



# Secretaría

LCDA. TANIA BARBAROSSA ORTIZ

- VER AL DORSO
- NOTAS
- PARA CALENDARIO
- TRAER EXPEDIENTE
- DAR CUENTA
- REGISTRAR Y PROCESAR
- ARCHIVAR
- PREPARAR CARTA
- NOMBRAMIENTO
- AUTORIZADO Y GESTIONAR

*ma*

EL CAPITOLIO  
PO BOX 9023431  
SAN JUAN, PUERTO RICO  
00902-3431

*Enviar a OSL*

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INICIALES

## REFERIDO A:

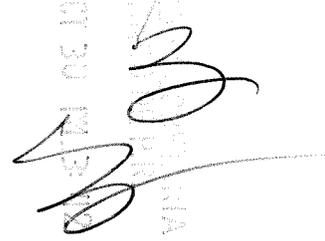
### COMISIONES PERMANENTES

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- HACIENDA Y FINANZAS PÚBLICAS
- GOBIERNO, EFICIENCIA GUBERNAMENTAL  
E INNOVACIÓN ECONÓMICA
- JURIDICA, SEGURIDAD Y VETERANOS
- SALUD Y NUTRICIÓN
- EDUCACIÓN, FORMACIÓN Y DESARROLLO DEL INDIVIDUO
- ASUNTOS DE LA MUJER
- INFRAESTRUCTURA, DESARROLLO URBANO  
Y TRANSPORTACIÓN
- AGRICULTURA, SEGURIDAD ALIMENTARIA  
Y SUSTENTABILIDAD DE LA MONTAÑA
- RECURSOS NATURALES, AMBIENTALES  
Y ASUNTOS ENERGÉTICOS
- COOPERATIVISMO, PEQUEÑAS Y MEDIANAS EMPRESAS  
Y MICRO-EMPRESAS
- TURISMO, CULTURA, RECREACIÓN Y DEPORTES  
Y GLOBALIZACIÓN
- RELACIONES LABORALES, ASUNTOS DEL CONSUMIDOR  
Y CREACIÓN DE EMPLEOS
- DERECHOS CIVILES, PARTICIPACIÓN CIUDADANA  
Y ECONOMÍA SOCIAL
- AUTONOMÍA MUNICIPAL, DESCENTRALIZACIÓN  
Y REGIONALIZACIÓN
- BANCA, SEGUROS Y TELECOMUNICACIONES
- VIVIENDA Y COMUNIDADES SOSTENIBLES
- ÉTICA E INTEGRIDAD LEGISLATIVA
- CORPORACIONES PÚBLICAS  
Y ALIANZAS PÚBLICO-PRIVADAS
- REGLAS, CALENDARIO Y ASUNTOS INTERNOS

30 de octubre de 2014

Hon. Eduardo Bhatia Gautier  
 Presidente del Senado de PR  
 Senado-EL Capitolio  
 P.O. Box 9023431  
 San Juan, PR. 00902-3431

2014 OCT 30 PM 2:00  
 FIDEICOMISO PARA CIENCIA, TECNOLOGIA E INVESTIGACION  


Estimado señor Bhatia:

Reciba un cordial saludo por parte del que suscribe. El Fideicomiso para Ciencia, Tecnología e Investigación es una entidad sin fines de lucro creada al amparo de la Ley Núm. 214 de 18 de agosto de 2004 y de la escritura pública Núm.23, autorizada por el notario Jaime Arturo Riera Seivane, el 31 de diciembre de 2004. El Artículo 10 de dicha ley establece que, cada año, dentro de los ciento veinte días después del cierre del año fiscal, el Fideicomiso presentará un informe al Gobernador y a la Secretaría de ambos cuerpos legislativos.

En cumplimiento con este deber ministerial, le remitimos el Informe Anual para el año fiscal 2013-14 del Fideicomiso para Ciencia, Tecnología e Investigación para el trámite correspondiente. Este informe incluye estado financiero no auditado debido a que nos encontramos en cambio de firma de CPA. Tan pronto se concluya con este proceso se le estará haciendo entrega del estado financiero final.

De necesitar cualquier información adicional relacionada con este documento, puede comunicarse al (787) 523-1593.

Atentamente,



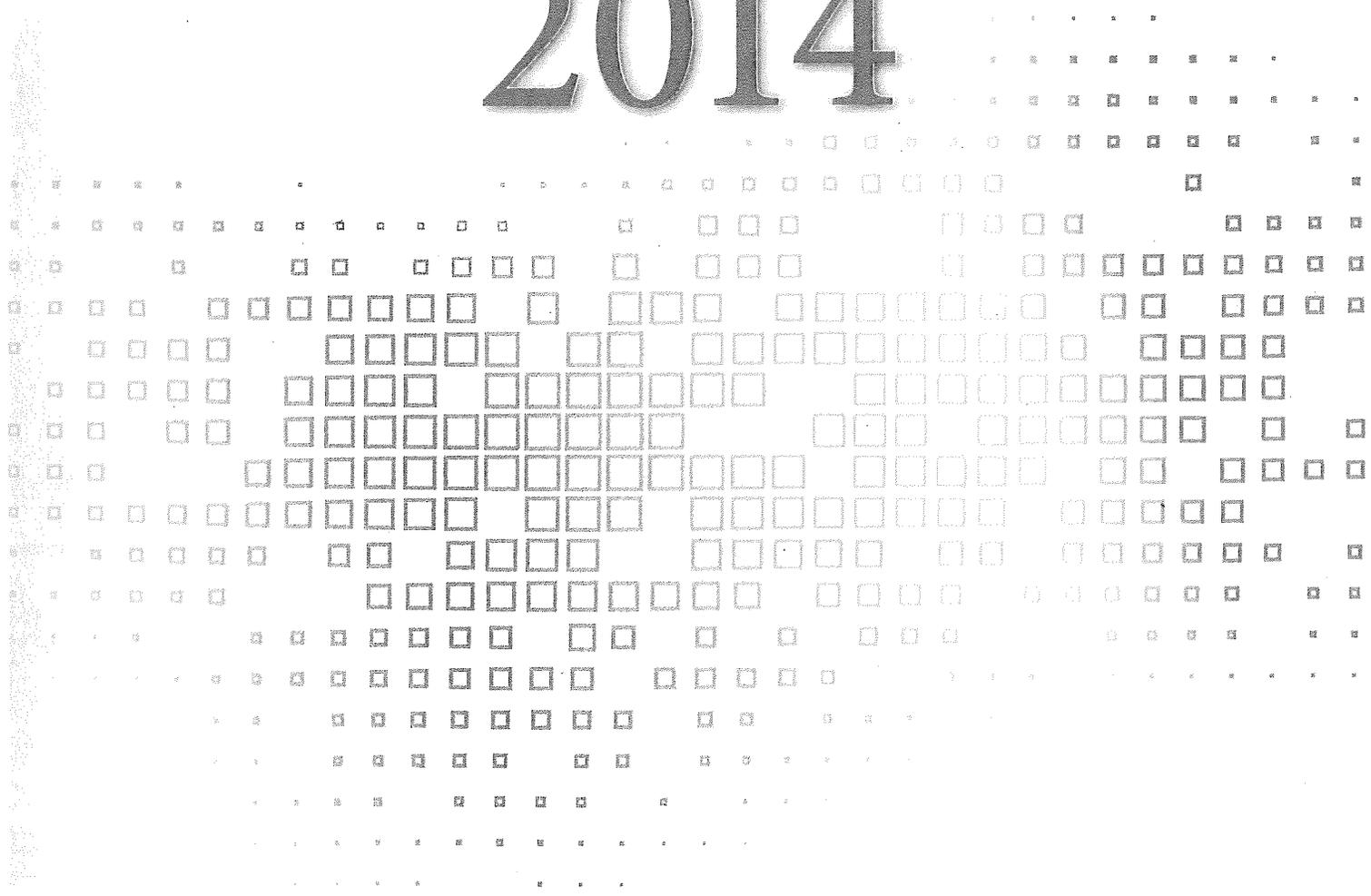
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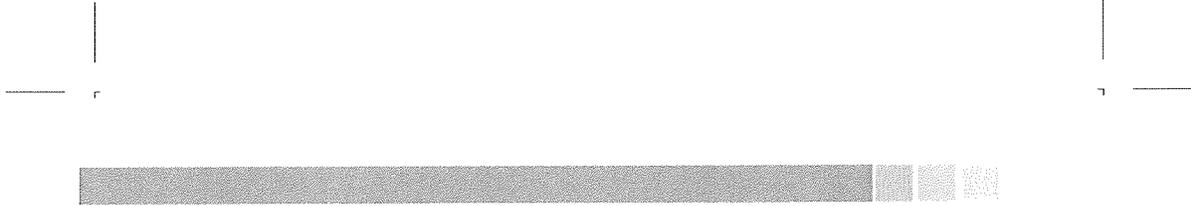
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PUERTO RICO | Science, Technology & Research Trust

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# Annual Report 2014





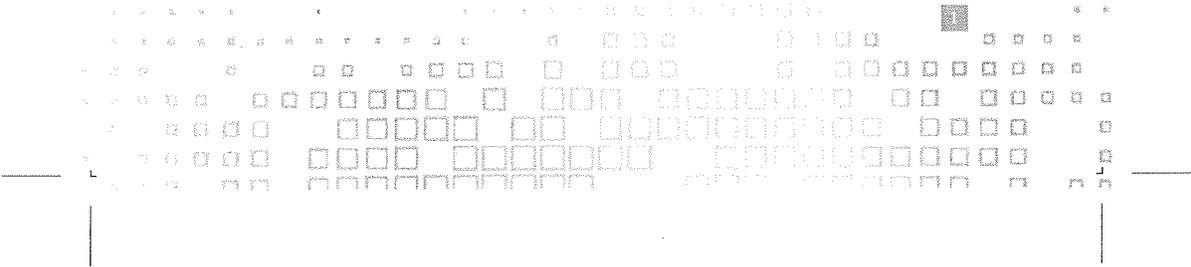
PUERTO RICO | Science, Technology  
& Research Trust

## Mission

To take advantage of Puerto Rico's competitiveness in the fields of life sciences and high technology in order to increase capital investment in research, development and technology; and to bring about results as we effectively transform our island into a world leader in these industries.

