

## 8. Accounts and notes receivable

	2014	2013
Clients	\$ 13,790,173	\$ 13,496,853
Allowance for doubtful accounts	(496,407)	(486,945)
	13,293,766	13,009,908
Work completed pending certification	2,441,724	4,513,993
Sundry debtors	385,326	165,193
Recoverable value added tax	1,007,436	1,551,700
Recoverable income tax	620,187	853,186
Recoverable IMPAC	87,583	253,598
Recoverable IETU	1,180	153,672
Other recoverable taxes	189,579	180,664
Other	407,307	737,573
	\$ 18,434,088	\$ 21,419,487

### a. Clients

The Entity offers sales promotions through which it grants credit to its customers for different periods which, on average, are 201 and 203 days at December 31, 2014 and 2013, respectively. In the case of sales promotions with collection periods exceeding one year, the respective accounts receivable are classified as short-term because they form part of the Entity's regular transaction cycle, which is a common industry practice. Maturities exceeding one year are \$1,273,053 and \$1,117,653 at December 31, 2014 and 2013, respectively.

The average credit period of revenues derived from the cable, electronics, auto and corporate sectors is 30 and 60 days; interest is not charged.

Given the nature and diversity of project development periods, there is no average credit period for the operation of the infrastructure and construction sector; interest is not charged. The Entity does not maintain any collateral or other credit enhancements as regards these balances; similarly, it does not have the legal right to offset them against amounts owed to the counterparty.

### b. Past due but not impaired

Accounts receivable from customers include amounts that are overdue at the end of the reporting period and for which the Entity has not recognized an allowance for bad debts as there has been no significant change in the customer's credit rating and the amounts in question are still deemed to be recoverable. A summary of customer accounts receivable which are overdue, but are not considered impaired is detailed below:

	2014	2013
1 to 30 days	\$ 1,922,980	\$ 1,841,226
31 to 60 days	484,166	902,693
61 to 90 days	285,032	407,007
Past due more than 90 days	516,168	1,218,439
Total	\$ 3,208,346	\$ 4,369,365

The Entity carries out certain procedures to follow up on customers' compliance with payments for which collateral was not provided and which only have guarantors. According to the Entity's policies, if customer payments are delayed, the respective credit line is suspended for future purchases. Similarly, in the event of more significant delays, the Entity implements out-of-court and legal measures to recover the outstanding balance. However, if such measures are unsuccessful, the respective credit line and account are canceled. The Entity has recognized an allowance for doubtful accounts equal to 100% of all uncollectible accounts receivable.

### c. The allowance for doubtful accounts is as follows

	2014	2013
Receivables for sales of construction services	\$ (85,283)	\$ (85,624)
Receivables for sales of property and retail services	(340,881)	(328,687)
Customers by selling property and industrial services	(70,243)	(72,634)
	\$ (496,407)	\$ (486,945)

### d. Reconciliation of the allowance for doubtful accounts is presented below

	2014	2013
Beginning balance	\$ (486,945)	\$ (483,960)
Period accrual	(400,457)	(313,747)
Write offs and cancelations	390,995	310,762
Ending balance	\$ (496,407)	\$ (486,945)

### e. Work completed pending certification

	2014	2013
Costs incurred on uncompleted contracts	\$ 13,268,897	\$ 15,650,595
Estimated earnings	2,283,736	3,167,627
Revenue recognized	15,552,633	18,818,222
Less: Certifications to date	(12,473,642)	(13,539,435)
Less: Advances received	(635,205)	(762,732)
Less: Work completed pending certification long-term	(2,062)	(2,062)
Work completed pending certification	\$ 2,441,724	\$ 4,513,993