


COMMONWEALTH PLAN OF ADJUSTMENT
PENSION BENEFITS COUNCIL CORP

2024-000004

PROFESIONAL SERVICES CONTRACT

-----APPEAR-----

--- **FIRST PARTY:** The Commonwealth Plan of Adjustment Pension Benefits Council Corp., (the "Benefits Council"), a non-profit corporation organized under the laws of the Commonwealth of Puerto Rico, with registration number 486630, represented in this act by Carmen H. Núñez Rodríguez, of legal age, President of the Benefits Council, single and resident of San Juan, Puerto Rico, hereinafter referred to as the "**BENEFITS COUNCIL**".

 --- **THE SECOND PARTY:** Kevane Grant Thornton LLP, a corporation organized under the laws of the Commonwealth of Puerto Rico, with registration number 66-0563256 represented in this act by Eduardo Herencia Garcia, Audit and Advisory Partner, of legal age, married and resident of San Juan, Puerto Rico, hereinafter referred to as the "**CONTRACTOR**".

---The appearing **PARTIES** guarantee that they have the legal power for this agreement in the capacity that they claim to hold above, committing to accredit such power and capacity where and when necessary.

-----LEGAL BASE-----

----- On January eighteen (18), two thousand twenty-two (2022), the United States District Court for the District of Puerto Rico, in Civil Case No. 17-BK-3283 (the "Title III Case of the Commonwealth) issued an order (Docket No. 19813), approving and confirming the terms of the Eighth Amended Plan of Adjustment under Title III of the Commonwealth of Puerto Rico, et al., dated January fourteen (14), two thousand twenty-two (2022) (Docket No. 19784) (the "Plan"). The Plan incorporates certain documents presented as part of a Plan Supplement (Docket No. 20353) that includes the Deed of Trust creating the Pension Reserve Fund and the "Guidelines for the Governance and Administration of the Puerto

Rico Plan of Adjustment Pension Reserve Trust and Monitoring of Plan of Adjustment Pension Benefits” (hereinafter the “GUIDES”). -----

-----**PURPOSE**-----

---The **BENEFITS COUNCIL** conducted a Request for Proposal to audit the financial statements of the entity for Fiscal Years 2021-2022 and 2022-2023 and after receiving proposals and determined to hire the **CONTRACTOR**. -----

---The **CONTRACTOR** has the necessary resources, knowledge, and experience to provide the services to the **BENEFITS COUNCIL** subject to the following: -----

-----**CLAUSES AND CONDITIONS**-----

---**FIRST: SERVICES:** -----

----**A.** The **CONTRATOR** will audit the financial statements from the **BENEFITS COUNCIL** for Fiscal Years 2022 and 2023 as described and subject to the cost included in the Engagement Letter dated June 13, 2023, made part of this Agreement as **Exhibit A**. -----

----**B.** All professional services contracted in this document will be performed upon request or authorization from the **BENEFITS COUNCIL**. -----

---**SECOND: FEES:** -----

---- The total amount of compensation to be paid by the **BENEFITS COUNCIL** to the **CONTRACTOR** for reimbursable services and expenses for fiscal year 2023-2024 shall not exceed **EIGHTEEN THOUSAND DOLLARS (\$18,000.00)**. If the **CONTRACTOR** anticipates that the invoicing may exceed the budget of the Contract and has pending work to be performed, it will inform the **BENEFITS COUNCIL** in writing in order for a determination to be made. -----

---- If the **BENEFITS COUNCIL** determines to modify its budget, with the result that the amounts available to pay for the services covered by this Contract are reduced, it shall notify the **CONTRACTOR** in writing of such determination and said new amount available shall be the maximum amount of the Contract. As a result, the **CONTRACTOR** may submit to the **BENEFITS COUNCIL** a proposal for the reduction of the services described

in this Contract, and if the **BENEFITS COUNCIL** accepts such proposal, the **PARTIES** must sign an amendment to this Contract formalizing the changes. If the **BENEFITS COUNCIL** does not accept the **CONTRACTOR's** proposal, the **BENEFITS COUNCIL** expressly acknowledges that the **CONTRACTOR** may terminate the Contract and the **BENEFITS COUNCIL** must pay the **CONTRACTOR** the amount accrued until the date of cancellation. -----

-----The **CONTRACTOR** expressly acknowledges that if no funds are available or are allocated for the payment of the contracted services, the Contract will be terminated with no other right than to collect what has already been worked. -----

-----The amounts to be paid to the **CONTRACTOR** shall be charged to the budget item or account number 030261422 or any other budget item or account determined by the **BENEFITS COUNCIL**. The **CONTRACTOR** shall submit to the **BENEFITS COUNCIL** during the first twenty (20) days of the month following the billing month, a duly certified invoice specifying in detail the matters attended to and the time devoted to them. -----

-----The **BENEFITS COUNCIL** or its authorized representative will review the fee statements in detail and, if found to be correct, will approve and process them for payment. The **BENEFITS COUNCIL** reserves the right to review the correctness of the invoices and to carry out the audits it deems appropriate related to the services provided under the Contract. -----

-----Every invoice must include a certification that will indicate as follows: -----

----- "Under penalty of absolute nullity, I certify that no member of the **BENEFITS COUNCIL** is a party to or has any interest in the profits or benefits resulting from the contract that is the subject of this invoice and to be a party to or have an interest in the benefits resulting from the contract there has been a prior waiver. The only consideration for supplying the goods or services covered by the contract has been the payment agreed upon with the **BENEFITS COUNCIL**. The amount of this invoice is fair and correct. The services have been provided and they have not been paid for." -----

-----The **BENEFITS COUNCIL** will notify the Treasury Department of the amount paid per calendar year to the **CONTRACTOR** for the services rendered. The **BENEFITS COUNCIL** will deduct and withhold 10% in accordance with the Internal Revenue Code for a New Puerto Rico or Code, Law 1-2011, as amended. If this percentage is amended by law, the **CONTRACTOR** will be notified, and the corresponding adjustment will be made. However, the **CONTRACTOR** may submit the corresponding release, in which case the withholding will be that indicated in the release. -----

---**THIRD: CONFLICT OF INTEREST AND RESPONSABILITIES:** -----

-----The **CONTRACTOR** will provide the contracted services in accordance with the best practices and ethical canons of his profession and assume responsibility for his actions.

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-----The **CONTRACTOR** certifies that he is not aware of any matter or relationship as of the effective date of this Contract that constitutes a conflict of interest. In addition, the **CONTRACTOR** acknowledges that in the discharge of his professional function he has a duty of complete loyalty and a fiduciary obligation towards the **BENEFITS COUNCIL**, which includes not having adverse interests to the **BENEFITS COUNCIL**. This duty also includes the continuous obligation to disclose to the **BENEFITS COUNCIL** all the circumstances of its relationships with clients and third parties and any interest that could influence the **BENEFITS COUNCIL** at the time of awarding the Contract or during its term. The **CONTRACTOR** agrees that in the event that the **BENEFITS COUNCIL** determines that such a conflict exists, the Agreement will be terminated immediately, with subsequent written notice to the **CONTRACTOR** with the reasons for the termination. ---

-----The **CONTRACTOR** represents conflicting interests when, for the benefit of a client, it is his duty to promote what he must oppose in compliance with his obligations to another previous, current or potential client. He also represents conflicting interests when his conduct is described as such in the ethical standards recognized for his profession, or in the laws and regulations of the Commonwealth of Puerto Rico. -----

----- **CONTRACTS WITH THE GOVERNMENT:** At the time of the signing of this Contract, the **CONTRACTOR** certifies that it maintains a professional services contract with the Puerto Rico Fiscal Agency and Financial Advisory Authority (for the audits of the

Municipal Finance Agency, the Puerto Rico Telephone Authority and the Puerto Rico Maritime Shipping Authority), the Government Development Bank for Puerto Rico, the Puerto Rico Aqueduct and Sewer Authority, the University of Puerto Rico Comprehensive Cancer Center, the Puerto Rico Convention Center District Authority, the Department of Housing, the Puerto Rico Public Private Partnerships Authority (P3A), the Judiciary Retirement System of Puerto Rico and the Special Communities Perpetual Trust, and that such engagements does not represent a conflict with this Contract. In addition, the **CONTRACTOR** acknowledges and agrees that failure to mention any government entity with which it has a current contractual relationship may result in the termination of this Contract if determined by the **BENEFITS COUNCIL**. -----

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---**FOURTH: ETHICS:** -----

----- The **CONTRACTOR** certifies that no member of the **BENEFITS COUNCIL** or any member of their family unit, partner, relative or person who shares their residence, has any direct or indirect pecuniary interest in the benefits resulting from this Contract. -----

----- Pursuant to Section 4.5 of the **GUIDELINES**, any person or organization that has made any contribution in cash or in kind to a candidate or member of the **BENEFITS COUNCIL** will not be eligible to be hired as a professional for five years from the date of such contribution. The **CONTRACTOR** certifies that it has not made any contribution in cash or in kind to any member of the **BENEFITS COUNCIL**. -----

----- The **CONTRACTOR** certifies that it will comply with the Code of Ethics for Supplier Contractors and Applicants for Economic Incentives of the Government of Puerto Rico. At the same time, it certifies that it will comply with any law or regulation that is applicable to this Contract. He also certifies that he knows the ethical standards of his profession and assumes responsibility for any action contrary to such standards. -----

----- The **PARTIES** recognize the following rules and guarantee their compliance in this Contract: -----


-----That the **BENEFITS COUNCIL** may not enter into a contract in which any of its members or any member of their family units has or has had a monetary interest during the last four (4) years before taking office, either directly or indirectly. -----

----- That the **BENEFITS COUNCIL** may not authorize a contract with a private person or knowing that this person in turn is representing private interests in cases or matters that involve conflicts of interest with the **BENEFITS COUNCIL**. -----

--- **FIFTH: TAX RESPONSIBILITY, CERTIFICATIONS AND DOCUMENTS:** The **CONTRACTOR** certifies and guarantees: -----

----- **A.** That at the time of executing this Contract, they have filed income tax, property and sales and use tax returns (if applicable) during the past five (5) years. -----

----- **B.** That he has no tax debts of any kind with the Commonwealth of Puerto Rico, for which he certifies that he does not owe income tax, sales or use taxes, personal and real property taxes, insurance payments for unemployment, temporary disability, Social Security for drivers, or by way of child support withholding or who is covered by a payment plan. If you are included in a payment plan, you certify that you are in compliance with the terms and conditions of said plan. -----

 ----- **C.** The **CONTRACTOR** has submitted to the **BENEFITS COUNCIL** its Single Supplier Certificate (RUP) from the General Services Administration, which is made part of this Contract as Annex B, and the **CONTRACTOR** agrees to maintain the current certification at all times, as a payment condition. -----

----- **D.** That it is not in breach of Law 168-2000, as amended, better known as the "Law to Strengthen Family Support and Support for the Elderly". -----


----- **E.** That the municipal patent has been paid according to the volume of business, as required by the applicable legal provisions. -----

----- **F.** That he has an insurance policy issued by the State Insurance Fund Corporation, as established by Law No. 45 of April 18, 1935, as amended, known as the "Law of the Compensation System for Work Accidents. -----

----- **G.** That he certifies, under penalty of perjury, that he has not been convicted of any of the crimes indicated in Law 2-2018, known as the "Anti-Corruption Code for New Puerto Rico", as defined in the current Penal Code and that he is not He has pleaded

guilty to none of these crimes. Also, certifies that he is not aware of being investigated for the crimes indicated in Law 2-2018, as amended. -----

----- H. Certifies by signing this Contract as indicated in article 5(ñ) of Law 237-2004, as amended, that he has not been convicted of crimes against public integrity as defined in the Penal Code or embezzlement of public funds and who has not pleaded guilty to this type of crime in the Courts of the Commonwealth of Puerto Rico, or of the same crimes as typified in the courts of any other jurisdiction of the United States of America. Certifies by signing this Contract that he has not been convicted of any of the crimes as indicated in the previous number in any other country as typified or worked in his place of origin. If you are guilty of any of the aforementioned crimes, this Agreement will be terminated immediately. -----

 ----- I. That during the term of the Contract, all personnel who represent the **BENEFITS COUNCIL** in any forum or for any of the procedures of this Contract are duly authorized and licensed in their profession. The **CONTRACTOR** certifies that said personnel is not under investigation by the Court or corresponding entity that accredits it and that their license or permit has not been revoked or suspended. -----

----- J. The **CONTRACTOR** acknowledges that the veracity of the certifications established in subsections (G) and (H) of this Clause are an essential condition of this Contract and that their defect will be sufficient cause for the **BENEFITS COUNCIL** to nullify the Contract and recover to the **CONTRACTOR** any sum of money disbursed for services rendered under the Contract. If, during the term of the Contract, the **CONTRACTOR** incurs in any of the disqualifying causes established in these paragraphs (G) and (H) above, the **CONTRACTOR** must notify it immediately and the Contract will be terminated immediately, but without the penalty of recovery. -----

-----K. The **CONTRACTOR** expressly acknowledges that strict compliance with its obligations as established in this clause is an essential and continuous condition during the term of this Contract and if any certification, assertion or statement is not correct in whole or in part, this will be sufficient cause for the **BENEFITS COUNCIL** to terminate it immediately. -----

---SIXTH: SUBCONTRACTING: -----

----- The **CONTRACTOR** may not subcontract the services covered by this Contract nor may it hire experts or other persons without the prior written consent of the **BENEFITS COUNCIL**. The request to hire a consultant the **CONTRACTOR** must specify the issues or cases in which the consultant will intervene, and the amount of their fees. -----

---SEVENTH: INDEPENDENT CONTRACTOR: -----

----- The contractual relationship established herein is that of an independent contractor and does not make the **CONTRACTOR**, its officer, agent, representative or staff, employees of the **BENEFITS COUNCIL**. They will not acquire rights or any other benefits of the employee-employer relationship that are usually extended to the employees of the **BENEFITS COUNCIL**. Neither is any of the **CONTRACTOR's** employees granted the marginal rights and benefits that the applicable laws provide for the employees of the **BENEFITS COUNCIL**. -----

Handwritten initials and signature in blue ink.