## Vision

To foster science and technology research and development projects; to provide financial support for the infrastructure needs of scientists and researchers in Puerto Rico; and to provide the necessary tools to market their discoveries to the world.





## Council of Trustees

### Private Trustees

#### **Daniel Colón**

Dr. Colón Ramos is an Associate Professor of Cellular Neuroscience at Yale University and co-founder of "Ciencia Puerto Rico". His lab at Yale studies the development and function of the nervous system, and their work has been recognized by a number of awards, including the Sloan Fellowship for "outstanding promise", an award given to recognize the best researchers of the United States and Canada. "Ciencia Puerto Rico" is a non-profit organization that promotes scientific research and education in the Puerto Rican archipelago.

#### **José Lasalde**

Dr. Lasalde is the former Acting President of the University of Puerto Rico (UPR). He is also the UPR's Vice President of Research and Technology, as well as a Professor in its Biology Department, the Comparative Medicine Department, and the Institute of Neurobiology of the UPR's School of Medicine. He has extensive postdoctoral training from Stanford University, University of Puerto Rico, and the University of California-Davis.

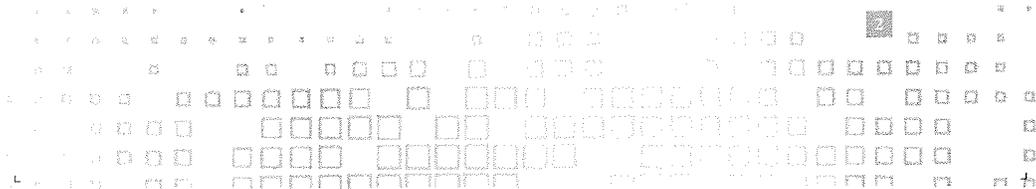
#### **Antonio García Padilla**

Mr. García Padilla, a driving force behind the creation of the Trust, is a former President of the UPR (2001-2009), as well as a former Dean of the UPR School of Law. With a legal education background from the UPR (Juris Doctor) and Yale Law School (LL.M), he served as law clerk in the Supreme Court of Puerto Rico, and later in the United States Court of Appeals for the First Circuit.

#### **Gil Medina**

##### **Vice President of the Council of Trustees**

Mr. Medina, a licensed attorney, CPA, and real estate broker, was New Jersey's former Secretary of Commerce. He also served as the co-founder, president, or general counsel for many



technology and biotechnology startups. Because of his successful career in government and business sectors, Mr. Medina was named one of Hispanic Business Magazine's 100 Most Influential Hispanics. He has ample experience serving as a Trustee for the Trust.

**Joaquín Viso**

**President and CEO MOVA Pharmaceutical Corporation**

Mr. Viso founded MOVA Pharmaceuticas in 1986, and serves as its President and CEO. Prior to this, worked for GlaxoSmithKline, where he held various senior management positions, including President and General Manager of SmithKline's operations in Puerto Rico. Mr. Viso holds a Bachelor of Science in Mechanical Engineering from the University of Puerto Rico and a Master of Science in Engineering from the University of Michigan. He is also acts as the Chairman for MC-21 Corporation, Alara Pharmaceutical Corporation and Grupo VL, Inc.

**Esteban Santos**

**Senior Vice President of Manufacturing Operations at Amgen Inc.**

**Secretary of the Council of Trustees**

Mr. Santos is responsible for Amgen's global commercial manufacturing operations. As a Puerto Rican who ranks among the top 16 executives at among Amgen's top 16 executives worldwide, Santos offers extensive experience and access to networks that are instrumental for the Trust. He has also been part of several initiatives geared toward improving biotechnology education on the island. Santos has an Electrical Engineering BSEE from the UPR-Mayagüez and an MS in Management from the Rensselaer Polytechnic Institute in New York.

**Ex-Officio Trustees**

**Alberto Bacó-Bagué**

**Secretary of the Department of Economic Development and Commerce**

**President of the Council of Trustees**

Mr. Bacó-Bagué is an attorney, Certified Public Accountant and entrepreneur with over 40 years of experience in law firms, international accounting companies and government agencies.

Throughout his career, he has shown special interest in supporting the development of venture capital in Puerto Rico, being himself a co-investor in diverse projects. Mr. Bacó was President of the Government Development Bank of PR. He succeeded in the private sector as an independent consultant. He was also President and CEO of Marvel International and Bohío International. He is Chairman and member of the board of the local Young Presidents Organization; and sat on the board of W Holding and Westernbank, Government Development Bank, PRASC and Holding Corp. He now serves the public to promote the economic development of the island. Mr. Bacó graduated Magna Cum Laude with a BA and got his Juris Doctor degree from the UPR.

**Antonio L. Medina Comas, P.E.**

**Executive Director of the Puerto Rico Industrial Development Company (PRIDCO)**

His mission is position Puerto Rico as a global leader in the knowledge and innovation economy, in order to drive economic development and new jobs for the island. He has spent a great part of his career to executing strategic projects, and occupying different positions at Merck, Sharp & Dome for more than 20 years. From the Americas, to Europe and Asia, Medina Comas has brought results while performing several functions, most recently as Chief Finance Officer at Merck, Sharp & Dome in Brazil. He holds a master's degree in Business Administration (MBA) from the Wharton School of Business of the University of Pennsylvania, and master's and bachelor degrees from the Rensselaer Polytechnic Institute in New York.

**José Pagán-Beauchamp**

**President of the Government Development Bank of Puerto Rico (GDB)**

He has worked in public and private financing, investment banking, corporate finances, accounting, insurance, financial consulting and project management. He has also held key positions in several investment banks, municipal bond underwriters, insurance companies and consulting firms, such as: Citibank, Salomon Smith; Barney; The First Boston, Corporation, MAPFRE, and Ernst & Whinney. He was also Director of the Business Administration Department of the Sacred Heart University. He holds an MBA in Finance from the New York University Graduate School of Business.

**Carlos Rivas**

**Director, Office of Management and Budget**

Mr. Rivas returned to public service after having been the General Manager for UPM Group and Principal with Advent Morro Equity Partners. From 2005 to 2008, prior to his tenure with UPM Group, he served as the Executive Director of the Puerto Rico Housing Finance Authority. Mr. Rivas' private sector experience includes working as an associate at McKinsey & Company and Davis, Polk & Wardwell. Mr. Rivas' experience in public service also includes serving as a Deputy Advisor on Economic Development and as Executive Aide to the Governor and the Chief of Staff, focusing on public finance, economic development and budget issues. Rivas holds a law degree from Stanford University and a bachelor's degree in economics from Princeton University.

**Uroyoán R. Walker Ramos**

**President of the University of Puerto Rico (UPR)**

Mr. Walker-Ramos serves as President of the Boards of Directors of the Molecular Science Building, the UPR Hospital and the UPR Board. He is also a board member of the Comprehensive Cancer Center. He began in the UPR as a Professor of Mathematics at the Mayagüez Campus and has been a key player in its recent development. As an Associate Director for the Office of Graduate Studies, he led the change from paper to electronic process. He also began the compilation, analysis and divulging of the graduate data, as well as the digital repository of master's and doctoral thesis and dissertations. As Associate Dean for Administrative Affairs, he surveyed all campus infrastructure and environmental issues. He was also the Director of the Operations and Logistics Division of the Organizing Committee of the XXI Central American and the Caribbean Sports Games, Mayagüez 2010. Mr. Walker-Ramos holds a bachelor's degree in Science in Pure Mathematics from the UPR's Mayagüez Campus, plus a master's in Science and a Doctorate in Pure Mathematics from Louisiana State University.



