

October 31, 2018



GOVERNMENT OF PUERTO RICO
**Puerto Rico Fiscal Agency and Financial
Advisory Authority**

Component Unit Liquidity

FOR THE MONTH ENDED OCTOBER 31, 2018

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
ADEA	Puerto Rico Administration for the Development of Agricultural Enterprises, a public corporation and a component unit of the Commonwealth of Puerto Rico.
AMA	Metropolitan Autobus Authority.
ASEM	Puerto Rico Medical Services Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASES	Puerto Rico Health Insurance Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ATI	Puerto Rico Integrated Transit Authority.
ATM	Maritime Transportation Authority.
BBA	Bi-Partisan Budget Act of 2018.
Cardio	Cardiovascular Center of Puerto Rico and the Caribbean, a public corporation and a component unit of the Commonwealth of Puerto Rico.
CCDA	Puerto Rico Convention Center District Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
CDBG	Community Development Block Grant – Disaster Recovery (CDBG – DR) is a program responsible to ensure decent affordable housing opportunities and provision of services, community assistance, and to expansion and conserve jobs.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
DDEC	Puerto Rico Department of Economic Development and Commerce, a public corporation and a component unit of the Commonwealth of Puerto Rico.
DMO	Direct Marketing Organization.
DPO (Intergovernmental)	Days Payable Outstanding [Intergovernmental Payables divided by trailing 12 months PayGo Charges plus Facilities/Rent Payments multiplied by 365].
DPO (Third Party)	Days Payable Outstanding [Third Party Payables divided by trailing 12 months Operating Disbursements, not including Payroll Costs, PayGo, Christmas Bonus, or Facilities/Rent Payments multiplied by 365].
DSO (Intergovernmental)	Days Sales Outstanding [Intergovernmental Receivables divided by trailing 12 months Intergovernmental Receipts multiplied by 365]
DSO (Third Party)	Days Sales Outstanding [Third Party Receivables divided by trailing 12 months Third Party Receipts multiplied by 365]
DTPR, Hacienda	Puerto Rico Department of Treasury.
FEMA	Federal Emergency Management Agency coordinates the federal government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
FOMB	Financial Oversight and Management Board of Puerto Rico.
Fondo	State Insurance Fund Corporation, a public corporation and a component unit of the Commonwealth of Puerto Rico.
FTA	The Federal Transit Administration provides financial and technical assistance to local public transit systems, including buses, subways, light rail, commuter rail, trolleys and ferries. FTA also oversees safety measures and helps develop next-generation technology research.
General Fund	The Commonwealth's principal operating fund.
HFA	Puerto Rico Housing Finance Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HTA	Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HUD	Department of Housing and Urban Development responsible for national policy and programs that address U.S. housing needs, improve and develop communities and enforce fair housing laws.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.

Invest Puerto Rico	Nonprofit investment organization created by Act 13-2017 to promote Puerto Rico as a competitive investment jurisdiction to attract new business in order to drive economic development.
MCO	Managed care organization.
MMIS	Medicaid Management Information System.
New Insurance Project	A new business venture for Fondo in which the corporation is partnering with private insurers through a commission-based model to market and sell its products to potential new customers.
Operating Disbursements	Includes payroll and related costs, material and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
Operating Receipts	Revenues collected from operations.
PayGo Charges	Puerto Rico pension system that is funded through a pay-as-you-go system pursuant to Act 106-2017. Retirement benefits expenses of covered government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
PBA	Puerto Rico Public Buildings Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Platino	Medicaid + Medicare dual-eligible populations.
Ports	Puerto Rico Ports Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
PRIDCO	The Puerto Rico Industrial Development Company is a government-owned corporation dedicated to promoting Puerto Rico as an investment destination for companies and industries worldwide.
PRITA, ATI	Puerto Rico Integrated Transit Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Tourism	Puerto Rico Tourism Company, a public corporation and a component unit of the Commonwealth of Puerto Rico.
TSA	Treasury Single Account, the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth's fiduciary funds. A portion of the revenues collected through the TSA corresponds to the General fund. Other revenues include federal funds and special revenues conditionally assigned by law to certain agencies or public corporations that flow through the TSA.
UDH	Hospital Universitario, a hospital affiliated with UPR and part of the Department of Health.
UPR	University of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico.
VTP	Voluntary Transition Program, as established by AAFAF Administrative Orders 2017-05, 2018-03, 2018-04, 2018-05, 2018-06, and 2018-13.
WIOA	The Workforce Innovation and Opportunity Act is a United States public law that replaced the previous Workforce Investment Act of 1998 as the primary federal workforce development legislation to bring about increased coordination among federal workforce development and related programs.