--- EIGHTH: CONTRACT TERMINATION: -----

-----The **BENEFITS COUNCIL** may terminate this Agreement at any time by letter or any written notice, including email addressed to the **CONTRACTOR** thirty (30) days in advance. In addition, the **BENEFITS COUNCIL** may terminate immediately this agreement: (a) under the provisions of this Contract; (b) the **CONTRACTOR** incurs in negligence, abandonment or breach of his duties, as well as improper conduct, which is not promptly remedied (when possible), and the **CONTRACTOR** receives the notification from the **BENEFITS COUNCIL**; (d) when the **BENEFITS COUNCIL** understands that there is an extraordinary fiscal situation that warrants an immediate cut in expenses. ---

----- The **CONTRACTOR** may terminate the Contract by giving written notice to the **BENEFITS COUNCIL** with thirty (30) days in advance of said cancellation. -----

----- At the date of notification to terminate of the Contract, the **CONTRACTOR** shall not be entitled to any additional compensation, except for the work performed until the date of cancellation, if it complies with the terms of the Contract. -----

---NINTH: ADITIONAL CLAUSES: -----

-----**A. CONFIDENTIALITY:** The **CONTRACTOR** acknowledges the confidentiality of all non-public information or documentation that becomes known in the course of the tasks entrusted to it under this Contract. The **CONTRACTOR** may not disclose, publish, distribute or in any way use information from the **BENEFITS COUNCIL** without prior written authorization. Violation of this subsection will result in the Contract being terminated immediately, apart from any legal actions that may arise from such breach. --

-----**B. INTELLECTUAL PROPERTY:** The **CONTRACTOR** acknowledges that any document, writing, recommendation, or report produced under this Agreement shall be licensed in perpetuity to the **BENEFITS COUNCIL**. -----

-----**C. DAMAGES AND TORTS:** The **BENEFITS COUNCIL** will not be responsible for the acts or omissions of the **CONTRACTOR** that cause damages to third parties, in the performance of the agreed services. The **CONTRACTOR** agrees to release the **BENEFITS COUNCIL** from liability for third-party claims and to pay expenses, costs and attorney's fees that the **BENEFITS COUNCIL** may have to incur in defense of the **CONTRACTOR** for acts or omissions of the **CONTRACTOR**. -----

-----**D. APPLICABLE LAW, JURISDICTION, AND INTERPRETATION:**

-----1. This Agreement and all its terms shall be interpreted in accordance with the laws and regulations of the Government of Puerto Rico. -----

-----2. Any controversy or claim that arises or is related to this Contract will be resolved before the Court of First Instance of Puerto Rico, San Juan courthouse. -----

-----3. The Parties agree that the Clauses and Conditions of this Contract are independent and separate from each other and that the nullity of one or more of them will not affect the validity of the other Clauses and Conditions established herein, which they are obliged to comply with. -----

-----4. This Contract includes a proposal as an exhibit on services to be provided by the **CONTRACTOR**. To the extent that this Contract and its annexes conflict with each other, this Contract and its rules of interpretation shall prevail over what is established in the annexes. If a particular element is not considered within the Contract, the terms

contained in the exhibit will prevail, unless its application has a result contrary to what is established in the Contract. -----

-----**E. AGREEMENT AND AMENDMENTS:** This Contract and its exhibits constitute the entire agreement between the parties and may only be amended in writing, prospectively and by mutual agreement during its validity in accordance with the needs of the **BENEFITS COUNCIL** and subject to the availability of funds for the execution of the amendment. This Contract has been the product of negotiations and expresses the feelings of both parties, therefore, there will be no presumption that any party prepared the document. -----

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----- **F. NOTICES:** Any written notice or notification required under the terms of this Contract will be sent to the last known physical and email addresses of the signatories to this Contract. The **PARTIES** accept and acknowledge their obligation to keep up to date regarding their correct addresses, including telephone numbers, fax, emails, and contact person, during the term of this Contract. -----

----- **G. INSURANCE POLICIES:** The **CONTRACTOR** shall maintain a public liability policy in force during the term of this Contract. The **CONTRACTOR** agrees that the policy may not be canceled without prior written notice to the **BENEFITS COUNCIL** with no less than thirty (30) days prior to the date of the cancellation. It will be sufficient cause for the immediate termination of the Contract by the **BENEFITS COUNCIL**, if the **CONTRACTOR** does not maintain the aforementioned policies in force during the term of this Contract. -----

----- **NOTICE:** No payment or consideration under this Contract may be required until presented for registration before the Office of the Comptroller in accordance with the provisions of Law No. 18 of October 30, 1975, according to amended. -----

--- TENTH: VALIDITY AND ACCEPTANCE: -----


-----This Agreement is granted and effective from July __, 2023, through June 30, 2024.

-----The **PARTIES** accept all the clauses and conditions of this Contract and thus confirm it by signing the last page and starting it on the left margin of the remaining ones. -----

Commonwealth Plan of Adjustment
Pension Benefits Council Corp.
EIN 66-1009098


Carmen H. Núñez Rodríguez

Kevane Grant Thornton LLP
Contractor
EIN 66-0563256


Eduardo Herencia García



June 13, 2023

Mrs. Carmen H. Núñez,
President
**Commonwealth Plan of Adjustment Pension
Benefits Council Corp**
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Dear Mr. Del Castillo Orozco:

We are pleased to have the opportunity of submitting this letter (the "Engagement Letter") documenting our mutual understanding of the services to be provided to **Commonwealth Plan of Adjustment Pension Benefits Council Corp** ("the Council") for the period from May 9, 2022 to June 30, 2023.

Scope of services

Kevane Grant Thornton LLP ("Kevane Grant Thornton") will audit the statement of financial position of **the Council** as of June 30, 2023, and the related statements of activities, changes in net assets, functional expenses and cash flows for the period from May 9, 2022 to June 30, 2023. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America ("US GAAS") established by the American Institute of Certified Public Accountants ("AICPA"). In accordance with professional standards, we will exercise professional judgment and maintain professional skepticism throughout the audit. We will also identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation, including disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

In assessing the risks of material misstatement, an auditor obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However, a financial statement audit is not designed to provide assurance on compliance or the

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effectiveness of internal control over financial reporting or to identify immaterial instances of noncompliance or internal control deficiencies.

When conducting an audit, the auditor is required to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to error or fraud, to enable the auditor to express an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Although not absolute assurance, reasonable assurance is, nevertheless, a high level of assurance. However, an audit is not a guarantee of the accuracy of the financial statements. Even though the audit is properly planned and performed in accordance with professional standards, an unavoidable risk exists that some material misstatements or noncompliance with laws, regulations, contracts, and grant agreements may not be detected due to the inherent limitations of an audit, together with the inherent limitations of internal control. Also, an audit is not designed to detect errors or fraud that is immaterial to the financial statements. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Upon the completion of the foregoing financial statement audits and subject to their findings, we will render our reports on the Council's financial statements and will communicate our findings and internal control matters in accordance with US GAAS. However, it is possible that circumstances may arise in which our reports may differ from their expected form and content, resulting in a modified report or disclaimer of opinion. Further, if in our professional judgment the circumstances necessitate, we may resign from the engagement prior to completion.

Our audit does not relieve management or those charged with governance of their responsibilities.

The only audit opinion we will issue resulting from our work will be in originally signed statutory-audit format with the corresponding certification validation stamps, and will contain a restrictive paragraph indicating that the financial statements are being issued exclusively for the statutory filing of the Council's financial statements and should not be used for any other purpose.

Communication of key audit matters

Key audit matters (KAMs) are defined as those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. US GAAS does not require the auditor to communicate KAMs, and we have not been engaged to communicate KAMs. Thus, our auditor's report will not include KAMs.

Responsibilities of those charged with governance

Effective two-way communication with the board of directors (referred to as "those charged with governance") assists us in obtaining information relevant to the audit and also assists those charged with governance in fulfilling their responsibility to oversee the financial reporting process. Those charged with governance play an important role in the Council's internal control over financial reporting by setting a positive tone at the top and challenging the Council's activities in the financial arena. Accordingly, it is important for those charged with governance to communicate to us matters they believe are relevant to our engagement. As indicated below, management also has a responsibility to communicate certain matters to those charged with governance and to Grant Thornton.

In connection with our engagement, professional standards require us to communicate certain matters that come to our attention to those charged with governance, such as the following:

- fraud involving senior management and fraud that causes a material misstatement



- illegal acts, unless clearly inconsequential
- significant deficiencies and material weaknesses in internal control over financial reporting
- disagreements with management and other serious difficulties encountered
- qualitative aspects of significant accounting practices, including accounting policies, estimates, and disclosures
- audit adjustments and uncorrected misstatements, including missing disclosures.

Management responsibilities

As you are aware, financial statements are the responsibility of management. Management is responsible for preparing and fairly presenting the financial statements in accordance with accounting principles generally accepted in the United States of America, which includes adopting sound accounting practices and complying with changes in accounting principles and related guidance. Management is also responsible for:

- providing us with access to all information of which they are aware that is relevant to the preparation and fair presentation of the financial statements, including disclosures, whether obtained from within or outside of the general and subsidiary ledgers; this includes all financial records, documentation of internal control over financial reporting and federal financial assistance and related information, and any additional information that we may request for audit purposes
- providing us with unrestricted access to persons within the **Council** from whom we determine it necessary to obtain audit evidence
- ensuring that the Companies identifies and complies with all laws, regulations, contracts, and grants applicable to its activities and for informing us of any known violations
- designing, implementing, and maintaining effective internal control over financial reporting, which includes adequate accounting records and procedures to safeguard the **PRLSI's** assets, and for informing us of all known significant deficiencies and material weaknesses in, and significant changes in, internal control over financial reporting
- informing us of their views about the risk of fraud within the **PRLSI** and their awareness of any known or suspected fraud and the related corrective action proposed
- adjusting the financial statements, including disclosures, to correct material misstatements and for affirming to us in a representation letter that the effects of any uncorrected misstatements, including missing disclosures, aggregated by us during the current engagement, including those pertaining to the latest period presented, are immaterial, both individually and in the aggregate, to the financial statements as a whole
- establishing and maintaining a process to address and track the status of our findings, conclusions, and recommendations, including providing management's views on such matters as well as planned corrective actions to be included in the report, in a timely manner. This includes informing us of findings and recommendations from previous audits, attestation engagements, or other studies that could have a material effect on the financial statements and whether any related recommendations were implemented.
- informing us of any events occurring subsequent to the date of the statement of financial position through the date of our auditor's report that may affect the financial statements or the related disclosures

- informing us of any subsequent discovery of facts that may have existed at the date of our auditor's report that may have affected the financial statements or the related disclosures
- distributing the report(s), including the financial statements and the reports thereon, to those officials and organizations requiring them and to make the report(s) available for public inspection upon request, as applicable.
- Evaluating whether there are conditions and events, considered in the aggregate, that raise substantial doubt about **the Council's** ability to continue as a going concern for twelve months beyond the date the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

To assist those charged with governance in fulfilling their responsibility to oversee the financial reporting process, management should discuss with those charged with governance the:

- adequacy of internal control over financial reporting and the identification of any significant deficiencies or material weaknesses, including the related corrective action proposed
- significant accounting policies, alternative treatments, and the reasons for the initial selection of, or change in, significant accounting policies
- process used by management in formulating particularly sensitive accounting judgments and estimates and whether the possibility exists that future events affecting these estimates may differ markedly from current judgments
- basis used by management in determining that uncorrected misstatements, including missing disclosures, are immaterial, both individually and in the aggregate, including whether any of these uncorrected misstatements could potentially cause future financial statements to be materially misstated.