# Activities 2013-2014

## Social R&D

### Centenary Funds

As per Act No. 232, the Trust has under custody monies for the Scientific Investigation Fund for the Centenary of the University of Puerto Rico (UPR). This fund was created as of 2004 to improve the infrastructure, activities and environment of research activities at the UPR. During the FY2013-14 the Trust awarded a total of \$4.403 million for projects and sponsorships agreed-upon between the Trust and the UPR.

### Centenary Fund awards for FY2013-14 include:

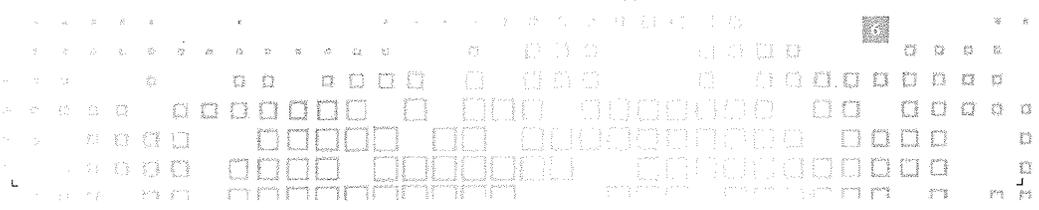
#### UPR Clinical Bioreagent Center - Vaccine Research Program

On June 2014, the Trust approved a \$365,000 grant for the UPR's Clinical Bioreagent Center's Vaccine Research Program. This funding is to be used as a cash match to supplement a total of \$1.1 million provided by the US National Institutes of Health (NIH), specifically through NIH's National Institute of Allergies and Infectious Diseases Division. The UPR Center is one out of a total 26 center selected by the NIH to undertake this endeavor of finding a specific protein for the eventual development of a prophylactic vaccine against HIV. This initiative will be formally launched during the month of September 2014 through at the UPR Molecular Science Building.

#### Molecular Science Building

During FY2013-14, the Trust awarded an additional \$3.8 million for the development and construction of the small animal research facility (Vivario) at the Molecular Science Building. With this investment, the total funding provided for the development of this infrastructure amounts to \$8.1 million.

The Center for Collaborative Research on Health Disparities, a multi-year initiative awarded by the US National Institutes of Health's (NIH) Research Center in Minority Institution (RCMI) Program. The project periods spans from fiscal years 2012-13 through 2015-16. During FY2013-14, the Trust awarded a cash match of \$238,000 to support this initiative.



**Specialized Neuroscience Research Program**

The Trust awarded \$153,000 to Universidad Central del Caribe to provide cash match funds for their newly established Specialized Neuroscience Research Program (SNRP) a program funded by the National Institute of Neurological Disorders and Stroke (NINDS) of the US National Institute of Health. This funding will enable UCC to enhance SNRP's laboratory infrastructure, recruitment of distinguished neuroscientists.

**Scientific Investigators Tax Incentives Act (Law 101)**

Public Law 101 was approved in 2008 and is known as the *Ley de Incentivo Contributivo a Investigadores Científicos* (or the *Scientific Investigators Incentives Act*). Law 101 is a unique tax incentive to foster research and development (R&D) activity conducted at local universities in Puerto Rico, allowing qualified researchers to seek tax exemptions for salaries earned from eligible R&D research grants. Through these incentives, the main objective of this law is to attract and retain distinguished researchers to spur local research activity as one of the means to improve the Island's position in the knowledge economy.

The implementation of this incentive requires many processes and interactions among Law 101's stakeholders, namely Researchers, Academia, the Puerto Rico Science, Technology and Research Trust and the Puerto Rico Treasury Department (**Hacienda**). As such, since the beginning of calendar year 2014, the Trust has been working along Hacienda to identify barriers that have prevented Law 101 to work as expected and developed mechanisms to overcome these. This work resulted in the preparation of *Manual of Procedures: Evaluation of Law 101 Applications* that will guide the Trust efforts in evaluating Law 101 applications and making incentives recommendations to Hacienda. The Trust also developed a dedicated section for Law 101 stakeholders in its web page with frequently-asked-questions.

As per the result of the work, and as of October 2014, the Trust has processed all pending applications for taxable years 2010-2013. The Trust evaluated a total 84 Law 101 applications, representing a total of 111 grants evaluated. Out of this, the Trust sent recommendation to Hacienda to grant incentives for a total of 43 applications, representing \$1.3 million in exempt salaries.

# Technology Transfer and Commercialization

## SBIR/STTR Matching Funds

The Trust provides matching funds of \$100,000 for local Phase I awardees of Small Business Innovation Research (SBIR) and Small Business and Technology Transfer (STTR) funds.

During the reporting period, Cutting Edge Superconductors, Inc. (CES) was awarded a \$30,000 Phase Ib SBIR grant from the National Science Foundation, that is in addition to a \$150,000 Phase I SBIR award granted during FY2012-13. The Phase Ib was leveraged through a cash match of \$60,000 from the Trust, that is in addition to a \$100,000 cash match for Phase I SBIR granted during FY2012-13. The aim of Phase I and Phase Ib SBIR is to conduct R&D for the development of materials for in superconducting wires, which lie at the heart of MRI machines and generate the magnetic fields needed to perform scans of a person's body. The Company will conduct its R&D along Luvata, a wire manufacturer based in Austria, and has the endorsement and support of General Electric, one of the main manufacturers of MRI machines worldwide.

## In-Kind Assistance

The Trust provides a wide array of services for qualified startups, scientists and inventors to help them develop protect and commercialize new technologies through a cadre of experienced professionals in the fields of intellectual property and technology commercialization. Services provided are paid directly by the Trust.

During FY2013-14 a total of six scientists and innovators received intellectual property assistance to help assess the patentability of their inventions and/or delineate a strategy to pursue intellectual property rights. Technologies assessed include: novel composition of matter for drugs targeting neurodegenerative diseases, molecular diagnostics, suture anchor medical device and a system for vertical agriculture.



## Grants

The Council of Trustees designated a Grants Committee to develop the guidelines, processes and procedures to receive, review and approve requests for funding for research, development and commercialization projects. The mechanism to submit funding requests to the Trust, as well as the mechanism to be used to evaluate these requests were presented to the Board and approved.

## Strategic Plan

The Council of Trustees designated a Strategic Plan Committee to review the approved Science and Technology Policy, and to develop a Strategic Plan based on such policies and ongoing initiatives.



# Science City

Science City's development is one of the Trust's emblematic endeavors. It is a strategically designed mixed-use, 69.9-acre plot of land in the heart of San Juan, Puerto Rico's capital. Science City is the motor that drives the Trust's initiatives and where true results are born.

## Las Malvinas

In June 2012, the Puerto Rico Science, Technology and Research Trust (Trust) began with the demolition of the Malvinas and other structures. The project consisted in the mitigation of asbestos and lead and the demolition of over 60 buildings and others structures. After the demolition of all structures, the final step consisted in grinding all demolition debris for future use as fill material within the Science City site development. This project was completed in December 2013.

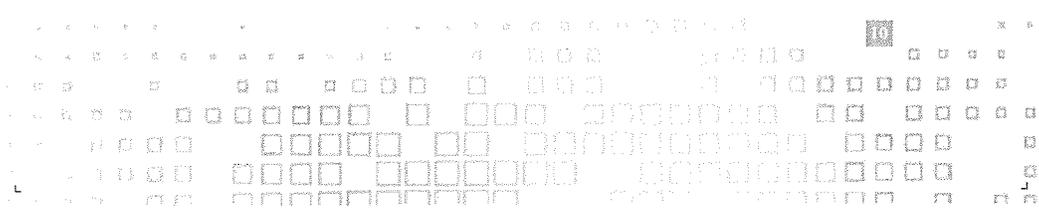
## Oso Blanco

- Demolition and Preservation

By the end of fiscal year 2013-2014, the Oso Blanco structure (Building 1) was approximately 60% demolished. Adjacent structures (Buildings 2, 3 & 4) were 100% demolished.

## Science City Boulevard

Construction of Phase I of the Science City Boulevard began construction in parallel to the construction of the Comprehensive Cancer Center. Phase II of the Science City Boulevard began consulting with water, power and communications utilities to establish infrastructure requirements and points of connection



# Future Projects

## Tech Transfer

Article 24, paragraph (4), of Law 214 (as amended), mandates the Trust to create an Office of Technology Transfer (OTT) with an agile and effective structure to foster the commercialization of locally developed scientific inventions and discoveries. The aim of OTT's activities will be the creation of new products and companies, expand employment, and fuel economic activity. For purpose of this initiative, technology transfer (TT) is defined as the utilization intellectual property (IP) output (mostly generated by the universities) to increase economic wealth, including:

1. The licensing of IP rights to industry;
2. The sponsorship of work under contract from industry;
3. The creation of new businesses to develop and commercialize IP; and,
4. The support for the development of business enterprises through programs such as workforce training, business development services, and management of incubator space

The Technology Transfer Program, as suggested, would establish mechanisms for:

- (1) Receiving and managing invention disclosures;
- (2) For marketing UPR inventions and research capabilities to business and industry;
- (3) For developing new businesses and supporting technology transfer to existing businesses; and,
- (4) Leveraging other funding sources to help seed new ventures, with an emphasis in dramatically increasing the level of SBIR/STTR funding in Puerto Rico.

