

**INSTITUTO DE COMPETIVIDAD Y  
SOSTENIBILIDAD DE PUERTO RICO, INC.**

FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016  
AND INDEPENDENT ACCOUNTANTS'  
COMPILATION REPORT



**CASTRO & CO.**

*Certified Public Accountants and Consultants*

---

**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

**INSTITUTO DE COMPETITIVIDAD Y  
SOSTENIBILIDAD DE PUERTO RICO, INC.:**

Management is responsible for the accompanying financial statements of **Instituto de Competitividad y Sostenibilidad de Puerto Rico, Inc.**, which comprise the balance sheets as of June 30, 2017 and 2016 and the related statements of activities and cash flows for years then ended in accordance with accounting principles generally accepted in the United States of America.

We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or reviewed the financial statements nor where we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Report on Contributed Services and Gifts in Kind is presented for purposes of additional analysis and is not a required part of the basic financial statements. Management is responsible for this report. We did not audit or reviewed the report nor where we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this report.

October 24, 2017

License 21  
In force

Stamp E291700 was affixed  
to the original of this report

**INSTITUTO DE COMPTETIVIDAD Y SOSTENIBILIDAD  
ECONOMICA DE PUERTO RICO, INC.**

BALANCE SHEETS  
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>-ASSETS-</b>		
Cash	\$ 59,773	\$ 47,893
Pledge receivable	<u>32,500</u>	<u>30,000</u>
TOTAL	<u>\$ 92,273</u>	<u>\$ 77,893</u>
<b>-LIABILITIES AND NET ASSETS-</b>		
LIABILITIES - Accounts payable	<u>\$ 45,709</u>	<u>\$ 46,851</u>
NET ASSETS - unrestricted	<u>46,564</u>	<u>31,042</u>
TOTAL	<u>\$ 92,273</u>	<u>\$ 77,893</u>

See Independent Accountant's Compilation Report and the Notes to the Financial Statements.

**INSTITUTO DE COMPTETIVIDAD Y SOSTENIBILIDAD  
ECONOMICA DE PUERTO RICO, INC.**

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUES:		
Contributions and pledges	\$ 165,116	\$ 100,000
In kind services and discounts	201,294	115,670
Activities	-	4,033
Interest income	186	36
Total	<u>366,596</u>	<u>219,739</u>
EXPENSES:		
Program services:		
Studies and research program	133,992	94,500
Activities	-	2,921
Professional consuting-Intervention process	59,124	47,418
Supporting activities:		
Accounting and legal fees	127,816	31,063
Advertising	19,102	2,702
Bank service charges	147	253
Dues and subcriptions	655	-
Office expenses	1,338	
Licences and permits	-	300
Rent	1,575	1,050
Travel	6,800	8,140
Utilities	525	350
Total	<u>351,074</u>	<u>188,697</u>
INCREASE IN UNRESTRICTED NET ASSETS	15,522	31,042
NET ASSETS, BEGINNING OF THE YEAR	<u>31,042</u>	<u>-</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 46,564</u>	<u>\$ 31,042</u>

See Independent Accountant's Compilation Report and the Notes to the Financial Statements.

**INSTITUTO DE COMPTETIVIDAD Y SOSTENIBILIDAD  
ECONOMICA DE PUERTO RICO, INC.**

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS USED IN OPERATING ACTIVITIES:		
Increase in net assets	\$ 15,522	\$ 31,042
(Increase) in pledges receivable	(2,500)	(30,000)
Increase (decrease) in accounts payable	<u>(1,142)</u>	<u>46,851</u>
NET INCREASE IN CASH	11,880	47,893
CASH BALANCE, BEGINNING OF THE YEAR	<u>47,893</u>	<u>-</u>
CASH BALANCE, END OF THE YEAR	<u><u>\$ 59,773</u></u>	<u><u>\$ 47,893</u></u>

See Independent Accountants' Compilation Report and the Notes to the Financial Statements.

# INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD DE PUERTO RICO, INC.

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017 AND 2016

-----

## 1. GENERAL

Instituto de Competitividad y Sostenibilidad de Puerto Rico, Inc. ("The Corporation") was organized under the laws of the Commonwealth of Puerto Rico and is engaged in participating in activities and alliances that foster the socio-economic wellbeing of the community of Puerto Rico. The organization has applied to operate exempt from the payment of all taxes in the commonwealth of Puerto Rico and in the United States of America. Approval from the Puerto Rico's Treasury Department is pending.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation.** The Corporation uses the accrual basis of accounting where revenues are recorded as earned and expenses as they are incurred. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Under the provisions of *FASB Accounting Standards Codification Topic 958-205-05-06* net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as permanently restricted, when net assets are subject to donor-imposed stipulations.

**Contributions.** Contributions, including unconditional promise to give, are recognized as revenue in the period received and recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and nature of any donor restrictions.

When a donor restriction is satisfied or expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Corporation uses the allowance method to determine uncollectible contributions receivable. The allowance is based on historical experience and management's analysis of specific promises made.

**Contributed services and Gifts in Kind.** The Corporation receives and recognizes contributed services and gifts in kind from a variety of sources. During the years ended June 30, 2017 and 2016 the Corporation received services and gifts in kind, valued at fair value, in the amount of \$201,294 and \$115,670, respectively.

**INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD  
ECONOMICA DE PUERTO RICO, INC.**

REPORT ON CONTRIBUTED SERVICES AND GIFTS IN KIND  
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>			<u>2016</u>		
	CONTRIBUTED SERVICES AND GIFTS IN KIND	OPERATIONAL	TOTAL	CONTRIBUTED SERVICES AND GIFTS IN KIND	OPERATIONAL	TOTAL
Program services:						
Studies and research program	\$ 90,333	\$ 43,659	\$ 133,992	\$ 66,851	\$ 27,649	\$ 94,500
Activities	-	-	-	-	2,921	2,921
Professional consulting-Intervention process	38,181	20,943	59,124	39,805	7,613	47,418
Supporting activities:						
Accounting and legal fees	62,961	64,855	127,816	7,614	23,449	31,063
Advertising	6,250	12,852	19,102		2,702	2,702
Bank service charges	-	147	147		253	253
Dues and subscriptions	-	655	655		-	-
Office expenses	-	1,338	1,338		-	-
Licences and permits	-	-	-		300	300
Rent	1,575	-	1,575	1,050	-	1,050
Travel	1,469	5,331	6,800		8,140	8,140
Utilities	525	-	525	350	-	350
Total	<u>\$ 201,294</u>	<u>\$ 149,780</u>	<u>\$ 351,074</u>	<u>\$ 115,670</u>		<u>\$ 188,697</u>

See Independent Accountants' Compilation Report and the Notes to the Financial Statements.