We will require management's cooperation to complete our services. In addition, we will obtain, in accordance with professional standards, certain written representations from management, which we will rely upon.

Use of our reports

The inclusion, publication, or reproduction by **the Council** of our report in documents, such as private placement memoranda and regulatory filings containing information in addition to financial statements may require us to perform additional procedures to fulfill our professional or legal responsibilities. Accordingly, our report should not be used for any such purposes without our prior permission. To avoid unnecessary delay or misunderstanding, it is important that **the Council** give us timely notice of its intention to issue any such document.

Other services

Related non-audit services

We will also assist management to draft **the Council's** financial statements based on information in the trial balance and other information to be provided to us that is approved by you; or proposed standard journal entries to record the **PRLSI's** tax accruals, if applicable, and draft the related disclosures based on information in the trial balance and other information that is provided to us and approved by you.



As mentioned previously, the financial statements, including the data and information set forth therein, are the responsibility of management. With respect to our bookkeeping services, however, management is also responsible for:

- making all management decisions and performing all management functions
- designating an individual who possesses suitable skills, knowledge, or experience, preferably within senior management, to oversee the services
- evaluating the adequacy and the results of the services performed
- accepting responsibility for the results of the services.

Accordingly, our bookkeeping services will not include management functions or making management decisions. However, we may provide advice, research materials, and recommendations to assist you in performing your responsibilities.

Other services

Any other services that you request will constitute a separate engagement that will be subject to our acceptance procedures. Professional standards, laws, and regulations may prescribe limitations on non-audit services we may perform without impairing our independence.

Estimated fees

We estimate that our fees for our audit assurance set forth in this Engagement Letter will be as detailed below for the period from May 9, 2022 to June 30, 2023:

Services	Fees
Audit of financial statements*	\$ 20,840
Less courtesy discount	(2,840)
TOTAL ESTIMATED FEES	\$ 18,000

In addition to the above, we will also bill for actual out-of-pocket [OOP] expenses incurred, if any.

If applicable to **the Council**, our services are subject to the sales and use tax of 4% ("Special SUT"). Said Special SUT is applicable on services rendered by a merchant to other registered merchants ("B2B"), as well as on services rendered by designated professionals and excludes reimbursement of specific expenses incurred (out of pocket expenses). The Special SUT will be identified separately on the invoices and will be remitted to the Puerto Rico Treasury Department.

Our invoices become delinquent if not paid within thirty (30) days of the invoice date. If billings are past due in excess of sixty (60) days, we may stop all work until your account is brought current. You acknowledge and agree that we are not required to continue our work in the event of a failure to pay on a timely basis for services rendered as required by this Engagement Letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement because of lack of payment, we shall not be liable.



Kevane

Grant Thornton

Mrs. Carmen H Núñez
Commonwealth Plan of Adjustment Pension Benefits Council Corp

June 13, 2023
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Additional billings

Of course, circumstances may arise that will require us to do more work. Some of the more common circumstances include changing auditing, accounting, and reporting requirements from professional and regulatory bodies; incorrect accounting applications or errors in **the Council**'s records; restatements; failure to furnish accurate and complete information to us on a timely basis; and unforeseen events, including legal and regulatory changes. We are enclosing an explanation of various matters that can cause us to perform work in excess of that contemplated by our fee estimate.

At Kevane Grant Thornton, we pride ourselves on our ability to provide outstanding service and meet our clients' deadlines. To help accomplish this goal, we work hard to have the right professionals available. This involves complex scheduling models to balance the needs of our clients and the utilization of our people, particularly during peak periods of the year. Last minute client requested scheduling changes result in costly downtime due to our inability to make alternate arrangements for our professional staff.

We will coordinate a convenient time for Kevane Grant Thornton to begin work. If, after scheduling our work, you do not provide proper notice, which we consider to be one week, of your inability to meet the agreed-upon date(s) for any reason, or do not provide us with sufficient information required to complete the work in a timely manner, additional billings will be rendered for any downtime of our professional staff.

Adoption of new leasing standard

ASC 842, *Leases*, is effective for non-public business entities for annual reporting periods beginning after December 15, 2019 but also deferred for entities that have not yet applied, for fiscal years beginning after December 15, 2021 (that is, for calendar year 2022).

We will communicate with management and those charged with governance periodically to understand the Company's ASC 842 adoption and implementation plan and the progress in executing that implementation plan. As **the Council** executes its implementation plan and identifies necessary changes to systems, processes, and policies, we will request meetings and review documentation related to those expected changes.

Any work we perform related to your ASC 842 implementation is not included in the scope of work for the audit services outlined in this Engagement Letter.

Adoption of other new accounting standards

Professional and regulatory bodies frequently issue new accounting standards and guidance. Sometimes, standards are issued and become effective in the same period, providing a limited implementation phase and preventing us from including the impact in our estimated fees. In such circumstances, we will discuss with you the additional audit procedures and related fees, including matters such as the retrospective application of accounting changes and changes in classification.

Other costs

Except with respect to a dispute or litigation between Kevane Grant Thornton and **the Council**, our costs and time spent in legal and regulatory matters or proceedings arising from our engagement, such as subpoenas, testimony, or consultation involving private litigation, arbitration, industry, or government regulatory inquiries, whether made at **the Council**'s request or by subpoena, will be billed to **the Council** separately.



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Mrs. Carmen H Núñez
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June 13, 2023
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Professional standards impose additional responsibilities regarding the reporting of illegal acts that have or may have occurred. To fulfill our responsibilities, we may need to consult with **the Council** counsel or counsel of our choosing about any illegal acts that we become aware of. Additional fees, including legal fees, will be billed to **the Council**. **the Council** agrees to ensure full cooperation with any procedures that we may deem necessary to perform.

Right to terminate services for non-payment

In the event of nonpayment, we retain the right to (a) suspend the performance of our services, (b) change the payment conditions under this Engagement Letter, or (c) terminate our services. If we elect to suspend our services, such services will not be resumed until your account is paid as agreed. Alternatively, if we elect to terminate our services for nonpayment, **the Council** will be obligated to compensate us for all time expended and to reimburse us for all expenses through the date of termination.

Other matters

Relationship to Grant Thornton International Ltd

Kevane Grant Thornton is the Puerto Rico member firm of Grant Thornton International Ltd ("GTIL"), an organization of independently owned and managed accounting and consulting firms. References to GTIL are to Grant Thornton International Ltd. GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. These firms are not members of one international partnership or otherwise legal partners with each other internationally, nor is any one firm responsible for the services or activities of any other firm.

Use of third-party service providers and affiliates

Kevane Grant Thornton may use third-party service providers, such as independent contractors, specialists, or vendors, to assist in providing our professional services. We may also use GTIL member firms, or other accounting firms. Such entities may be located within or outside the United States.

Data analytics and automated data gathering

Kevane Grant Thornton is committed to improving audit quality through the use of data analytics, which uses **the Council** data collected to perform our services and includes analysis of anonymized data across clients. Kevane Grant Thornton also uses automated data gathering tools to efficiently extract large data sets needed to perform our services. These automated data gathering tools are designed to be executed by **the Council's** information technology professionals within the **the Council's** information systems environment.

Hiring of personnel

the Council acknowledges that hiring current or former Kevane Grant Thornton (or GTIL member firm) personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

Privacy

Kevane Grant Thornton is committed to protecting personal information and will maintain such information in confidence in accordance with professional standards and governing laws. **the Council**



will not provide any personal information to Kevane Grant Thornton unless necessary to perform the services described herein. When providing any personal information to us, **the Council** will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all personal information that is not necessary to perform the services described herein. Any personal information provided to us by **the Council** will be kept confidential and not disclosed to any third party unless expressly permitted by the Entity or required by law, regulation, legal process, or professional standards. **the Council** is responsible for obtaining, pursuant to law or regulation, consents from parties that provided **the Council** with their personal information, which will be obtained, used, and disclosed by Grant Thornton for its required purposes.

Documentation

The documentation for this engagement is the property of Kevane Grant Thornton and constitutes confidential information. We have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention.

Pursuant to law or regulation, we may be requested to make certain documentation available to regulators, governmental agencies, or their representatives ("Regulators"). If requested, access to the documentation will be provided to the Regulators under our supervision. We may also provide copies of selected documentation, which the Regulators may distribute to other governmental agencies or third parties. You hereby acknowledge we will allow and authorize us to allow the Regulators access to, and copies of, the documentation in this manner.

Electronic communications

During the course of our engagement, we may need to electronically transmit confidential information to each other and to third-party service providers or other entities engaged by either Kevane Grant Thornton or the Entity. Electronic methods include telephones, cell phones, e-mail, secure file transfers, use of collaboration sites, and fax. These technologies provide a fast and convenient way to communicate. However, all forms of electronic communication have inherent security weaknesses, and the risk of compromised confidentiality cannot be eliminated. **the Council** agrees to the use of electronic methods to transmit and receive information, including confidential information.

Standards of performance

We will perform our services in conformity with the terms expressly set forth in this Engagement Letter, including all applicable professional standards. Accordingly, our services shall be evaluated solely on our substantial conformance with such terms and standards. Any claim of nonconformance must be clearly and convincingly shown.

With respect to the services and this Engagement Letter, in no event shall the liability of Kevane Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors for any claim, including but not limited to Grant Thornton's own negligence, exceed the fees it receives for the portion of the work giving rise to such liability. This limitation shall not apply to the extent that it is finally determined that any claims, losses, or damages are the result of Kevane Grant Thornton's gross negligence or willful misconduct. In addition, Kevane Grant Thornton shall not be liable for any special, consequential, incidental, or exemplary damages or loss (nor any lost profits, interest, taxes, penalties, loss of savings, or lost business opportunity) even if Kevane Grant Thornton was advised in advance of such potential damages. This paragraph and the paragraph directly below shall apply to any type of claim asserted, including contract, statute, tort, or strict liability, whether by **the Council**, Kevane Grant Thornton, or others.



Further, **the Council** shall, upon receipt of written notice, indemnify and hold harmless Kevane Grant Thornton and its present, future, and former partners, principals, directors, employees, agents, and contractors from and against any liability and damages (including punitive damages), fees, expenses, losses, demands, and costs (including defense costs) associated with any claim arising from or relating to **the Council's** knowing misrepresentations or false or incomplete information provided to Kevane Grant Thornton. In the event of any controversy or claim against Kevane Grant Thornton arising from or related to the services described herein, Grant Thornton shall be entitled to defend itself from such controversy or claim and to participate in any settlement, administrative, or judicial proceedings.

It is expressly agreed by **the Council** and Kevane Grant Thornton that any claim by, or on behalf of either party, arising out of services or this Engagement Letter, whether it be in contract, tort, or otherwise, shall be deemed waived if a claim is filed more than two (2) years from: (i) the date of the report(s) issued by Kevane Grant Thornton; or (ii) the date of this Engagement Letter if no report has been issued.

If because of a change in the **the Council's** status or due to any other reason, any provision in this Engagement Letter would be prohibited by laws, regulations, or published interpretations by governmental bodies, commissions, state boards of accountancy, or other regulatory agencies, such provision shall, to that extent, be of no further force and effect, and the Engagement Letter shall consist of the remaining portions.

Dispute resolution

Any controversy or claim arising out of or relating to the services, related fees, or this Engagement Letter shall first be submitted to mediation. A mediator will be selected by agreement of the parties, or if the parties cannot agree, a mediator acceptable to all parties will be appointed by the American Arbitration Association ("AAA"). The mediation will proceed in accordance with the customary practice of mediation. In the unlikely event that any dispute or claim cannot be resolved by mediation, we both recognize that the matter will probably involve complex business or accounting issues that would be decided most equitably to us both by a judge hearing the evidence without a jury. Accordingly, to the extent now or hereafter permitted by applicable law, **the Council** and Grant Thornton agree to waive any right to a trial by jury in any action, proceeding, or counterclaim arising out of or relating to our services or this Engagement Letter.