To further the Trust's technology transfer initiative, as presented above, the Trust Infrastructure Committee leads efforts and discussions with an advisory board. The aim of this Committee is to define the Trust initial interventions in Technology Transfer Process and establish prioritized action plan.

### Science and Technology Grants - Request for Proposals

Pursuant to Act 214 -2004, the Trust is to act as an agent for promoting, investing and financing activities that will strengthen science and technology and research and development efforts in Puerto Rico in order to boost the economic development of Puerto Rico. In light of its mission, and for the first time since its inception in 2004, the Trust will issue a Science and Technology Grants - Request for Proposals (RFP) during FY2014-15, as a solicited proposal mechanism to entice the science and technology community in Puerto Rico to submit proposals for funding consideration. The main objectives of the RFP process are to: (a) increase the financing available for science and technology development activities in Puerto Rico; (b) support the commercialization of products and services based on science, technology or research; (c) and, foster private investments in science and technology research or development activities and projects.

As of June 2014, the Trustees approved this RFP initiative, allocating a budget of \$4.7 million. The call for proposals will be launched as of August 15th, 2014. '

### Clinical Trials

In an effort to make strong actions to increase the amount of clinical trial activity in Puerto Rico, in order to strengthen its life science environment and support the growth of such industry in the island, the Council of Trustees recommended the creation of a Clinical Trials Steering Committee composed by Members of the Council of Trustees and local researchers with experience in Clinical Research, both in the academic and private sectors. Said Committee should analyze the current situation and recommend resources to execute a footprint and blueprint analysis during fiscal year 2014-2015, which has already been done in the cases of Belgium and Russia.

# Internal Organization & Finance

## Fiscal Management

The Trust's *Statement of Functional Expenses* presents an allocation of Trust's program support and expenses per each operational segment (*Research and Data, Technology Transfer and Commercialization and Science City*) and Management. The following table shows Trust's Statement of Functional Expenses as of June 30, 2014 (expressed in '000s):

	Research & Data	Technology Transfer & Commercialization	Science City Development	Management	Total
<b>Program Support:</b>					
Sponsorships	\$ 9	\$ 541	\$ -	\$ -	\$ 549
Incubators Support	323	-	-	-	323
Centenary Fund Grants	4,403	-	-	-	4,403
Matching Grants	153	210	-	-	363
In Kind Services	-	14	-	-	14
<b>Total Program Support:</b>	<b>\$4,888</b>	<b>\$ 764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$5,652</b>
<b>Personnel Costs:</b>					
Salaries and Wages	10	-	-	128	137
Benefits and Payroll Taxes	2	-	-	60	62
<b>Total Personnel Costs:</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>188</b>	<b>200</b>
Professional Services:	-	314	2,832	680	3,826
<b>Occupancy Expenses:</b>					
Depreciation Expense	-	-	-	84	84
Repairs and Maintenance	-	-	56	250	306
Security	-	-	-	229	229
Other	-	1	6	121	127
<b>Total Occupancy Expenses:</b>	<b>-</b>	<b>1</b>	<b>62</b>	<b>684</b>	<b>747</b>
Travel:	-	3	-	27	29
Other Operating Expenses:	-	-	-	156	156
<b>Total expenses from operations:</b>	<b>\$4,899</b>	<b>\$1,083</b>	<b>\$2,894</b>	<b>\$1,735</b>	<b>\$10,611</b>



As seen above, for the period FY2013-14, the Trust incurred a total of \$8.876 million in program support expenses that directly benefitted the scientific community, inventors and entrepreneurs. This support was in the form of sponsorships, support for local incubators, funding to enhance research capabilities and infrastructure, in-kind services and grants to support technology development and commercialization. Program support and expenses represents 84% out of the total of \$10.611 expenses incurred in the period. For further financial information, refer to Audited Financial Statements included as part of the Annual Report.

Puerto Rico Science,  
Technology and Research Trust

(a non-for-profit organization)

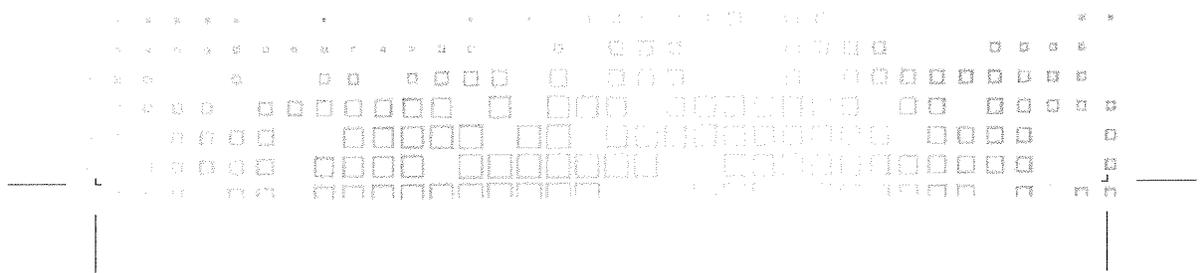
**FINANCIAL STATEMENTS**

FOR THE YEARS JUNE 30, 2014 (Unaudited) and  
JUNE 30, 2013 (Audited)



# Table of Content

BALANCE SHEETS .....	17
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS .....	18
STATEMENTS OF FUNCTIONAL EXPENSES .....	20
STATEMENTS OF CASH FLOWS .....	22
NOTES TO FINANCIAL STATEMENTS .....	23



BALANCE SHEETS AS OF JUNE 30, 2014 AND JUNE 30, 2013

	JUNE 30, 14 Unaudited	JUNE 30, 13 Audited
<b>ASSETS</b>		
Cash	\$ 33,880,992	\$ 68,579,854
Accrued interest receivable	2,913	6,439
Short-Term Investments Unrestricted	28,905,138	-
Short-Term Investments Restricted	6,521,425	-
Other assets	26,247	550
Convertible Promissory Note Receivable	889,695	889,695
Property and equipment, net	8,807	5,506
Equipment under capital lease, net of accumulated depreciation of \$18,942 and \$12,411, respectively	18,126	24,657
Due from government entity	-	13,738,958
Restricted cash	-	6,890,000
Long-Term Investments Unrestricted	29,079,681	-
Building, net of accumulated depreciation of \$37,700	2,525,851	2,601,249
Land and property for research, development and infrastructure project related to science and technology	26,860,000	18,000,000
Land development costs	<u>9,095,822</u>	<u>6,477,291</u>
	<u>\$ 137,814,697</u>	<u>\$ 117,214,199</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Program service payable	\$ 1,126,090	\$ 1,689,474
Accounts payable	2,214,023	702,912
Accrued expenses	6,221	7,021
Other liabilities	4,238	1,200
Obligation under capital lease	<u>19,296</u>	<u>25,282</u>
	3,369,867	2,425,889
<b>NET ASSETS</b>		
Unrestricted	101,766,406	86,616,310
Temporarily restricted	5,818,425	10,172,000
Permanently restricted	<u>26,860,000</u>	<u>18,000,000</u>
	<u>134,444,830</u>	<u>114,788,310</u>
	<u>\$ 137,814,697</u>	<u>\$ 117,214,199</u>

See accompanying notes to financial statements.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2014 (Unaudited)**

CHANGES IN NET ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>				
Grants	\$ 20,758,929			\$ 20,758,929
Rental Income	26,623			26,623
Interest Income	563,828	49,425		613,252
Program Service Fees	3,060			3,060
Other Income	5,551			5,551
Unrealized Gain (Loss)				
Land Appraisal	—	—	8,860,000	8,860,000
Total Unrestricted Revenues and Support	<u>21,357,991</u>	<u>49,425</u>	<u>8,860,000</u>	<u>30,267,416</u>
Net Assets released from restrictions:				
Satisfaction of Program Restrictions	4,403,000	(4,403,000)	—	—
Total Revenue:	<u>25,760,991</u>	<u>(4,353,575)</u>	<u>8,860,000</u>	<u>30,267,416</u>
<b>EXPENSES</b>				
Program and Services:				
Research & Data	4,899,426			4,899,426
Tech Transfer and Commercialization	1,082,520			1,082,520
Science City Development	2,893,942	—	—	2,893,942
Total Programs and Services:	<u>8,875,888</u>	<u>—</u>	<u>—</u>	<u>8,875,888</u>
Support:				
Management	1,735,008	—	—	1,735,008
Total Supporting Services:	<u>1,735,008</u>	<u>—</u>	<u>—</u>	<u>1,735,008</u>
Total Expenses from Operations:	<u>10,610,896</u>	<u>—</u>	<u>—</u>	<u>10,610,896</u>
Change in Net Assets from Operations:	<u>15,150,095</u>	<u>(4,353,575)</u>	<u>8,860,000</u>	<u>19,656,520</u>
Net Assets, beginning of year:	<u>86,616,310</u>	<u>10,172,000</u>	<u>18,000,000</u>	<u>114,788,310</u>
Net Assets, end of year:	<u>\$ 101,766,406</u>	<u>\$ 5,818,425</u>	<u>\$ 26,860,000</u>	<u>\$134,444,830</u>

