deposits with a significant custodial credit risk. Accounting principles generally accepted in the United States of America require that nonparticipating interest-earning investment contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. The amounts by which this departure would affect the assets and fund balance of the Municipality's General Fund and Capital Projects Fund are \$755,720, and \$8,021,435, respectively. Also, the General Fund presents a due from Capital Projects Fund for \$5,568,873. Because of the effects of an impairment loss on those deposits, the amounts due to the General Fund might be uncollectible.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on General Fund and Capital Projects Fund" paragraph, the financial statements referred to above do not present fairly the financial position of the General Fund and the Capital Projects Fund of the Autonomous Municipality of Dorado, Puerto Rico, as of June 30, 2016, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on Municipal Hotel Construction, Debt Service and Aggregate Remaining Fund Information Funds

As previously explained in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the management of the Municipality has not complied with the accounting and financial reporting requirements for the recognition of an impairment loss on deposits with a significant custodial credit risk. Accounting principles generally accepted in the United States of America require that nonparticipating interest-earning investment contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, should be reported using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors. The amounts by which this departure would affect the assets and fund balance of the Municipality's Municipal Hotel Construction, Debt Service and Aggregate Remaining Fund Information Funds are \$3,928,517, \$4,522,476, and \$532,199, respectively.



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Qualified Opinions

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on Municipal Hotel Construction, Debt Service and Aggregate Remaining Fund Information Funds" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Hotel Construction, Debt Service and the Aggregate Remaining Fund Information of the Autonomous Municipality of Dorado, as of June 30, 2016, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

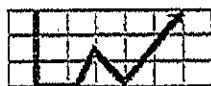
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the Special Revenue Fund-Head Start Program of the Autonomous Municipality of Dorado, Puerto Rico, as of June 30, 2016, and the respective cash flows and changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 17 and Budgetary Comparison information on page 84, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted historical pension information, as stated in GASB Statement No. 68, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.



López-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Autonomous Municipality of Dorado's basic financial statements. The accompanying supplementary information – Financial Data Schedule shown in pages 86 and 87 is presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying supplementary information – Schedule of Expenditures of Federal Awards shown in pages 89 and 90 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Financial Data Schedule and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

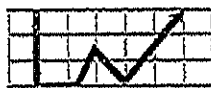
In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2017, on our consideration of the Municipality's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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 Municipality's internal control over financial reporting and compliance.



LOPEZ-VEGA, CPA, PSC

San Juan, Puerto Rico
March 1, 2017

Stamp No. 2728552 of the Puerto Rico
Society of Certified Public Accountants
was affixed to the record copy of this report.



Lopez-Vega, CPA, PSC

Certified Public Accountants / Management Advisors

COMMONWEALTH OF MASSACHUSETTS
 AUTONOMOUS MUNICIPALITY OF SPRINGFIELD
 Balance Sheet - Governmental Funds

	General Fund	Special Revenue Fund Head Start	Capital Projects Fund - State & Local Grants	Municipal Hotel Construction Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 1,110,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,110,391
Accounts receivable:							
Sales and use taxes	483,385	-	-	-	-	-	483,385
Property taxes	4,125	-	-	-	548,051	-	552,206
Intergovernmental	95,573	-	645,538	-	407,763	201,245	1,451,323
Federal grants	-	-	-	-	-	83,894	83,894
Interest	19,624	-	-	-	-	-	19,624
Others	79,421	-	-	-	-	7,620	87,041
Due from:							
Due from other funds	6,019,712	-	-	-	-	-	6,019,712
Advances to other funds	85,653	-	-	-	-	-	85,653
Cash with fiscal agent	735,720	-	2,469,383	3,928,517	9,421,721	532,199	23,117,540
Cost-reimbursable	-	1,778,906	3,223,222	2,917,175	4,401,537	1,392,592	12,816,337
Other assets	-	-	-	-	-	44,923	44,923
Total assets	\$ 9,556,731	\$ 1,778,906	\$ 12,335,521	\$ 7,845,690	\$ 14,788,852	\$ 2,862,668	\$ 49,208,458
Liabilities, deferred inflows of resources and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 1,900,262	\$ 57,960	\$ 1,261,758	\$ 455,348	\$ -	\$ 80,489	\$ 3,925,837
Matured bonds and notes payable	-	-	-	-	3,226,000	-	3,226,000
Matured interest payable	-	-	-	-	1,719,876	-	1,719,876
Due to:							
Due to Commonwealth government	352,857	-	-	-	-	-	352,857
Due to other funds	-	367,777	2,203,813	262,424	-	807,037	6,954,111
Advances from other funds	-	-	-	-	-	85,653	85,653
Unearned revenues:							
Municipal license tax	2,640,806	-	-	-	-	-	2,640,806
Federal grant/repayment	-	1,256,105	-	-	-	571,348	1,765,543
Other liabilities	-	-	-	-	-	25,843	25,843
Total liabilities	5,044,925	1,559,902	5,930,611	715,772	5,014,876	1,580,380	20,849,495
Deferred Inflows of Resources							
Unavailable revenues:							
Commonwealth government	645,938	-	645,938	-	521,659	222,360	2,199,049
Federal government	-	219,004	-	-	-	-	219,004
Total Deferred Inflows of Resources	645,938	219,004	645,938	-	521,659	222,360	2,418,052
Fund balances:							
Nonspendable	85,653	-	-	-	-	-	85,653
Restricted	-	-	4,759,344	7,129,518	8,752,427	393,948	22,040,237
Unassigned	3,618,060	-	-	-	-	-	3,618,060
Total fund balances	3,603,713	-	4,759,344	7,129,518	8,752,427	393,948	25,643,980
Total liabilities, deferred inflows of resources and fund balances	\$ 9,596,731	\$ 1,778,906	\$ 12,335,521	\$ 7,845,690	\$ 14,788,852	\$ 2,862,668	\$ 49,208,458