If the above jury trial waiver is determined to be prohibited by applicable law, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Grant Thornton office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that pre-hearing discovery must be specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS (Judicial Arbitration and Mediation Services, Inc.), the Center for Public Resources, the International Institute for Conflict Prevention and Resolution, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during



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Mrs. Carmen H Núñez
Commonwealth Plan of Adjustment Pension Benefits Council Corp

June 13, 2023
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the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

Authorization

This Engagement Letter sets forth the entire understanding between **the Council** and Kevane Grant Thornton regarding the services described herein and supersedes any previous proposals, correspondence, and understandings, whether written or oral. If any portion of this Engagement Letter is held invalid, it is agreed that such invalidity shall not affect any of the remaining portions.

Please confirm your acceptance of this Engagement Letter by signing below and returning one copy to us.

Sincerely,

KEVANE GRANT THORNTON LLP

Eduardo J. Herencia, CPA
Audit Partner

Enc: Matters that can cause work in excess of fee estimate

/ejh



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Agreed and accepted

The matters expressed herein related to Audit and Tax services to be provided by Kevane Grant Thornton LLP¹ for the period from May 9, 2022 June 30, 2023, and the billing arrangement pertinent thereto, are acceptable.

Commonwealth Plan of Adjustment Pension Benefits Council Corp.

Mrs. Carmen H Núñez, President

Date: _____

¹ Kevane Grant Thornton LLP and any of its contractors and subcontractors shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(e). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regards to race, color, religion, national origin, protected veteran status or disability.



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Matters that can cause work in excess of fee estimate

We want you to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. However, in seeking to provide you with such value, we find there are various matters that can cause us to perform work in excess of that contemplated by our fee estimate. The following explains the matters that arise most frequently.

Changing requirements

Today, there are numerous governmental or rule-making bodies that regularly add or change various requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, three types of situations make this difficult. Sometimes, these new requirements are not communicated in time for us to anticipate their effects in our preliminary planning. Secondly, in spite of our anticipation and planning, the work necessary to comply with new requirements may be underestimated. Finally, in some instances, you may decide that it is advantageous to you to have the new requirements applied immediately.

Incorrect accounting applications or errors in your records

We generally form our fee estimates on the expectation that your accounting records are in good order so that our work can be completed based upon our normal testing and other procedures. However, should we find numerous errors, incomplete records, or disorganized bookkeeping methods, we will have to do additional work to determine that the necessary corrections have been made and properly reflected in the financial statements.

Lack of audit facilitation or timely preparation

To minimize your costs, we plan the means by which your personnel can facilitate the audit (for example, what schedules they will prepare, how to prepare them, the supporting documents that need to be provided, and so forth). We also discuss matters such as availability of your key personnel, deadlines, and working conditions. Indeed, the information concerning these matters that you furnish to us is a key element in our fee quotation. Therefore, if your personnel are unable, for whatever reasons, to provide these materials on a timely basis, it may substantially increase the work we must do to complete the engagement within the established deadlines. Moreover, in some circumstances, this may require a staff withdrawal, as discussed below.

Staff withdrawal

A staff withdrawal consists of our removing one or all staff because the condition of your records, or the inability of your personnel to provide agreed upon materials within the established timetable, makes it impossible for us to perform our work in a timely, efficient manner, as established by our engagement plan. Sometimes, a complete staff withdrawal is necessary to permit an orderly audit approach. A staff withdrawal is not necessarily an adverse reflection on your personnel. However, it involves additional costs, as we must reschedule our personnel, incur additional start-up costs, and so forth, to prevent total engagement costs from increasing significantly.

Unforeseen events

Even though we communicate frequently with clients and plan our engagement with management and their staff, unforeseen events can occur. Examples include accounting problems, litigation, changes in your business or business environment, contractual or other difficulties with suppliers, third-party service providers, or customers, and so forth. When those circumstances occur, additional time is needed to provide you with assistance and to complete our engagement in accordance with professional standards. Again, we emphasize that we strive to give you optimum value for our professional services. Fee quotations are provided based upon the facts and circumstances that you describe to us. However, unlike the sale of products, the performance of professional services is affected by many variables, such as the foregoing, which may cause fee estimates to change.



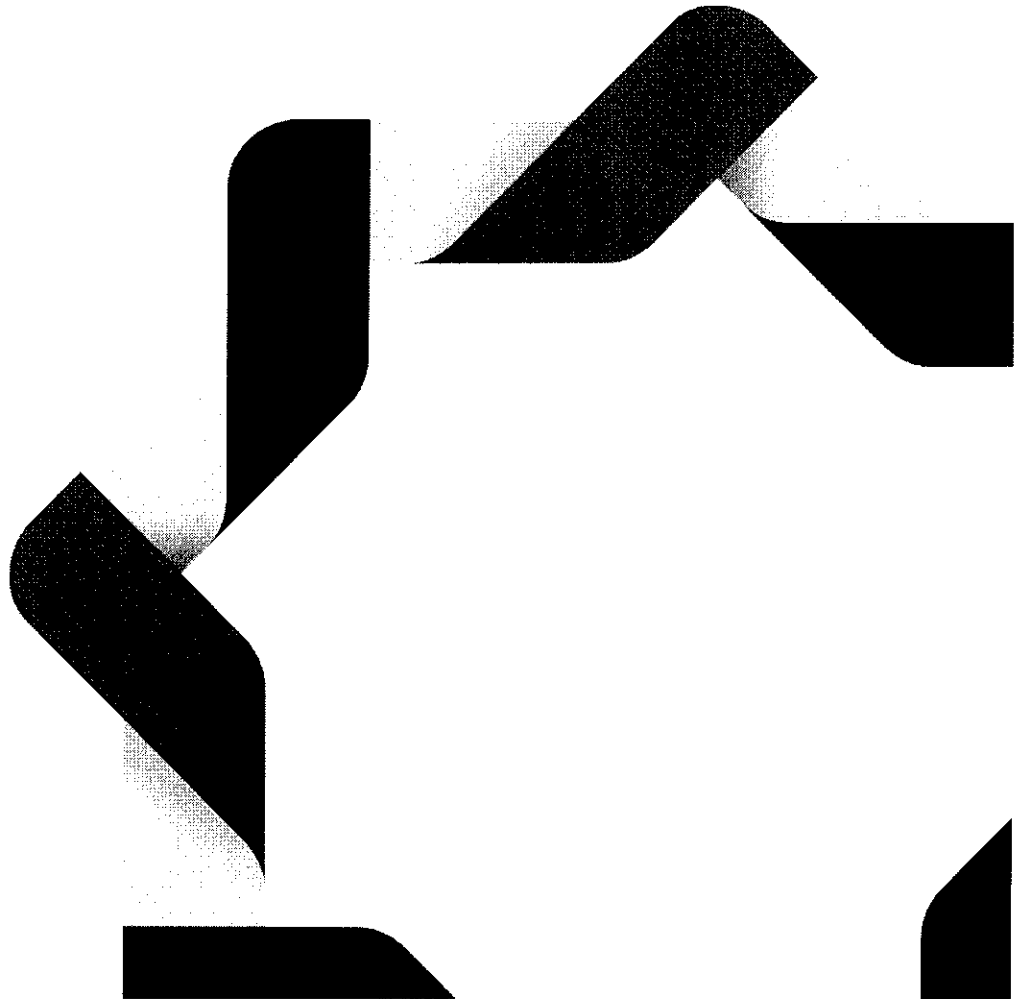
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Commonwealth Plan of Adjustment Pension Benefits Council Corp.

Assurance services proposal

May 31, 2023



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May 31, 2023

Mr. Francisco del Castillo Orozco, Esq.
Bennazar, García & Milián, CSP
416 Ponce de León Ave.
Union Plaza Bldg., 1701
Hato Rey, P.R. 00918
**Commonwealth Plan of Adjustment
Pension Benefits Council Corp**

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Dear Mr. del Castillo-Orozco:

All stakeholders at **Commonwealth Plan of Adjustment Pension Benefits Council Corp.** ("the Pension Benefits Council", "the Organization", or "the Council" or) have a vested interest in your financial performance and the integrity of your operations. As you consider a new provider for audit assurance, Kevane Grant Thornton, LLP (Kevane Grant Thornton) is sensitive to the obvious and subtle ways our professional team can impact your success.


The industries of your Organization are globally competitive. As an Organization, you take significant care in your approach to evaluating new opportunities as you do in working with your management team to accelerate growth. We have extensive experience working with universities and not-for-profit entities like yours, and we understand what is important to your owners and your management team. We are well positioned to assist you in achieving your highest-priority objectives.

Working with us means that you will be working with a local team of experienced professionals who have driven success in this profession. If the scope of the work requires it, they will be supported by our national assurance and tax leadership teams and will provide you with the necessary strength to meet your needs for high quality and cost effective audit of your financial statements services.

We value your time and have structured this proposal to give you only the information you need to make a well-informed decision. The proposal is focused on two primary sections: Your Priorities and Solutions for **Pension Benefits Council**. In addition, the Profiles section includes additional information about the team to be in charge of this work.

Yours sincerely,

Luis Carlos Marcano
Managing Partner

The page features a large, abstract graphic design on the right side, composed of several overlapping, rounded rectangular shapes in black and white. A halftone dot pattern is visible in the white areas, creating a textured effect. The shapes are arranged in a way that suggests depth and movement, with some appearing to be layered on top of others. The overall aesthetic is modern and minimalist.

“Being able to reach out to the partners, managers and seniors directly, gives us, the client, the ability to sort out issues quickly and effectively.”

CFO – Hospitality Industry

Pension Benefits Council needs are understood

We have listened to what is important to you and made sure we pinned down your ambition before we came up with an answer.

Every business is unique

Kevane Grant Thornton understands that every business has different needs and interests when selecting a provider. This section of our proposal captures the specific needs the Organization has expressed, describes the benefits that you will receive from us to address those needs, and provides relevant, tangible evidence that demonstrates our experience providing results to clients similar to the Pension Benefits Council.

Our goal

Every commercial decision presents risks. As advisors, we apply our reason and instinct to the decisions we make, and we understand that you do the same. Our goal is to provide the Pension Benefits Council the assurance that Kevane Grant Thornton understands the instincts which drive you and your operations and has sound technical solutions necessary to meet the needs you have said are most important to the Organization.

You will receive

- proven sector experience
- true value for reasonable fees
- team assigned to your account with the technical skills, background and capabilities to address your issues
- effective collaboration with your team
- a commercial perspective to the audit
- a smooth transition
- global coverage to suit your needs and effectively coordinate the engagement

A smooth transition between providers

We are experienced in transitioning from previous service providers and our transition plan will minimize the disruption to your team. We will spend time working with you and your team to ensure that you know precisely what is happening. In addition, there will also be other areas in which we will be working behind the scenes to ensure the process runs smoothly.

Our transition team is the delivery team who will work on the engagement. We believe this is the most efficient means of facilitating knowledge transfer to your new audit team. By using the same team to manage the transition and manage the overall engagement, it is our belief that the information gathered can be more quickly utilized to help shape the future of the engagement. We do not believe that a separate transition team would provide any significant benefit to the Pension Benefits Council.

Understanding the industry

We are valued for our deep technical expertise and insights into your industry and its regulatory landscape. Whatever your ambitions are, Kevane Grant Thornton can help you get there.

Our expertise

You will be served by a team with in-depth understanding of the processes and commercial norms for organizations or entities like yours. Kevane Grant Thornton will begin work quickly, with few transition issues, allowing you to stay focused on your core business objectives.

Kevane Grant Thornton currently serves several entities in this market. Kevane Grant Thornton currently serves several entities in the not for profit industries (identified below) and our team members have significant experience in serving such industries (see Profiles section below). Our experience on both local and international matters in this sector is well-established, and we will share that experience with you through regular meetings with your leaders.