See accompanying notes to financial statements.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2014 (Audited)**

CHANGES IN NET ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>				
Grants	\$ 14,738,958	\$ -	\$ -	\$ 14,738,958
Rental Income	2,400	-	-	2,400
Interest Income	76,335	-	-	76,335
Program Service Fees	216	-	-	216
Donations	7,500	-	-	7,500
Conversion of Grant to				
Convertible Note	889,695	-	-	889,695
Other Income	10,245	-	-	10,245
Total Unrestricted Revenues and Support	<u>15,725,349</u>	<u>-</u>	<u>-</u>	<u>15,725,349</u>
Net Assets released from restrictions				
Satisfaction of Program Restrictions	5,118,000	(5,118,000)	-	-
Total Revenues	<u>20,843,349</u>	<u>(5,118,000)</u>	<u>-</u>	<u>15,725,349</u>
<b>EXPENSES</b>				
Program and Services:				
Research & Data	5,809,741	-	-	5,809,741
Tech Transfer and Commercialization	2,056,435	-	-	2,056,435
Science City Development	541,320	-	-	541,320
Total Programs and Services:	<u>8,407,496</u>	<u>-</u>	<u>-</u>	<u>8,407,496</u>
Support Services				
Operational Expenditures	1,416,269	-	-	1,416,269
Total Supporting Services	<u>1,416,269</u>	<u>-</u>	<u>-</u>	<u>1,416,269</u>
Total Expenses from Operations:	<u>9,823,765</u>	<u>-</u>	<u>-</u>	<u>9,823,765</u>
Change in Net Assets from Operations:	<u>11,019,584</u>	<u>(5,118,000)</u>	<u>-</u>	<u>5,901,584</u>
<b>NON OPERATING REVENUE (EXPENSE)</b>				
Loss on Asset Disposition	(33,991)	-	-	(33,991)
Total Non-Operating Revenue (Expense)	<u>(33,991)</u>	<u>-</u>	<u>-</u>	<u>(33,991)</u>
<b>Increase in Net Assets</b>	<u>10,985,593</u>	<u>(5,118,000)</u>	<u>-</u>	<u>5,867,593</u>
<b>Net Assets, beginning of year</b>	<u>75,630,717</u>	<u>15,290,000</u>	<u>18,000,000</u>	<u>108,920,717</u>
<b>Net Assets, end of year</b>	<u>\$ 86,616,310</u>	<u>\$ 10,172,000</u>	<u>\$ 18,000,000</u>	<u>\$ 114,788,310</u>

See accompanying notes to financial statements.

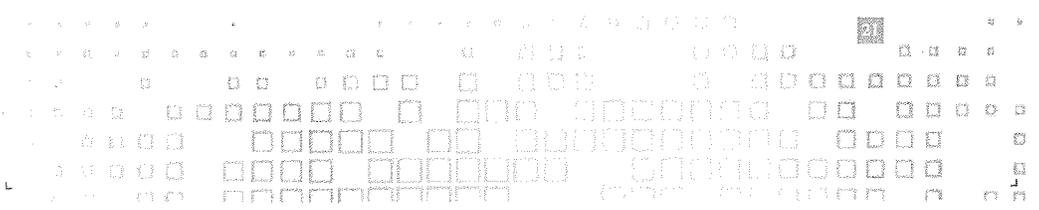
**STATEMENTS OF FUNCTIONAL EXPENSES:  
YEAR ENDED JUNE 30, 2014 (Unaudited)**

	Research and Data	Technology Transfer and Commercialization	Science City Development	Management	Total
Program Support:					
Sponsorships	\$ 8,671	\$ 540,700	\$ -	\$ -	\$ 549,371
Incubators Support	323,463	-	-	-	323,463
Centenary Fund Grants	4,403,000	-	-	-	4,403,000
Matching Grants	153,000	210,000	-	-	363,000
In Kind Services	-	13,659	-	-	13,659
<b>Total Program Support Expenses:</b>	<b>4,888,134</b>	<b>764,359</b>	<b>-</b>	<b>-</b>	<b>5,652,492</b>
Personnel Costs:					
Salaries and Wages	9,612	-	-	127,864	137,476
Benefits and Payroll Taxes	1,680	-	-	60,373	62,053
<b>Total Personnel Costs:</b>	<b>11,292</b>	<b>-</b>	<b>-</b>	<b>188,236</b>	<b>199,528</b>
Professional Services:	-	314,481	2,831,843	680,023	3,826,347
Occupancy Expenses:					
Depreciation Expense	-	-	-	84,203	84,203
Repairs and Maintenance	-	-	56,300	249,958	306,258
Security	-	-	-	229,059	229,059
Other	-	775	5,798	120,784	127,357
<b>Total Occupancy Expenses:</b>	<b>-</b>	<b>775</b>	<b>62,098</b>	<b>684,004</b>	<b>746,877</b>
Travel:	-	2,907	-	26,541	29,448
Other Operating Expenses:	-	-	-	156,203	156,203
<b>Total expenses from operations:</b>	<b>\$ 4,899,426</b>	<b>\$ 1,082,520</b>	<b>\$ 2,893,942</b>	<b>\$ 1,735,008</b>	<b>\$ 10,610,896</b>

See accompanying notes to financial statements.

**STATEMENTS OF FUNCTIONAL EXPENSES:  
YEAR ENDED JUNE 30, 2013**

	Research and Data	Technology Transfer and Commercialization	Science City Development	Management	Total
Program Support:					
Sponsorships	\$ 34,900	\$ -	\$ -	\$ -	\$ 34,900
Incubators Support	-	361,756	-	-	361,756
Centenary Fund Grants	5,118,000	-	-	-	5,118,000
R&D Projects Grants	494,311	913,640	-	-	1,407,951
Matching Grants	-	400,000	-	-	400,000
In Kind Services	-	11,003	-	-	11,003
<b>Total Program Support Expenses:</b>	<b>5,647,211</b>	<b>1,686,399</b>	<b>-</b>	<b>-</b>	<b>7,333,610</b>
Personnel Costs:					
Salaries and Wages	26,674	5,073	64,244	104,969	200,960
Benefits and Payroll Taxes	2,897	591	22,394	32,443	58,325
<b>Total Personnel Costs:</b>	<b>29,571</b>	<b>5,664</b>	<b>86,638</b>	<b>137,412</b>	<b>259,285</b>
Professional Services:	132,326	356,280	136,201	658,768	1,283,575
Occupancy Expenses:					
Amortization Expense	-	-	-	16,028	16,028
Depreciation and					
Amortization expenses	-	-	-	97,065	97,065
Rent	-	-	-	35,151	35,151
Repairs and Maintenance	-	-	194,600	30,428	225,028
Security	-	-	92,608	112,996	205,604
Other Operating Expenses	-	-	31,273	91,854	123,127
<b>Total Occupancy Expenses:</b>	<b>-</b>	<b>-</b>	<b>318,481</b>	<b>383,522</b>	<b>702,003</b>
Travel:	-	5,414	-	-	5,414
Other Operating Expenses:	633	2,678	-	236,367	239,878
<b>Total expenses from operations:</b>	<b>\$ 5,809,741</b>	<b>\$ 2,056,435</b>	<b>\$ 541,320</b>	<b>\$ 1,416,269</b>	<b>\$ 9,823,765</b>



**STATEMENTS OF CASH FLOWS:  
YEARS ENDED OF JUNE 30, 2014 AND JUNE 30, 2013**

	<b>JUNE 30, 14</b>	<b>JUNE 30, 13</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Increase (Decrease in Net Assets)	<u>\$ 19,656,520</u>	<u>\$ 5,867,593</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	84,203	97,065
Loss on Disposition of Assets	-	33,991
Contribution to) Use of Centenary Funds	6,890,000	4,400,000
Conversion of Grant to Convertible Note Receivable	-	(889,695)
Unrealized (Gain) Loss Land Appraisal	(8,860,000)	-
Changes in assets and liabilities:		
Interest Receivable	3,526	792
Other Assets	(25,697)	15,478
Program Service Payable	(563,384)	1,689,474
Accounts Payable	1,510,311	(136,278)
Other Liabilities	3,038	1,200
<b>Net Cash Provided (Used) by Operating Activities:</b>	<u>18,698,517</u>	<u>11,079,620</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments - Unrestricted	(57,463,000)	-
Purchase of Investments - Restricted	(10,537,000)	-
Reinvestment of Interest - Unrestricted	(521,819)	-
Reinvestment of Interest - Restricted	(49,425)	-
Use of Restricted Investments	4,065,000	-
Purchase of Property and Equipment	(5,575)	(5,796)
Building Construction	-	(2,503,471)
Addition to land development costs	<u>(2,618,531)</u>	<u>(4,221,084)</u>
<b>Net Cash Provided (Used) by Investing Activities:</b>	<u>(67,130,350)</u>	<u>(6,730,351)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Due from Government Entity	13,738,958	(9,738,958)
Principal payment of obligation under capital leases	<u>(5,986)</u>	<u>(4,818)</u>
<b>Net Cash Provided (Used) by Financing Activities:</b>	<u>13,732,972</u>	<u>(9,743,776)</u>
<b>Net Increase (Decrease) in Cash:</b>	<u>(34,698,862)</u>	<u>(5,394,507)</u>
<b>Cash at Beginning of Year:</b>	<u>68,579,854</u>	<u>73,974,361</u>
<b>Cash at End of Year or Period:</b>	<u>\$ 33,880,992</u>	<u>\$ 68,579,854</u>

See accompanying notes to financial statements.