Representative clients in the not-for-profit sector

- Foundation for Puerto Rico (Not-for-profit sector)
- Puerto Rico Legal Services (Not-for-profit sector)
- Asesores Financieros Comunitarios (Not-for-profit sector)
- Sistema Universitario Ana G. Méndez (Higher Education Industry)
- Sistema Universitario Ana G. Méndez (Higher Education Industry)
- NUC Organization College (Higher Education Industry)
- Tiber Health Public Benefit Corporation/Ponce Health Sciences Organization (Higher Education Industry)
- Caras of the Americas-Escuela con Causa (under the

Public-School Alliance Program of the Department of Education)

- Caribbean Consolidated Schools, Inc.-Parkville School and Commonwealth High School (elementary and secondary education)
- Colegio San Ignacio de Loyola (former client) (Secondary Education)
- Robinson School, Inc. (elementary and secondary education)
- Hogar Escuela Sor Maria Rafaela, Inc. (Not-for-profit sector)
- Instituto Psicopedagógico de PR (Not-for-profit sector)
- Fideicomiso Olímpico de Puerto Rico (Not-for-profit sector)
- Fundación Sila Maria Calderón (Not-for-profit sector)
- Luis A Ferré Foundation, Inc. (Not-for-profit sector)
- Puerto Rico Community Foundation (Not-for-profit sector)
- Universidad Sagrado Corazón (former advisory engagement-Internal Audit outsourcing)
- Pontifical Catholic Organization Ponce (former advisory engagement-risk management analysis)

Our firm and some of our management team who will be available to serve in this engagement, have been involved in single audits and other types of compliance audits over the years, among which please find some of the most noticeable examples:

Single Audit related work

- US Virgin Islands
- Puerto Rico Aqueduct and Sewer Authority
- Organization of Puerto Rico Comprehensive Cancer Center
- Puerto Rico Convention Center District Authority
- Puerto Rico Department of Education
- Puerto Rico Housing Finance Authority
- Water Pollution Control Revolving Loan Fund (under Environmental Protection Agency)
- Safe Drinking Water Revolving Control Fund (under Department of Health)
- Environmental Quality Board and Natural Resources
- Puerto Rico Department of Labor and Human Resources (grant management corrective action plan)

- Puerto Rico Department of Housing (Internal Audit outsourcing CDBG-DR programs)

Please find below a list of just a few of the retirement plan audit engagements we are involved with:

Retirement Plans representative clients

- Motorambar Cash or Deferred Arrangement Plan
- Pall Retirement Plan for Puerto Rico Employees
- Golden Arch Development Corporation Savings and Profit Sharing Plan (D/B/A McDonald's)
- 1081.01 Retirement Plan for Employees of DDB Latina Puerto Rico, Inc.
- CCL Label, Inc. Retirement Plan
- Destilería Serrallés Retirement Plans
- Serrallés Hotel, Inc. Retirement Savings Plan
- Serrallés Hotel, Inc. Pension Plan
- WLII/WSUR, Inc. 401K Savings Plan for Puerto Rico Employees (Univision)
- Pratt & Whitney Puerto Rico, Inc. Employees' Retirement Plan
- Teva Pharmaceuticals Retirement & Savings Plan (Puerto Rico)
- National College of Business & Technology, Inc. 1165(e) Retirement Plan
- O'Neill & Borges Employees' Pension Plan
- Suiza Dairy Plan de Participación de Ganancias de Empleados y sus Afiliadas
- Partners Business Services, Inc. Retirement Plan
- Robinson School, Inc. Retirement Plan
- Trafon Group Retirement Plan
- GFR Media LLC Retirement Saving Plan for Union Employees
- GFR Services, Inc. Retirement Savings Plan
- Colgate-Palmolive Puerto Rico Employees Retirement Plan

Other representative clients- multinational and local

- Triple S Group
- Aerostar Airport Holding LLC
- PRISA Group
- Méndez & Co.
- Pueblo Inc.
- Holsum de Puerto Rico
- Trans-Oceanic Life Insurance Company (TOLIC)
- Island Finance LLC
- Abarca Group
- Pepsi-Cola Puerto Rico Distributing, LLC
- Destilería Serrallés, Inc.
- Robinson School, Inc.
- Wal-Mart Puerto Rico, Inc.

- O'Neill & Borges LLC
- McConnell Valdés LLC
- Univision of Puerto Rico, Inc.
- Wendco of Puerto Rico, Inc. (Wendy's)
- Bed, Bath & Beyond, Inc.
- Praxair Puerto Rico, Inc.
- Dufry Puerto Rico
- Otis Elevator, Inc.
- Infotech Aerospace Services, Inc.
- Hamilton Sundstrand de Puerto Rico
- Hyatt Hotels Group
- BBDO Puerto Rico, Inc.
- St. James Security Services, Inc.
- Jones Lang Lasalle (Puerto Rico), Inc.
- Caribbean Consolidated Schools, Inc.
- Among others

Leading the way in the market

We have a strong presence and influence within the market to ensure that the challenges that our clients face are being represented.

A focus on Kevane Grant Thornton

Kevane Grant Thornton is the leading accounting and business advisory firm in Puerto Rico within local and international firms, with 45 years of experience providing accounting services and business advisory. Since 1984 we are the Puerto Rico member firm of Grant Thornton International Ltd, and in 2008 we became appointed an International Business Center (IBC) of Grant Thornton. We focus on dynamic individuals, organizations and companies with ambition and growth plans, just like us. These dynamic organizations vary from small proprietorships, to middle-market and listed companies. Our fine reputation and goodwill are based on a consistent delivery of professional services with the highest technical and ethical standards. The firm is registered to do business in the US Virgin Islands.

Grant Thornton International Ltd

Grant Thornton International is one of the world's leading organizations of independent assurance, tax and advisory firms. These firms help dynamic organizations unlock their potential for growth by providing meaningful, forward-looking advice. Proactive teams led by approachable partners in these firms, use insights, experience, and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them find solutions. More than 68,000 Grant Thornton people, across over 145 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

Teams in member firms worldwide work and train together, sharing industry experience, technical expertise, and a commitment to excellence. Whatever the geographic location, we apply the same insight, flexibility and relevant experience. We examine each transaction objectively and work to involve all parties to ensure you receive the highest quality advice, providing a truly distinctive client experience which is unmatched by our competitors.

1975	Kevane Grant Thornton (formerly Kevane Peterson Soto & Pasarell), was founded by Mr. Donald J. Kevane
1984	We became the Puerto Rico member of Grant Thornton International
2008	We were appointed as International Business Center of Grant Thornton International
2010	We are registered to do business in the U.S. Virgin Islands
2014	Rodríguez and Luis, CPA, P.S.C. Integrated the Firm strengthening our advisory practice
2016	We were appointed to undertake transfer-pricing services as a fully authorized firm
2020	We celebrated our 45th Anniversary
2021	Three partners along with a group of 30 professionals from LHD Americas integrated the Firm, strengthening our audit and advisory practice.

International Business Center

As an International Business Center (IBC) of Grant Thornton International, our IBC strategies respond to an increasing domestic competition, the global marketplace with its ever-growing significance and accessibility of services to serious business propositions for expanding companies. Major strategic decisions need to be taken when an Organization resolves to develop international business.

To be accredited as an IBC, a Grant Thornton member firm must demonstrate high degree of expertise in a range of competencies. Drawing on our global knowledge and on-field practice our clients will benefit from skills, experience and extensive business contacts that are located in major business centers around the world and are led by experienced partners in cross-border transactions. In Puerto Rico our team is integrated by personnel who has vast experience in local and international businesses. Our professionals focus on understanding your particular needs and seek the most appropriate team to deliver a solution, whether in respect of inbound investment or export-led expansion.

The Puerto Rico based IBC unit is directed by Isabel Hernández, who, besides her on-going responsibilities as a tax partner, promotes the Grant Thornton global brand to increase awareness of our international service capabilities.

A firm that exceed your expectations

Our clients come to us for our global scale, quality and deep technical ability and local expertise. They also value our knowledge of their regulatory landscape and industry standards. Part of what sets us apart is our client experience, which focuses on collaboration across service lines to bring out the best resources.

To achieve their ambitions, dynamic organizations in every industry call on our audit and assurance, tax, advisory and outsourcing services. Some of our services area:

Audit and assurance	Tax advice	Specialist advisory services	Outsourcing
<ul style="list-style-type: none"> • Financial statements audits • Financial statements compilations and reviews • Regulatory compliance and reporting • IFRS reporting • Independence control testing • Agreed-upon procedures • Employee benefit plans audits 	<ul style="list-style-type: none"> • Puerto Rico and United States tax returns for individuals, estates and trusts • Puerto Rico and United States tax returns for corporations and partnerships • Full tax compliance assistance with US laws and regulations • Tax consulting and planning in the corporate and individual business areas including Act 20 and Act 22 • Dealings with government agencies • "Impuestos sobre Ventas y Uso" (IVU) Check Up • Transfer pricing • Expatriates for executives transferred to or from Puerto Rico • Research on tax elections • Projections • Special compliance audits in the area of indirect taxes • Personal, estate and succession planning 	<ul style="list-style-type: none"> • Special attestation services • Internal audit • Regulatory services • Service organization reports (SOC) • Performance improvement • Forecast and projections • Business plan development • Internal control review • Finance management • M&A advisory • Financial modeling • Valuations • Due diligence • Restructuring and turn around • Bankruptcy/insolvency services for debtors and creditors • Fraud and regulatory investigations • Computer forensics • Expert witness • Corporate and individual damage assessments • Governance, risk and compliance 	<ul style="list-style-type: none"> • Support in the start-up of a business • Registration with corresponding agencies • Processing or reviewing of accounting records and periodic financial analysis • Informative returns preparation • Supervision and review of accounting departments • Compliance with laws and regulations • Preparation of financial statements • Payments of suppliers, billing and bank reconciliations • Payroll processing • Payroll tax returns preparation • Payment to employees • Payroll and payroll tax deposits • Recruiting of financial professionals • Personnel training

Services overview



The Kevane Grant Thornton audit approach

Your Organization will receive a high-quality audit of your financial statements from Kevane Grant Thornton. Designing a tailored audit program customized for your business, will combine the collective skills and experience of audit professionals to deliver an audit that is efficient and provides assurance to your key stakeholders.

Our team will bring knowledge and experience to the work we perform for the Organization; it is this fundamental aspect of our culture which truly differentiates us from our competitors.

Our approach will include:

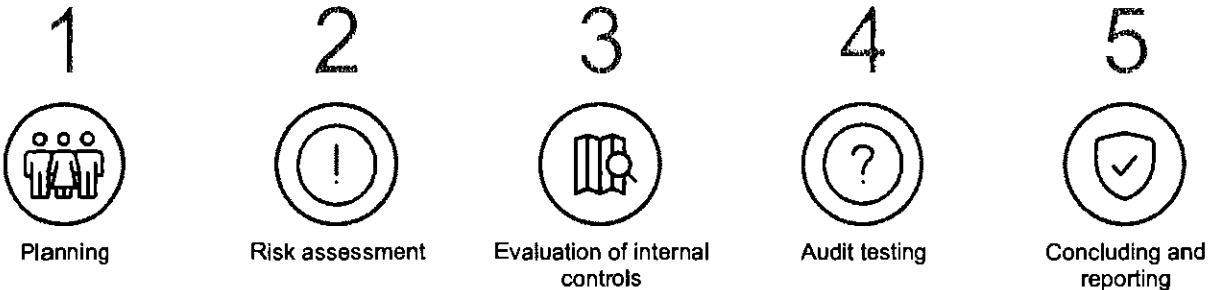
- regular interaction and communication with the audit committee and your management team
- a quality team with a responsive office support
- comprehensive planning
- use of innovative technology
- transparency throughout the process

Value in the audit approach

We understand that each client has a different definition of "value" when receiving audit services. To ensure you receive the value that is most critical to your stakeholders, we begin our work by gathering a highly qualified team. The team will be comprised of dedicated audit professionals who understand your business, as well as, your industry, and may also include firm specialists in areas such as tax, advisory, and information technology, as needed. Finally, your team will be supported by a responsive office to provide guidance if any complex issues arise during the audit. Together, this team not only delivers a high-quality audit to stakeholders, but they will also take the opportunity to provide additional value to your business by providing insights and observations about topics that are important to you – insights which may lead to new ways of thinking, performance improvement, or efficiencies. You can be confident that at Kevane Grant Thornton we believe every audit should provide additional value to you and your teams.

The audit process

We summarize the key steps of the audit process as follows:



Planning

We will obtain our understanding of your operations, internal controls and information systems, and will plan an audit timetable together.

Risk assessment

The knowledge gained from planning will be used to assess financial reporting risks, and therefore customize our audit approach to focus our efforts on key areas.

Evaluation of internal controls

We will evaluate the design of the controls you implemented over the financial reporting risks and identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls and provide you with information about the areas where you could potentially improve your controls.

Audit testing

We will perform tests of account balances and transactions and use technology and tools, including data interrogation tools, to perform this process in a way that enhances effectiveness and efficiency.