# Note to Financial Statements

June 30, 2014 and 2013

## NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Puerto Rico Science, Technology and Research Trust (hereinafter referred to as "the Trust") is a non-for-profit organization, created by Act No.214 of the Legislature of the Commonwealth of Puerto Rico on August 18, 2004 (Act No. 214). The purpose of this Trust is to foster and fund research, development and infrastructure projects related to science and technology that will promote the economic, social or educational development of the Commonwealth and to operate exclusively for charitable, educational and scientific purposes. During October 20, 2011, Act No. 208 was enacted to amend Act No. 214. These projects are to be financed as follows: (i) the greater of \$5,000,000 or 25% percent and \$5,630,000 or 28% percent for FY2011-12 and FY2012-13, respectively, out of the monies deposited in the Special Fund for Economic Development managed by the Puerto Rico Industrial Development Company (PRIDCO), (ii) the monies of Scientific Investigation Fund for the Centenary of the University of Puerto Rico (Centenary Fund), (iii) a special appropriation of five million dollars from the Improvements Fund, (iv) a five million dollars from the balance of collections of federal excise taxes in accordance with Section 7652(a)(3) of the United States Internal Revenue Code 91986, as amended, (v) and private donations, other government funds, and legislative appropriations.

The Act provides that the Board of Trustees, composed of 11 trustees, four of whom shall be members *ex officio* representing the government agencies: the Secretary of the Economic Development and Commerce Department, the President of the Government Development Bank, the Executive Director of the Puerto Rico Industrial Development Company and the Director of the Office of Management and Budget, four member *ex officio* from the academy industry, including, the President of the University of Puerto Rico, and three particular citizens who six Trustees Individuals appointed by the Board of Trustees as required by the Act, will act as the Trustees of the Trust.

**Summary of significant accounting policies:**

**Basis of accounting**

The Trust prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for non-for-profit organizations.

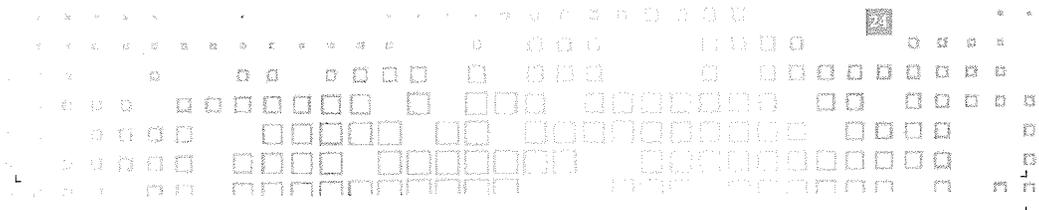
**Basis of presentation**

All not-for-profit organizations are required to present a balance sheet, a statement of activities, and a statement of cash flows. In addition, net assets are classified in one or more of the following categories: unrestricted, temporarily restricted and permanently restricted.

- Unrestricted net assets - are resources available to support operations. These resources are unrestricted as to their use and expendable at the discretion of the Board of Trustees.
- Temporarily restricted net assets - are resources that are restricted by a donor for use for a particular purpose or in a particular future period.
- Permanently restricted net assets - are resources whose use is limited by donor-imposed restrictions that neither expires by being used in accordance with a donor's restriction nor by the passage of time.

The following is a description of the temporarily restricted and permanently restricted net assets as of June 30, 2014:

- Temporarily restricted net assets consist of monies for the Scientific Investigation Fund for The Centenary of the University of Puerto Rico. This fund was created to improve the infrastructure, activities and environment of investigative activities of the University of Puerto Rico and to facilitate the commercialization of the innovations that are developed there. Among the activities to be supported are the recruitment and retention of researchers and the promotion of technology transfer.
- Permanently restricted net assets consist of a land, described on Note E, which was contributed with the restriction of using it according to the purpose of Act No. 214 through the implementation of a Master Plan.



**Accounts receivable, convertible promissory note receivable**

The Trust provides an allowance for doubtful accounts equal to the amount of estimated uncollectible amounts. The estimate is based on the review of the current status of donor pledges, contributions and grants. It is reasonably possible that the estimate of the required allowance for doubtful accounts will change. As of June 30, 2013, no account has been determined by the Trust as uncollectible.

**Contributions and support revenue**

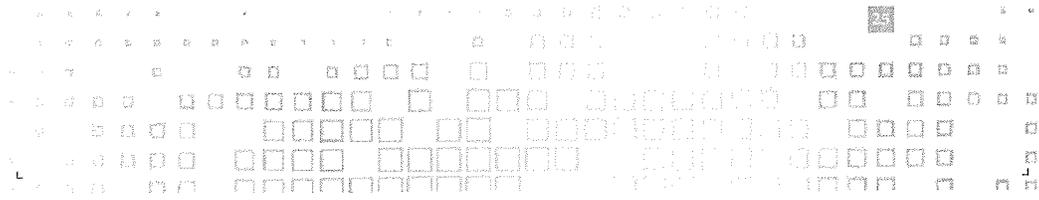
The Trust derives its revenues from contributions received from the government, corporations, and individuals. All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases the net assets of those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Trust reports the support as unrestricted.

**Contributed services**

Contributions of services are only recognized if services received: (a) create or enhance non-financial assets or would typically need to be purchased if not provided by donation, (b) require specialized skills and are provided by individuals possessing those skills. The contribution revenue for services received is recognized at the fair value of those services. During the year ended June 30, 2013, the Trust did not receive contributed services.

**Property and equipment**

Property and equipment are stated at cost. Equipment under capital lease is stated at the net present value of the minimum lease payments at the inception of the lease. Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance, and repairs are charged to expense as incurred.



Depreciation is provided over the estimated useful lives of the assets involved using the straight-line method. Leasehold improvements are amortized over the estimated useful life of the asset or the respective lease term used in determining lease classification, whichever is shorter.

**Building, property and equipment**

The range of estimated useful lives is as follows:

- Leasehold improvements - 5 years
- Furniture, fixtures, and equipment - 5 years
- Computer equipment - 3 years
- Equipment under capital lease - lease term
- Building – 20 to 45 years

The Company continually evaluates property and equipment, including leasehold improvements, to determine whether events or changes in circumstances have occurred that may warrant revision of the estimated useful life.

**Land development costs**

Represent costs for a land site consultation approval, certification of environmental compliance, architectural design, and other costs incurred in connection with land received by the Trust for the construction of its facilities.

**Income taxes**

The Trust is exempt from Puerto Rico income taxes under the provisions of Act No. 214. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Financial Accounting Standards Board issued a new guidance on accounting for uncertainty in income taxes. The Trust adopted this guidance for the year ended June 30, 2012. Management evaluated the Trust's tax positions and concluded that the Trust had taken no uncertain tax positions that require adjustments to the balance sheet.

**Functional allocation of expenses and operational expenditures**

The costs of providing the Trust's programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Effective for the year ended as of June 30, 2013, certain costs have been allocated among the following programs and support activities:

*Research and Data:* includes expenses aimed to improve, analyze and/or strengthen the local research and development (R&D) infrastructure and the breadth of science and technology activity in Puerto Rico. These expenses, however, do not have a direct effect upon technology commercialization efforts. Examples of expenses within this function include: grants to support laboratory infrastructure; grants to attract/retain distinguished researchers; studies to determine R&D/Innovation/Knowledge Economy activity in the Island; and, salaries and/or professional services to support this area

*Technology Transfer and Commercialization:* includes expenses incurred in initiatives to support technology transfer and commercialization and direct investments in technology development projects which have a clear commercialization aim. Examples of expenses within this function include: intellectual property assistance, grants to further the development of technologies with a clear commercialization aim and plan; investment in technology commercialization accelerators and startup incubators, salaries and/or professional services to support this area.

*Science City Development:* includes non-capitalizable expenditures necessary for the on-going development and construction of sites at the Science City. These expenditures include salary and/or professional services to support this area; planning and assessment projects; security services to enable construction work, etc.

*Operational Expenditures:* includes all administrative expenses incurred to support all functional areas as described above which are not directly allocable to any of these. Example of these expenses include: administrative staff salaries, accounting fees, depreciation, utilities, etc.

*Fundraising:* includes expenses incurred in soliciting contributions, gifts, grants, etc. Example of these expenses, include: publicizing and conducting fundraising campaigns, soliciting grants

from foundations and government agencies, costs of participating in federated fundraising campaigns, preparing and distributing fundraising manuals, instructions and other materials. The Trust did not, however, engage in any significant fundraising activity during the years ended as of June 30, 2013.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising and promotion**

The Trust charges to operations advertising and promotion costs as they are incurred. The Trust did not incur in any significant advertising and promotion activity during the years ended as of June 30, 2013 and 2014.

**NOTE B - DUE FROM GOVERNMENT ENTITY**

Due from government entity consists of the following, per each fiscal year:

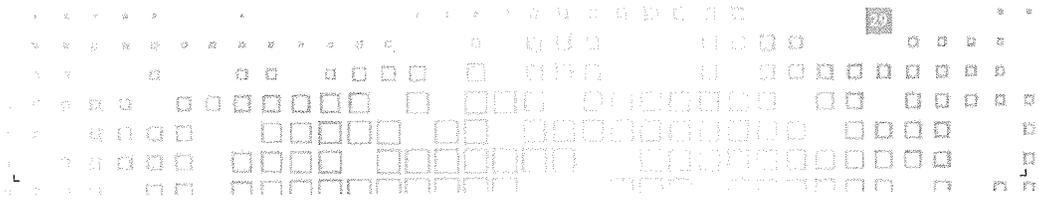
	June 30, 2014	June 30, 2013
As established in Act No. 232, the Trust is entitled to receive \$40,000,000 in connection with certain stipulated initiatives related to science and technology development and infrastructure projects for the Scientific Investigation Fund for the Centenary of the University of Puerto Rico.	\$ -0-	\$ 4,000,000
As established by Act No. 208, which amended Act No. 214, the Trust is to receive the greater of \$5,000,000 or 25% percent for FY2011-12 out of the monies deposited in the Special Fund for Economic Development managed by the Puerto Rico Industrial Development Company.	\$ -0-	\$ 9,738,958
<b>Total:</b>	<b>\$ -0-</b>	<b>\$ 13,738,958</b>

**NOTE C - CONVERTIBLE PROMISSORY NOTE RECEIVABLE**

The Trust holds a convertible promissory note payable with the CDI Laboratories, Inc., for the amount of \$889,695. This promissory note entailed an agreed upon conversion of prior support in the form of grants provided to the Company into this debt financing instrument.

This note is to finance Phase II of the Generation and Commercialization of Monoclonal Anti-bodies against the Human Proteome, taking place during 2010, 2011 and 2012. The note shall accrue interest on the unpaid principal balance at a rate of three percent (3%) per annum, computed on the basis of actual date elapsed in a year from the date of the note to the repayment date. The principal amount of the note, plus any unpaid accrued interest, shall be payable upon demand at any time after the maturity date of January 31, 2017. No payments shall be due for the first three (3) years and thereafter all payments shall be amortized on a monthly basis for the remaining two (2) years until the maturity date.

The entire principal balance and accrued interest on this note may be converted into a secure loan, convertible promissory note, convertible note purchase agreement, equity agreement, reimbursement agreement or similar arrangement. The conversion into common shares of the Company is to be calculated by dividing the entire outstanding balance by the fair market value of the common stock as of the maturity date.



**NOTE D - BUILDING**

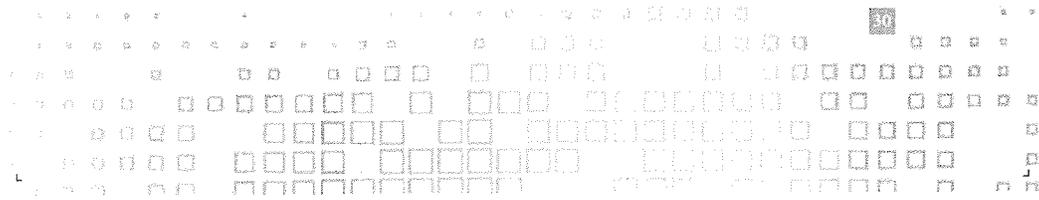
As of December 2012, the Trust concluded the rehabilitation and construction work related to the Innovation Center Building, the first real estate development located at the Science District. The Trust capitalized as Building a total of \$2.6 million related to rehabilitation and inspection costs incurred during June through December 2012.

The Innovation Center Building is a three-story building which houses the Trust headquarters and provides space for both, the incubation of local hi-tech startups and strategic service providers, creating a synergistic effect to accelerate the commercialization of technologies.

**NOTE E - LAND AND PROPERTY FOR RESEARCH, DEVELOPMENT AND INFRASTRUCTURE PROJECT RELATED TO SCIENCE AND TECHNOLOGY - RESTRICTED**

On October 22, 2007, the Trust received 67.88 acres of prime real estate in the metropolitan area of San Juan, which includes the former Río Piedras Correctional Facilities (Oso Blanco State Penitentiary). The Trust valued the land and property at \$26,860,000, based on a market appraisal opinion report, dated April 12, 2014.

As established by Act No. 208, which amended Act No. 214, the Trust plans to develop the 67.88 acres of Oso Blanco State Penitentiary site into a research park, which combines residential, retail, educational, and civic facilities with laboratory and research and development facilities with the purpose of facilitating the development of infrastructure favorable to the research and development of science and technology. Costs related to the design, development and improvements of the campus are capitalized as incurred.



**NOTE F - PROPERTY AND EQUIPMENT, AND EQUIPMENT UNDER CAPITAL LEASES**

Property and equipment and equipment under capital leases consists of the following, per fiscal year:

As of June 30, 2014:			
	Cost	Accumulated Depreciation	Book Value
Furniture and fixtures	\$ 100,727	\$ 91,920	\$ 8,807
Computer equipment	9,726	9,726	-
Equipment under capital leases	37,068	18,942	18,126
	<b>\$ 147,521</b>	<b>\$ 120,588</b>	<b>\$ 26,933</b>

As of June 30, 2013:			
	Cost	Accumulated Depreciation	Book Value
Furniture and fixtures	\$ 95,152	\$ 89,646	\$ 5,506
Computer equipment	9,726	9,726	-
Equipment under capital leases	37,068	12,411	24,657
	<b>\$ 141,946</b>	<b>\$ 111,783</b>	<b>\$ 30,163</b>

During fiscal year June 30, 2013, the Trust wrote-off a total of \$99,142 related to Leasehold Improvements due to the relocation of its headquarters to the Innovation Center Building on December 2012 (see Note D – Building). The write-off resulted in a loss in asset disposal of \$33,991 between the difference of capitalized Leasehold Improvements and the related accumulated depreciation as December 2012.

Depreciation expense for the years June 30, 2014 and 2013 totaled \$84,203 and \$97,065, respectively, and it is allocated to operational expenditures on the accompanying statement of activities.

**NOTE G - PROGRAM SERVICE PAYABLE**

Program service payable consists of a reimbursement payable to Puerto Rico Industrial Development Company for the funding of the Bioprocess Development Training and Complex Corporation, on behalf of the Trust. Those disbursements will be made from the monies of the Centenary Fund. The remaining Program Service Payable balance of \$500,000 for this concept was recorded against due from government as of June 30, 2013.

Program service payable also includes accrued obligations related to program support grants awarded during the period through both, Unrestricted and Restricted funds. The balance of Program Service Payable regarding program support grants is as follows per each fiscal year:

	30-Jun-14	30-Jun-13
Program Support Grants Payable - Unrestricted Funds	\$ 423,090	\$ 971,474
Program Support Grants Payable - Restricted Funds	2,503,000	718,000
	<b>\$ 2,926,090</b>	<b>\$ 1,689,474</b>

**NOTE H - OBLIGATIONS UNDER CAPITAL LEASE**

The Trust leases certain assets under capital lease agreements expiring at various dates, the latest of which expires in 2018.