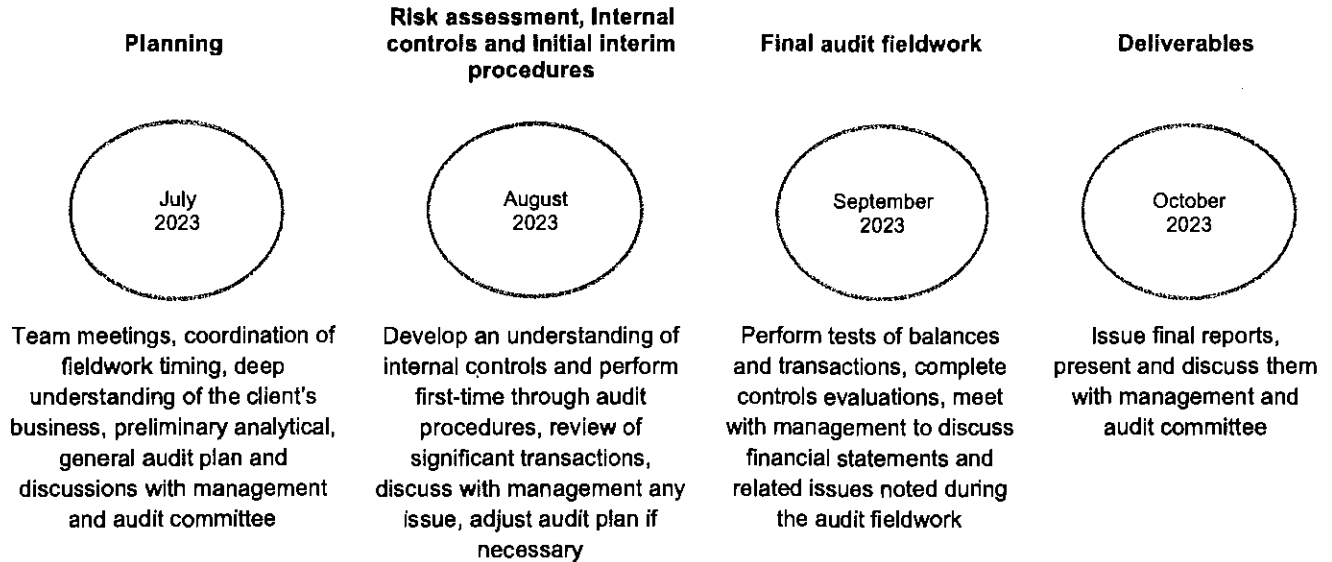
Concluding and reporting

We will conclude on the sufficiency and appropriateness of our testing and finalize our report providing you with our observations and recommendations.

Pension Benefits Council transition timetable

We are committed to providing the appropriate resources, experience and efficient processes to your Organization's deadlines for the Audit.

Timetable – Audit Pension Benefits Council



Fees and Contracts with Government of Puerto Rico

In arriving at our fee proposal we have carefully considered the need to provide you with value for money.

Transparency is important to us at Kevane Grant Thornton, so we would be happy to discuss this aspect of our proposal with you in more detail.

We have a policy of being open and transparent regarding fees to all of our clients. Our overall fee proposal for the Organization is set out below. We believe you will derive value from engaging Kevane Grant Thornton as your auditors and your Organization can be confident that its investment in Kevane Grant Thornton is well placed, knowing that the benefits of our services far outweigh our fees. You will have complete clarity at the beginning of each engagement of what we will deliver, at what cost, and the goals and return you should achieve. You can also operate secure in the knowledge that you will not experience surprises relative to fees.

Though professional services are often viewed as a commodity, the truth is that you should expect additional value from your provider. Kevane Grant Thornton assures that we will look beyond the service we provide to create additional, commercial opportunities to help you move toward your goals.

This engagement is designed to ensure complete audit services for the Organization. Our scope will be agreed with management prior to commencing the work.

We would expect to discuss the scope of our services annually with management and to determine annually the needs and goals for the upcoming year. We agree to discuss prior to the engagement all specific data related to the audit work to mutually agree on an initial calendar.

Our proposed fees have been prepared based on our experience of auditing other entities of similar size in higher education industry assuming that:

- the engagement timetable is agreed at the planning meeting and adhered to
- the assignment is pure audit and does not involve significant accounting work
- management accounts, together with the agreed supporting schedules are available on commencement of the audit
- key personnel is available during normal business hours throughout the audit to deal with queries raised and respond in a timely manner to any additional requests for information
- any additional services will be subject to an additional fee which will be agreed with you before the work is undertaken.

The fees quoted include answering routine inquiries arising during the year, thus encouraging continuous dialogue with you and your team.

Our clear intention is to keep a consistent team in place; however, we retain the right to make certain changes in personnel throughout the duration of the engagement term of three years. Certain conditions may warrant us to change personnel based on departure, promotions, or additional resources more suited for this engagement.

The following table presents our time and cost proposal in connection with the proposed services to be provided to Pension Benefits Council, as requested, for the period from May 9, 2022 to June 30, 2022 and the calendar year ended June 30, 2023:

	Hours	Rate per Hour	Total
Partners and Directors	9	\$260	\$ 2,340
Manager	25	\$180	\$ 4,500
Senior	61	\$140	\$ 8,540
Staff	52	\$105	\$ <u>5,460</u>
Subtotal			\$20,840
Courtesy discount			(\$ <u>2,840</u>)
Total fees for audit			\$ <u>18,000</u>

In addition to the above, we will also bill for actual out-of-pocket [OOP] expenses incurred, if any. Although we usually charge a 7% administrative fee based on actual charges billed, we will waive this fee as evidence of our sincere interest in beginning a mutually rewording business relationship.

If applicable to your Organization, our services are subject to the sales and use tax of 4% ("Special SUT"). Said Special SUT is applicable on services rendered by a merchant to other registered merchants ("B2B"), as well as on services rendered by designated professionals and excludes reimbursement of specific expenses incurred (out of pocket expenses).

Accounting issues may surge during the audit, which would be discussed at such time. As such issues, should they arise, have not been identified yet, their impact is not considered in this proposal.

The Special SUT will be identified separately on the invoices and will be remitted to the Puerto Rico Treasury Department.

Kevane Grant Thornton has contracts with the following Puerto Rico entities:

Contracts with Government of Puerto Rico

- Puerto Rico Fiscal Agency and Financial Advisory Authority
 - Audits of:
 - Puerto Rico Municipal Finance Authority
 - Puerto Rico Telephone Authority
 - Puerto Rico Maritime Shipping Authority
- Government Development Bank
- Puerto Rico Convention Center District Authority
- Puerto Rico Aqueduct and Sewer Authority
- Department of Housing
- Puerto Rico Public Private Partnerships Authority
- University of Puerto Rico Comprehensive Cancer Center

Your team

We offer a genuine collaborative approach and want to build a close working relationship with you, ensuring a consistent service delivery that is flexible.



Our commitment to the client experience is at the heart of everything we do.

One of the most critical process of the decision to appoint your auditors is choosing the people who will work with you. This is not just a decision about who will sign off your next financial statements, but the selection of a team you actually want to work with; a team you can see adding real value in the next stage of your growth and development.

You need to feel that the team you choose will need to become true trusted advisors to you and to the business – supportive but never afraid to tell you what they really think, delivering advice, which is technically correct, but with a

pragmatic view to the commercial challenges you are facing. We believe that our people will make a difference to your business and will bring a fresh hands-on approach that you will appreciate. The development and management of strong working relationships between our teams is vital in providing an efficient, high quality and proactive service.

Your Kevane Grant Thornton team will minimize disruptions to your operations, directly address stakeholder concerns, and deliver high-quality services aligned to both your overall commercial strategy and sector expectations. We are distinctive in that the senior members of this team are leaders in our office, and in their field. Together, **Eduardo Herencia**, **Victor Monserrate**, **Fernando Pérez** and **Reylam Guerra**, among others, offer vast experience providing services to companies in similar positions to your Organization.

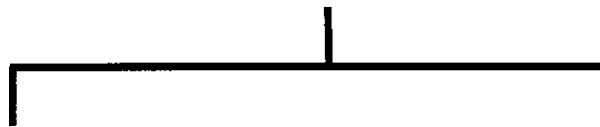
The team we have put together for the Organization, brings strong experience in the areas that matter to you. They work together with similar entities and understand the importance of an audit relationship, which delivers not only certainty on the robustness of the numbers, but also provides insight to management in telling a compelling story to investors and analysts helping a business grow.

Your team

AUDIT TEAM



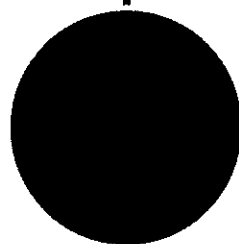
Eduardo Herencia
Customer Relationship and
Audit Partner



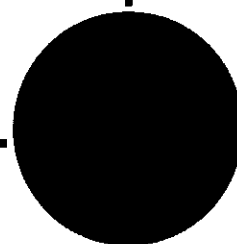
Victor Monserrate
Audit Director



Aida Ramírez
Audit Partner



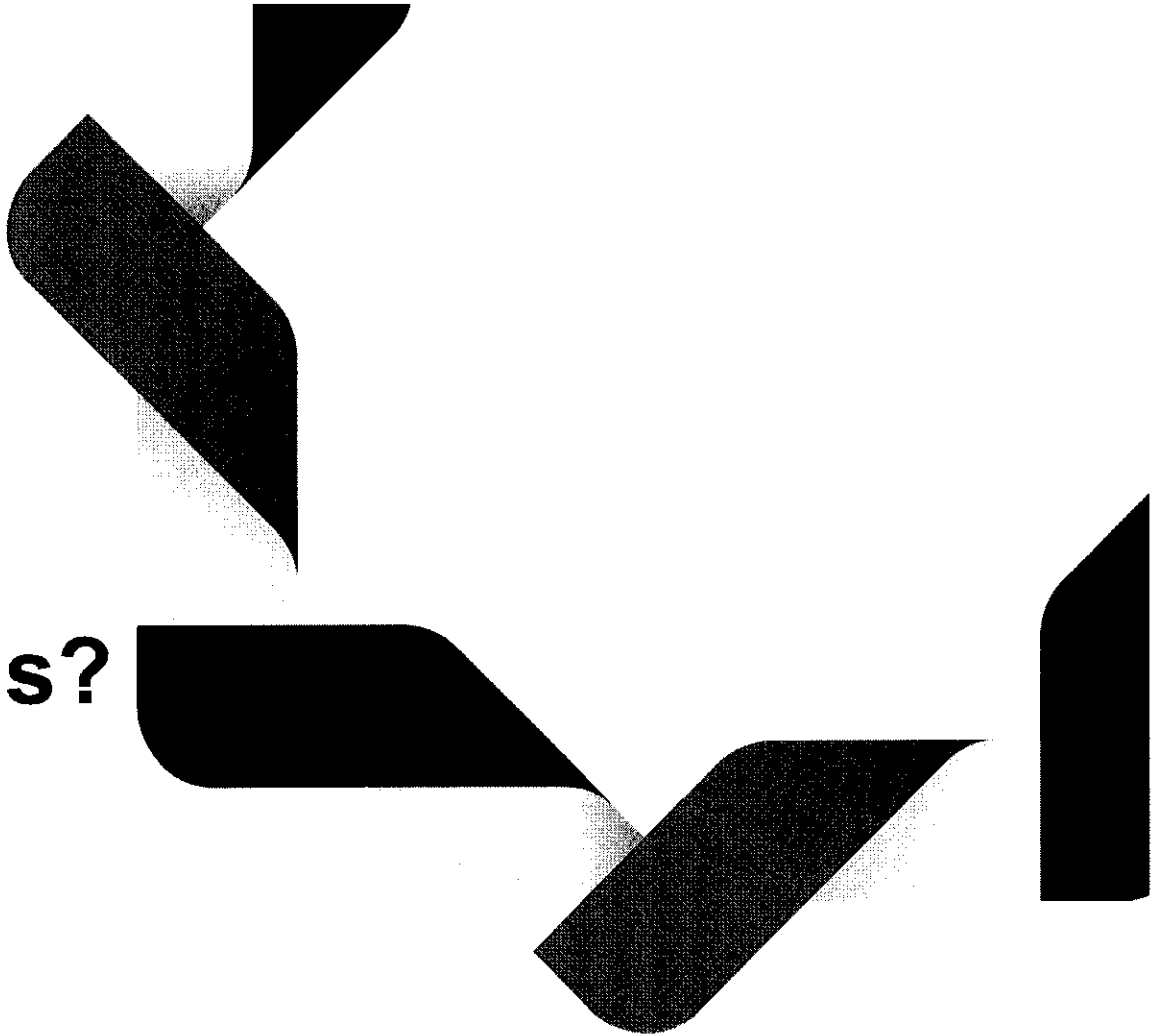
Reylam Guerra
Audit Manager



Fernando Pérez
Audit Manager



Why us?