Future minimum lease payments for years ending subsequent to June 30, 2014 and 2013, are as follows:

Year Ending,	30-Jun-14	30-Jun-13
2014	\$ -	\$ 8,497
2015	6,600	6,600
2016	6,600	6,600
2017	6,600	6,600
2018	3,300	3,300
Minimum Lease Payments:	\$ 23,100	\$ 31,597
Less: Amount Representing Interest	3,804	6,315
Present Value of Minimum Payments:	<b>\$ 19,296</b>	<b>\$ 25,282</b>

**a. List of Contracts**

Contract Number	Type	Contractor	Description	Amount	Start date	End date	Status
2014-00001	OR Contract	Gilberto Márquez	Professional Services	\$100,000.00	7/1/2013	6/30/2014	Open
2014-00001 A	AMT Amendment			\$20,000.00	5/1/2014	6/30/2014	
2014-00002	OR Contract	Héctor Reyes	Professional Services	\$30,000.00	7/13/2013	6/30/2014	Open
2014-00003	OR Contract	Goás PSC	Professional Services	\$60,000.00	6/30/2013	6/30/2014	Open
2014-00004	OR Contract	St. James Security Services	Non Professional Services	\$175,000.00	9/1/2013	6/30/2014	Open
2014-00005	OR Contract	MAIN	Non Professional Services	\$259,133.00	9/2/2013	6/30/2014	Open
2014-00006	OR Contract	Aquino De Córdova & Alfaro	Professional Services	\$16,400.00	8/1/2013	6/30/2014	Closed
2014-00007	OR Agreement	Universidad Interamericana	Grant	\$50,000.00	10/18/2013	12/31/2103	Open
2014-00007 AMD-L	TRM Letter	de PR		\$0.00	12/17/2013	9/30/2014	
2014-00008	OR Contract			\$25,000.00	8/13/2013	3/01/2014	Open
2014-00008-A	AMT & TRM Amendment			\$111,500.00	11/1/2013	3/1/2014	
2014-00008-B	AMT & TRM Amendment	AES International	Professional Services	\$34,600.00	3/31/2014	5/1/2014	
2014-00008-C	TRM Amendment			\$0.00	4/30/2014	9/30/2014	
2014-00009	OR Agreement	Norman Ortiz	Sponsorship	\$1,350.00	8/20/2013	8/31/2013	Closed
2014-00010	OR Proposal	Lively	Professional Services	\$30,000.00	8/16/2013	6/30/2014	Closed
2014-00012	OR Contract	MPPR	Professional Services	\$120,000.00	10/1/2013	2/28/2014	Closed
2014-00013	OR Contract	Diesel Engineering	Non Professional Services	\$5,000.00	9/3/2013	6/30/2014	Open
2014-00015	OR Contract			\$298,000.00	9/9/2013	11/13/2013	Closed
2014-00015-A	AMT & TRM Amendment	FEF Consultores	Professional Services	\$73,810.00	10/29/2013	12/6/2013	
2014-00015-B	TRM Amendment			\$0.00	12/1/2013	12/12/2013	
2014-00016	OR Agreement	Cutting Edge	Grant	\$100,000.00	9/11/2013	12/31/2013	Open
2014-00016 AMD-L	TRM Letter	Super Conductors		\$0.00	12/20/2013	6/30/2014	
2014-00017	OR Contract	DBA Mendín & Zapata	Professional Services	\$25,000.00	9/2/2013	6/30/2014	Open

Contract Number	Type		Contractor	Description	Amount	Start date	End date	Status
2014-00 017-A	SCOPE	Amendment			\$0.00	12/1/2014	6/30/2014	
2014-00018	OR	Contract	DBA Mendín & Zapata	Professional Services	\$40,000.00	9/2/2013	6/30/2014	Closed
2014-00019	OR	Contract	Pietrantoni, Mendez & Alvarez	Professional Services	\$350,000.00	9/16/2013	6/30/2014	Open
2014-00021	OR	Contract	Sofia Saez	Professional Services	\$11,475.00	9/15/2013	6/30/2014	
2014-00022	OR	Agreement	José A. Díaz	Sponsorship	\$850.00	8/1/2013	8/30/2013	Closed
2014-00023	OR	Contract	Sunset Contractor	Professional Services	\$1,165,200.00	10/10/2013	3/10/2014	Open
2014-00023-A	AMT	Amendment			\$659,900.00	10/29/2013	3/10/2014	
2014-00023-B	TRM	Amendment			\$0.00	3/7/2014	5/9/2014	
2014-00023-C	TRM	Amendment			\$0.00	5/9/2014	12/31/2014	
2014-00024	OR	Contract	Delgado & Fernández, LLP	Professional Services	\$40,000.00	10/22/2013	6/30/2014	Open
2014-00024-A	AMT	Amendment			\$35,000.00	4/15/2014	6/30/2014	
2014-00025	OR	Contract	Aida Belen Rivera	Professional Services	\$40,000.00	10/1/2013	6/30/2014	Open
2014-00025-A	TRM	Amendment			\$0.00	6/27/2014	12/31/2014	
2014-00026	OR	Agreement	Chief Information Officer	Grant	\$500,000.00	11/5/2013	6/30/2014	Closed
2014-00027	OR	Contract	Integra Engi & Arch	Professional Services	\$130,000.00	3/13/2014	3/16/2015	Open
2014-00028	OR	Agreement	Boom, LLC	Sponsorship	\$5,000.00	11/14/2013	11/30/2013	Closed
2014-00029	OR	Contract	Toro Arquitectos	Professional Services	\$30,450.00	11/19/2013	12/13/2013	Closed
2014-00030	OR	Agreement	University of Puerto Rico- RUM	Sponsorship	\$3,000.00	12/20/2013	3/27/2014	Closed
2014-00031	OR	Contract	Toro Arquitectos	Professional Services	\$20,000.00	11/15/2013	6/30/2014	Open
2014-00031-A	AMT	Amendment			\$55,000.00	3/1/2014	6/30/2014	Open
2014-00031-B	AMT	Amendment			\$40,000.00	4/1/2014	6/30/2014	Open
2014-00032	OR	Contract	CMA Architects & Eng	Professional Services	\$6,100.00	12/10/2013	6/30/2014	Closed
2014-00033	OR	Contract	FEF Consultores	Professional Services	\$25,000.00	12/1/2013	6/30/2014	Open
2014-00033-A	TRM	Amendment			\$0.00	6/27/2014	3/31/2015	

Contract Number	Type	Contractor	Description	Amount	Start date	End date	Status
2014-00034	OR Contract	Toro Arquitectos	Professional Services	\$381,160.00	1/13/2014	3/31/2017	Open
2014-00035	OR Contract	FEF Consultores	Professional Services	\$170,400.00	1/21/2014	3/24/2014	Closed
2014-00036	OR Contract	Guido Picon	Professional Services	\$7,000.00	2/10/2014	3/17/2014	Closed
2014-00037	OR Contract	Guido Picon	Professional Services	\$13,500.00	3/14/2014	4/28/2014	Closed
2014-00038	OR Contract	Cristina López	Professional Services	\$11 hourly	2/11/2014	5/10/2014	Open
2014-00038 A	RATE Amendment			\$14 hourly	5/9/2014	6/30/2014	
2014-00038 B	TRM & HRS Amendment			\$0.00	6/30/2014	12/31/2014	
2014-00039	OR Agreement	Norman Ortiz	Sponsorship	\$9,590.00	2/14/2014	6/30/2014	Closed
2014-00041	OR Contract	Sunset Contractor	Professional Services	\$3,493,600.00	2/21/2014	3/16/2015	Open
2014-00041 CO#1	AMT Change Order			\$733,045.10	5/13/2014	3/16/2015	
2014-00041 A	Budget Amendment			-	4/30/2014	3/16/2015	
2014-00042	OR Agreement	Centro de Emprendedores, Inc.	Sponsorship	\$14,000.00	3/3/2014	11/30/2014	Open
2014-00043	OR Contract	MPPR	Professional Services	\$149,600.00	3/1/2014	12/31/2014	Open
2014-00044	OR Contract	MPPR	Professional Services	\$65,000.00	3/1/2014	3/31/2015	Open
2014-00045	OR Agreement	HackPR	Sponsorship	\$5,000.00	3/24/2014	3/30/2014	Closed
2014-00046	OR Agreement	Cutting Edge Superconductors, Inc.	Grant	\$60,000.00	3/20/2014	6/30/2014	Closed
2014-00050	OR Proposal	Cambridge Biostrategies LCC	Professional Services	\$14,300.00	5/10/2014	6/30/2014	Closed
2014-00051	OR Contract	Pedro Davila Colón	Professional Services	\$39,260.00	4/22/2014	7/18/2014	Open
2014-00052	OR Contract	MPPR	Professional Services	\$30,000.00	5/1/2014	12/31/2014	Open
2014-00053	OR Proposal	COMSTAT	Professional Services	\$5,000 monthly	5/15/2014	5/15/2015	Open
2014-00054	OR Proposal	Pharma Bio Source	Professional Services	Fee for service	6/2/2014	6/30/2014	Open
2014-00055	OR Agreement	Universidad Central del Caribe	Grant	\$153,000.00	6/23/2014	6/30/2015	Open
2014-00056	OR Agreement	BDTC	Grant	\$250,000.00	6/16/2014	6/30/2014	Closed
2014-00057	OR Contract	PRAR (B. Hogan)	Professional Services	\$62,250.00	6/2/2014	8/29/2014	Open
2014-00058	OR Contract	Toro Arquitectos	Professional Services	\$80,100.00	5/30/2014	12/31/2014	Open
2014-000663- CTPR	OR Agreement	Asociación de Productos de PR	Sponsorship	\$20,000.00	6/17/2014	6/30/2014	Open
2014-000255A CTPR	TRM Amendment			-	6/25/2014	9/30/2014	Open