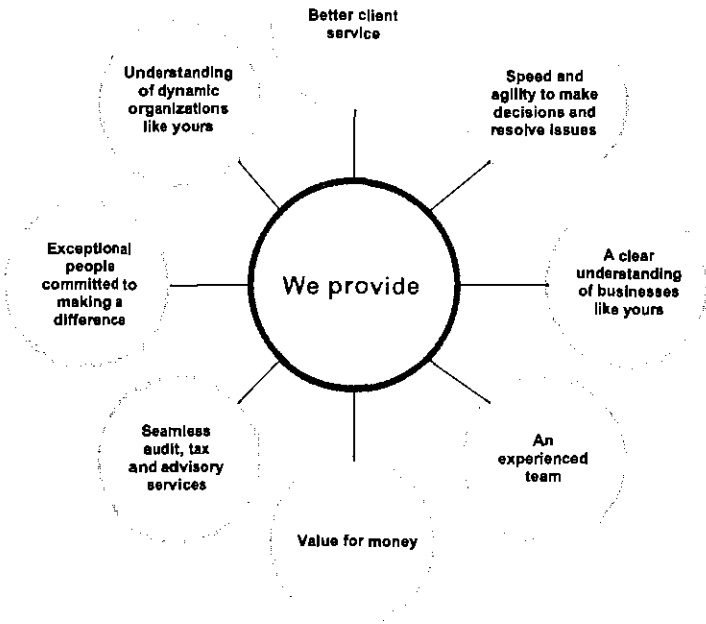
Why Kevane Grant Thornton is different

With 47 years of experience serving a diverse group of industries and highly qualified empowered people producing work of excellent quality, Kevane Grant Thornton is the best alternative for your business.

A large group of professionals enables our senior practitioners to be actively involved in the planning and execution of an engagement and to maintain a close professional relationship with each client. We work in partnership with our clients to help them achieve their goals, and we distinguish ourselves by providing accessibility and responsiveness at all practitioner levels. We focus in assisting our clients in identifying alternatives for reducing costs, while delivering a whole range of services with international methodologies and experience, improving corporate governance for the business community.

At Kevane Grant Thornton, we recruit competent, confident people who are excited about what we do as a firm and who see their future in developing client relationships that build the business.

Based on what we have heard from you, we highlight below some of the aspects we believe makes us different and uniquely placed to provide the Pension Benefits Council with audit services.



Local team

Our competitive advantage includes our use of software technology, experience in working with international clients, language skills, and commitment to value and excellence.

Local reach and expertise

Kevane Grant Thornton is a leading provider of audit, tax, advisory and outsourcing services within the international and local firms.

What really outstands our firm from the competition is how we:

- apply strong technical guidance and breadth of experience to ensure that clients receive a truly different experience,
- are committed to making a difference for our clients, our firm and the communities in which we live and work,
- react quickly to needs and issues,
- make our decisions locally rather than moving issues up through a complex chain of command.

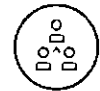
Ponce location office

Our Firm has a local office in Ponce that provide the necessary support to our clients in the southern area.



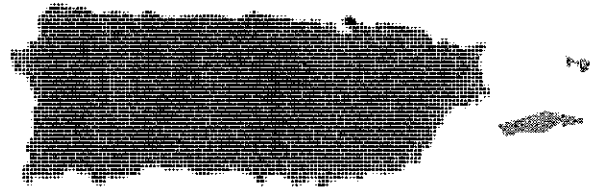
18

Partners in Puerto Rico



190+

Professionals in Puerto Rico



Distinctive client experience

Distinctive client service is what differentiates us from the others. It defines how we help our clients succeed and lead – today and tomorrow.

We discover what's important to you and make it important to us

Our culture is built on a genuine interest in our clients – their challenges, growth ambitions and wider commercial context. You get the attention you deserve from approachable, senior professionals who ask the right questions, listen and provide real insight and a clear point of view.

The bottom line

- A relationship-led approach with more time and attention from partners and senior advisers
- A deeper understanding of your business for more meaningful advice and recommendations

Agile and responsive service

Our size and structure create advantages for you. We adopt a flatter structure, with shorter decision-making chains, empowered teams and no complex chains of command. We have all the necessary processes and controls, but they are streamlined and efficient. Our teams are more responsive.

The bottom line

- A faster response when you need quick answers and clarity
- Anticipating the answers you will need before you ask

Pragmatic solutions to help you improve and grow

Our teams bring ideas to the table, going beyond the technical issues to recommend ways to improve your business. We balance a desire to do what is best for you in the future with an experienced sense of what's going to help you now.

The bottom line

- Helping you think ahead and think more broadly
- Proactively identifying opportunities for improvement and growth

Collaborative teams with a different mindset

Our people are open, accessible and easy to work with. We work through the issues alongside you, always with an independent perspective and challenging where necessary. Our collaborative style also enables us to assemble teams across service lines, industries and geographies to tailor our capabilities for you.

The bottom line

- Teams and solutions built around your needs not our structures
- A better working relationship with you and your team

Awards

It is great to be collectively competitive. Our awards acknowledge how we help dynamic organizations grow through our independent assurance, tax, advisory and outsourcing services. Seeing our clients achieve their goals: that is a big reward for us.

Global team

We are a network of independent assurance, tax and advisory firms, made up of over 68,000 people in more than 145 countries. And we are here to help dynamic organizations unlock their potential for growth.

For more than 100 years, Grant Thornton member firms have helped dynamic organizations realize their strategic ambitions. Whether you are looking to finance growth, manage risk and regulation, optimize your operations or realize stakeholder value, we can help you. We have got scale, combined with local market understanding. That means we are everywhere you are, as well as where you want to be.



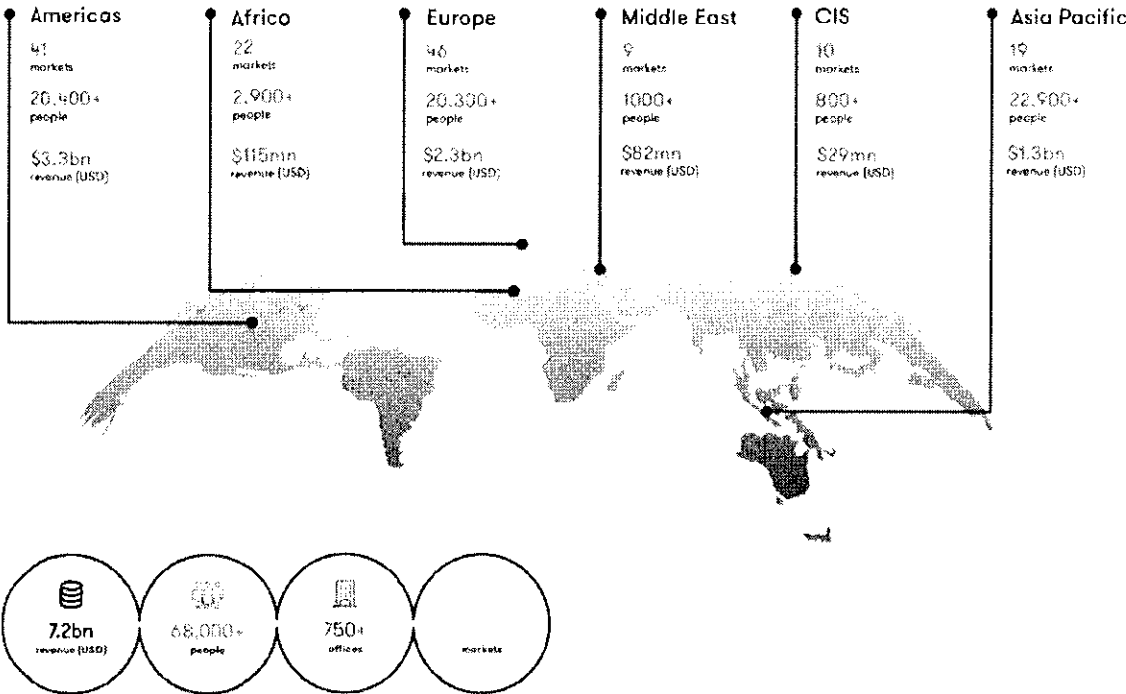
50 World's Most Attractive Employers

For a fifth consecutive year! According to business and engineering/IT students from top universities in the world's 12 largest economies, who took part in the Universum Talent Survey.



ISO Certified Firm

We have achieved ISO 9001 certification every year since 2010, and ISO 27001 certification since 2016.



Corporate social responsibility



42

countries took part in our annual CSR day in 2018



11,484

Grant Thornton participants around the world



286,881

Lives impacted

At Kevane Grant Thornton, we are passionate about the communities where we work and live. Growing Together in the community is Grant Thornton's global commitment to community engagement.

Our **Corporate Social Responsibility (CSR)** promotes the difference everyone can make by being passionately involved in their communities. Every day, communities worldwide receive innovative and generous services from inspiring Grant Thornton people.

At Kevane Grant Thornton we feel an abiding commitment to the communities we serve and incorporate the Grant Thornton values of collaboration, leadership, excellence, agility respect and responsibility in everything we do.

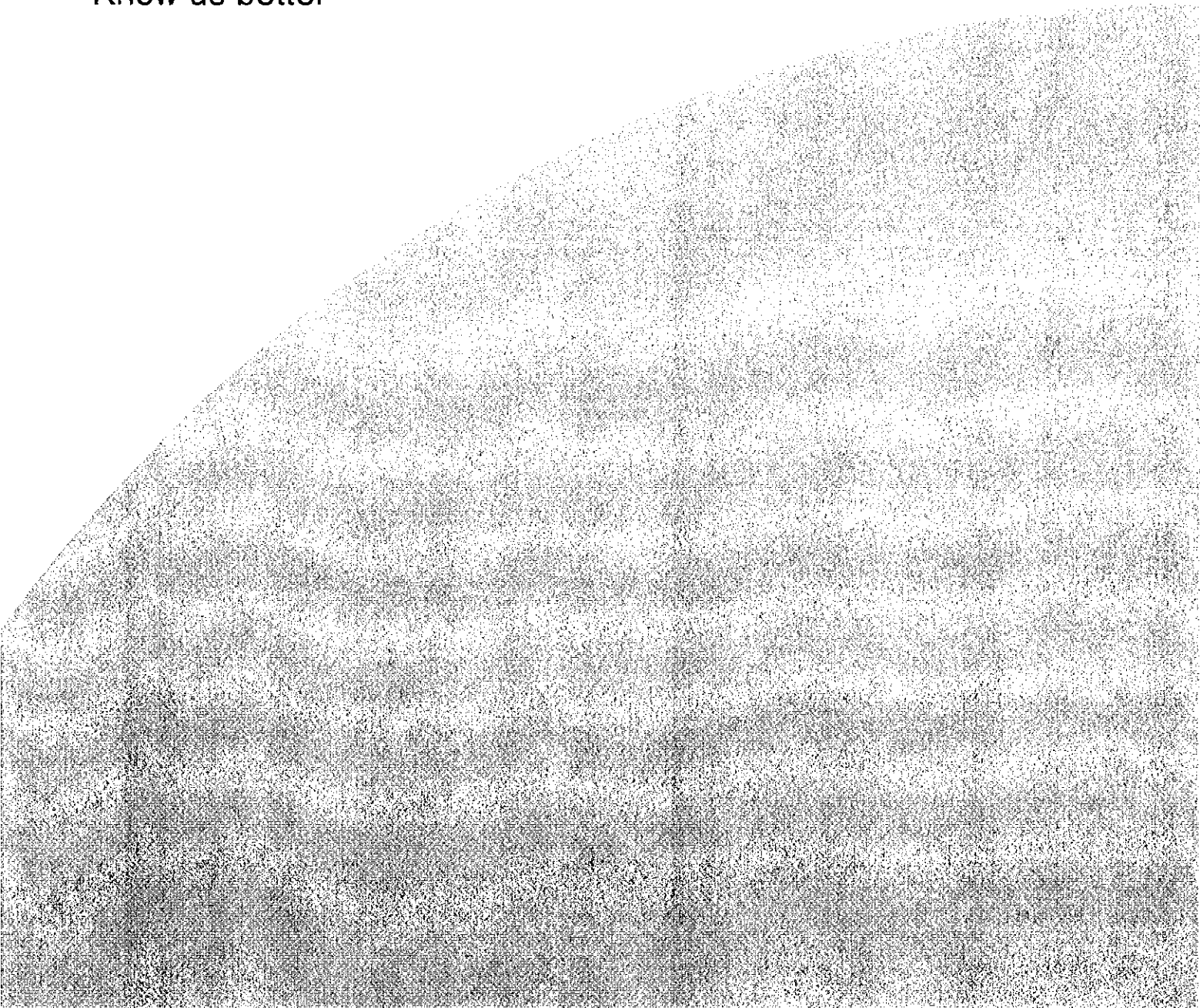
Year round we participate and support various local and national not-for-profit organizations like: United Fund, United Nations Association, Kinesis, Ricky Martin Foundation, Hogares Rafaela Ybarra; locally we support a community centre and a school in the community near the office, among other not-for-profit entities. Proud to comment that this involvement has touched the hearts of our employees' family members who also participate in the firm's activities.

Global partnership

In 2018 Peter Bodin, Grant Thornton International CEO, was appointed chair of the board of IMPACT 2030, a private sector led coalition which aims to direct the collective skills, experience and passion of corporate volunteers towards helping the United Nations achieve their Sustainable Development Goals. Today Grant Thornton works towards using the United Nation's goals as a framework for the organization's future sustainability efforts.

Profiles

Know us better





Eduardo Herencia, CPA

Audit and Advisory Partner

T 787-754-1915 x 171

E eduardo.herencia@pr.gt.com

Mr. Herencia has vast experience providing audit and assurance and advisory services to local and international clients in retail/wholesale, commercial, industrial, manufacturing, public sector – government and not-for profit, banking and financial, telecommunications, and employee retirement plans clients.

Experience

Eduardo has over thirty-nine years of experience in public accounting.

Sector experience

He has vast experience providing audit, assurance and advisory services to local and international clients in retail/wholesale, commercial, industrial, manufacturing, public sector – government and not-for-profit, banking and financial, telecommunications, and employee retirement plans clients.

Eduardo's outstanding preparation and experience were obtained when he commenced since 1984 working as an intern with one of the "Big-4" international accounting firms, from where he earned a partner's position until 2009; and has continued since then through January 2021, date when he and other two former partners of LLM&D integrated their private consulting practice into Kevane Grant Thornton's.

Eduardo's strong experience in government, single audits and not for profit work was solidified when in 2001 and 2002, upon a former firm's landing of the Commonwealth of Puerto Rico and the Governmental Development Bank audit engagements, Eduardo was assigned the challenging tasks of being the senior manager for both engagements simultaneously, which was accomplished successfully. During most of the remaining part of that decade (from 2001 to 2008), Eduardo was one of the partners in charge of the Commonwealth of Puerto Rico audit engagement. Now, at Kevane Grant Thornton, Eduardo has been active in government related work beginning during November-December 2012 through 2018 with his participation in the preparation of the financial statements of the Commonwealth of Puerto Rico and consulting on key complex technical and operational matters on behalf of the Secretary of the Treasury. Similar engagements were also performed by Eduardo for the Puerto Rico Ports Authority' financial statements, also for 2012 through 2018. Eduardo is currently engaged (since 2013 through this date) in the preparation of the financial statements of the Government Development Bank for Puerto Rico (GDB) and the GDB Debt Recovery Authority (GDB DRA) since its creation during fiscal year 2018, as well as several Single Audits on various other governmental and non-profit entities. Within the past three years, Eduardo has landed significant advisory projects, most noticeable the Diagnostic and Corrective Action Plan project in 2021 for the PR Department of Labor and Human Resources and the Internal Audit outsourcing project involving the PR Department of Housing's utilization of the CDBG-DR funding from HUD.

A few examples of his not-for-profit experience include his leading of the audits of Puerto Rico Legal Services, Inc, Caras of the Americas, Colegio San Ignacio de Loyola, Puerto Rico Bankers Association, Fundación Sila M. Calderón and an internal audit outsourcing project for the Universidad Sagrado Corazón, among others.

His experience in advisory includes providing a wide range of services in financial and operational advice in the areas of business acquisitions, due diligence, credit file reviews, allowance for loan losses policies, evaluation of internal controls, single audits, government specific technical guidance and consulting, treasury operations, business processes and risk assessment methodologies, among others. His experience also includes having participated in short-term international projects and assignments in Chile, Ecuador and Honduras.

Professional qualifications and memberships

He is a cum laude graduate and holds a bachelor's degree in business administration, major in accounting from Fairfield Organization in Connecticut. During his junior year, he earned a scholarship award from the Connecticut Society of Certified Public Accountants.

He has participated as a member of the Puerto Rico State Society of CPAs Government Committee and is a periodic lecturer and instructor of technical topics for the organization and its chapters.

Presentations and publications

He is also an occasional author of accounting and financial statements update articles on different media sources (MIDA publications, the Weekly Journal and others).

Languages spoken

Spanish and English



Victor Monserrate, CPA

Audit Managing Director

T 787-754-1915

E victor.monserrate@pr.gt.com

Mr. Monserrate has vast experience in the government, non-profit entities, and commercial industries sectors, among others.

Experience

Audit Managing Director with over thirty years of experience in public accounting.

Victor experience and background comes from KPMG, where he participated in the Single Audits of the Inter-American Organization. He has also provided advisory services to the Sacred Heart Organization and the Pontifical Catholic Organization. He also was the manager in charge of the financial and Single Audits of the US Virgin Islands for over a decade and also participated in the audits of the Commonwealth of Puerto Rico and of GDB, both as an auditor and as an employee. In 2013 Victor was the Engagement Director for the Puerto Rico Water Pollution Control Revolving Fund and the Puerto Rico Safe Drinking Water Treatment Revolving Loan Fund, Single Audits (GDB affiliates). While at GDB, as General Auditor during the mid-2000's, Victor assisted in the preparation of the financial statements of GDB and its subsidiaries and affiliates and the review and evaluation of their applicable Single Audits. Victor just recently completed the 2019-2020 Indirect Cost Proposal Plan for the Puerto Rico Department of Housing, with respect to the U.S. Housing and Urban Development's (HUD) CDBG-DR program. Within the past three years, Victor also participated in the Diagnostic and Corrective Action Plan project in 2021 for the PR Department of Labor and Human Resources and the Programs/Grant Management and Monitoring involving the Carlos Albizu Organization.

He has provided a wide range of assurance and consulting services, SOX 404, technical accounting pronouncement consulting which includes drafting policies and procedures to assist clients in implementing FASB and GASB statements.

Professional qualifications

He has a bachelor's degree in business administration, major in accounting from the Organization of Puerto Rico, Rio Piedras campus.

Professional responsibilities affiliations and memberships

He is a member of the Puerto Rico State Society of Certified Public Accountants and of the American Institute of Certified Public Accountants.

Languages spoken

Spanish and English



Aida Ramírez, CPA

Audit Partner

T 787-754-1915 x 101

E aida.ramirez@pr.gt.com

Mrs. Ramírez provides services to clients in the hospitality, college and universities, fast food restaurants, non-profit, real estate and manufacturing sectors.

Experience

Audit Partner with over thirty years of experience in public accounting.

Mrs. Ramírez provides services to clients in the hospitality, schools, colleges and universities, fast food restaurants, non-profit, real estate, financial institutions, pension and retirement plans, and manufacturing industries, among other sectors.

Professional qualifications

Mrs. Ramírez is a magna cum laude graduate and holds a bachelor's degree in business administration with a major in accounting from the Organization of the Sacred Heart.

Professional responsibilities, affiliations and memberships

Mrs. Ramírez is a member of the Puerto Rico State Society of Certified Public Accountants, the American Institute of Certified Public Accountants, she is in her third tenure as a member of the Puerto Rico Peer Review Board Committee of the Puerto Rico Society of CPAs, and participates as a member of Grant Thornton's Internal Quality Control Program for Central and South America.

Aida is the chair of the Quality Control and Corporate Social Responsibility Committees, participates in the continued education program, and is a member of the firm's Executive Committee.

Mrs. Ramírez is on her second tenure, of three years each, as treasurer of the Puerto Rico Hotel and Tourism Association.

Languages spoken

Spanish and English

Reylam Guerra, CGFM, CICA

Audit and Consulting Manager

T 787-754-1915

E reylam.guerra@pr.gt.com

Mr. Guerra has vast experience in the government, non-profit entities, and commercial industries sectors, among others.

Experience

Mr. Guerra has over 20 years of experience leading finance functions for government, nonprofit and corporate organizations. He has distinguished himself as a subject matter expert with respect to federal audit processes and forecasting and analysis. He has conducted and supervised comprehensive audits in the public sector, including Single Audit, recommended corrective action plans to achieve ongoing compliance, developed and administered project budgets and identified opportunities to control costs.

During the past 3 to 4 years, he has participated in audit and consulting engagements involving the government sector, such as Puerto Rico Fiscal Agency and Financial Advisory Authority, the Puerto Rico Housing Finance Authority, the Puerto Rico Department of Labor and Human Resources and certain Government Development Bank affiliates; and the nonprofit sector such as the Puerto Rico Legal Services, Inc, and the Episcopal Relief Development organization.

Besides his experience in public accounting, Mr. Guerra has also held important management functions at the Department of the Treasury from 2017-2019 and 2009 to 2011 (Technical Advisor to the Secretary of the Treasury), Department of Education from 2011-2012 (Undersecretary of Administration and Administrative Affairs and Budget Director) and Mar Caribe Training from 2008-2009 (Director of Finance and Financial Aid). He was also a senior associate at KPMG, LLP from 2002 to 2008.

Professional qualifications

He has a bachelor's degree in business administration, major in accounting from the Organization of the Virgin Islands.

Professional responsibilities affiliations and memberships

Mr. Guerra has certifications as Certified Government Financial Manager (CGFM) and Certified Internal Controls Auditor (CICA).

Languages spoken

Spanish and English

Fernando Pérez, CPA

Audit Manager

T 787-754-1915

E fernando.perez@pr.gt.com

Mr. Pérez has over eleven years of experience in public accounting firms, becoming responsible for planning, design, audit tests and supervision of assistant auditors assigned to audit engagement.

Experience

He has conducted financial audits in industries such as manufacturing, retail, service, and export services under Law 20, distribution, construction contractors, dealerships, not-for-profits and HUD projects and Single Audits for governmental agencies.

His experience in public accounting includes having provided other services such as tax preparation and research and consulting for an array of clients. Fernando's experience also includes a position as controller in the dealership industry, overseeing the financial accounting system, related policies, procedures, and personnel of a \$100 million volume business; in which he gained experience implementing controls to ensure compliance with company policies and that reported results complied with generally accepted accounting principles. He also gained experience, recruiting, supervising, and developing personnel.

During the past year he has been fully engaged conducting the Single Audit of the Puerto Rico Housing Finance Authority and consulting on other government related consulting projects, as well as conducting the audit for a private school.

Professional qualifications

He has a bachelor's degree in business administration, major in accounting from the Organization of Puerto Rico, Rio Piedras campus.

Professional responsibilities affiliations and memberships

He is an active member of the Puerto Rico State Society of Certified Public Accountants and of the American Institute of Certified Public Accountants.

Languages spoken

Spanish and English

References

- Mr. Josue R. Medina
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jmedina@edukgroup.com
- Mr. José Méndez
President
Sistema Universitario Ana G. Méndez
787-751-0178
jmendez@uagm.edu
- Mr. Denzil Sardiña
Chief Financial Officer
Holsum de Puerto Rico
787-798-8282
denzil.sardina@holsumpr.com
- Ms. María José Miranda
CFO GFR Media Group (The Luis A Ferré Foundation)
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Marajose.miranda@gfrpr.com
- Mr. Rafael Veléz Rivera
President Partners Business Group
787-625-6974
rvelez@pbepr.com
- Mr. Pablo José Alvarez
VP of Administration & Treasurer
Destilería Serralés
787-474-8888
pablo.alvarez@serralles.com

Peer Review Reports



Report on the Firm's System of Quality Control

December 28, 2022

To the Partners of Kevane Grant Thornton LLP and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Kevane Grant Thornton LLP, (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Kevane Grant Thornton LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended July 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Kevane Grant Thornton LLP has received a peer review rating of *pass*.

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Kevane
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