INTRODUCTION

AAFAF has been compiling financial information from selected public corporations of the Commonwealth of Puerto Rico that are component units (“CU”) for financial reporting purposes, as part of AAFAF’s evaluation of the liquidity of the Government of Puerto Rico and its public corporations.

This report presents information with respect to 15 select CUs. These CUs prepared individual liquidity plans at the beginning of the fiscal year, then updated the plans based on actual results through August 2018, which included a revised outlook through June 2019 (the “Liquidity Plan”). The Liquidity Plan is utilized as the benchmark to measure monthly results. The CUs will reevaluate the Liquidity Plans on a quarterly basis and revise assumptions as necessary.

The forecasts contain actual and projected cash receipts (which include revenues collected from operations; intergovernmental receipts – General Fund appropriations and other transfers from Central Government, municipalities, and public corporations; disaster relief receipts – federal emergency funds, insurance proceeds related to Hurricanes Irma and Maria, and other federal funds), and cash disbursements (which include operating payments – e.g. payroll and related costs, PayGo charges, purchased services, professional services, transportation expenses, disaster relief disbursements – e.g. expenditures related to the damages caused from Hurricanes Irma and Maria), and Capital Expenditures (“CapEx”).

The CUs are also expected to report monthly headcount figures in order to monitor changes in staff levels and their actual and projected effects on payroll costs. This information is presented in the document under section “B” for each CU.

A full fiscal year Sources and Uses of Funds for July 1, 2018 – June 30 2019 (“FY19”) is provided to allow readers to bridge the beginning cash balance as of July 1, 2018 and forecasted ending cash at June 30, 2019. This information is presented in the document under section “C” for each CU. For the balance of the fiscal year, there is a forecast provided for each CU taking into consideration timing and permanent variance, based on conversation with CU finance and accounting leaders.

This report also contains pertinent working capital information for the CUs. Where available, the CUs have provided monthly information on accounts payable and accounts receivable. Figures are unaudited and subject to change. This information is presented in the document under section “D” for each CU.

The report contains two appendix items. The first of these appendix items is a cash reconciliation. A bridge is provided between the actual cash data provided by the CUs as of October 26, 2018 and the October 2018 AAFAF reported figures represented in the “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities” which was released as of October 31, 2018. The second of these Appendix item is a consolidated view of CU headcount and salary, which is based on information provided by CU management.

TABLE OF CONTENTS

Executive Summary	7
Summary of Reporting by Component Unit	8
Individual Component Unit Reports	9
I. Puerto Rico Ports Authority (“Ports”)	9
II. Medical Services Administration (“ASEM”)	11
III. Puerto Rico Integrated Transit Authority (“PRITA”)	13
IV. State Insurance Fund Corporation (“Fondo”)	15
V. Health Insurance Administration (“ASES”)	17
VI. Highways and Transportation Authority (“HTA”)	19
VII. Puerto Rico Public Buildings Authority (“PBA”)	21
VIII. Cardiovascular Center of Puerto Rico and the Caribbean (“Cardio”)	23
IX. Puerto Rico Industrial Development Corporation (“PRIDCO”)	25
X. Housing Finance Authority (“HFA”)	27
XI. Puerto Rico Tourism Company (“Tourism”)	29
XII. Fiscal Agency and Financial Advisory Authority (“AAFAF”)	31
XIII. Department of Economic Development and Commerce (“DDEC”)	33
XIV. Convention Center District Authority (“CCDA”)	35
XV. Puerto Rico Agricultural Development Administration (“ADEA”)	37
Appendix A: Reconciliation between reported figures by CU and Bank Account Balances Report	39
Appendix B: Headcount Summary	40

EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF OCTOBER 26, 2018

Millions of US Dollar

COMPONENT UNIT	HIGHLIGHTS	FY19 BEG. BALANCE	ACTUAL 10/26/18 (a)	FY19 F'CAST Y/E BALANCE
PUERTO RICO PORTS AUTHORITY ("PORTS")	Modest reduction in liquidity through October 2018. Full year cash burn attributable primarily to PayGo contributions.	29.0	26.8	9.6
MEDICAL SERVICES ADMINISTRATION ("ASEM")	YTD liquidity has increased primarily due to an unexpected \$9.7M payment of past due receivable from ASEM's largest institutional debtors (UDH and Pediatrico). Cash burn for the rest of the year is due to pay down of FY18 liabilities.	11.8	14.2	(0.8)
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	YTD liquidity slightly increased primarily due to appropriations and federal grants received earlier than forecast through month-end Oct. PRITA has significant risk due to operating receipts being less than operating disbursements. Timing of government appropriations can have a outsized impact on liquidity. FY19 ending cash deficit primarily due to PayGo contributions.	11.0	25.4	(3.9)
STATE INSURANCE FUND CORPORATION ("FONDO")	YTD liquidity has increased, primarily driven by higher premium collections due to seasonality as a majority of collections occur in July and August, and accelerated collections through the new e-payment system. Cash burn remainder of the year primarily driven by PayGo and claims-related disbursements.	127.2	271.4	205.0
HEALTH INSURANCE ADMINISTRATION ("ASES")	YTD liquidity has increased, primarily driven by collection of past due Federal CMS funding of \$416M with an offset related to the timing of federal funding not received in October (\$197M). On an intra-month basis, liquidity can vary substantially due to timing effects of large federal inflows and health premium outflows. By year end, ASES' October federal funding variance should reverse, while receipt of June FY19 federal funding is expected to fall into FY20 due to similar timing effects. As a result, ASES' cash position should not change materially between October and year end.	54.3	239.5	250.8
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	YTD liquidity remains higher than forecast primarily due to lower CapEx spend in comparison to funding through month-end Oct FY19; spend is expected to increase in Q2 and Q3 of FY19.	252.8	346.1	320.0
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	YTD liquidity has increased due to transfers from Hacienda on rents collected, along with collection of insurance receipts. Decrease in liquidity for the remainder of the year is due to expenses on building repairs on properties affected by the hurricanes.	44.2	67.5	36.5
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	YTD liquidity has increased, primarily driven by strong patient collections as a result of higher activity levels at the hospital. However, Cardio remains challenged by labor shortages, as headcounts have dropped by 9% since Jul-17. Labor shortages at Cardio may have an impact on patient revenue long-term as certain minimum staffing ratios per patient are required to generate Cardio's patient services.	8.7	10.5	13.8
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	YTD liquidity has increased due to surplus generated from operations and no trustee debt or PayGo payments; however, cash flow is insufficient to pay both PayGo obligations and trustee debt reserve by end of FY19. If PayGo obligations are not met, TSA will fund the balance. An additional risk for FY19 are insurance-supported repairs and maintenance for Maria damages. PRIDCO is making repairs in lieu of any receipt of insurance monies. While insurance is expected to fully cover these liabilities, the claims-adjustment and timing of this inflow are uncertain.	9.4	16.1	(4.0)
HOUSING FINANCE AUTHORITY ("HFA")	YTD liquidity decreased primarily due to timing of both federal funds receipts from HUD and CDBG, and a net increase in short-term balance sheet investments (T-bills).	79.8	52.0	62.0
PUERTO RICO TOURISM COMPANY ("TOURISM")	YTD liquidity has decreased slightly, due to disbursements relating to the marketing contracts from FY18.	40.3	34.7	34.9
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAP")	YTD liquidity has increased slightly, due to the one time collection of GDB receipt for \$1.3M, which was due to a professional service contract being invoiced and paid twice, along with lower than expected professional service obligations. Year end liquidity is expected to decline due to the catch up of professional and purchased service fees from FY18.	36.9	38.3	29.9
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	YTD liquidity has increased, due to higher collections of operating fees and other receipts, in tandem with favorable timing of WIOA disbursements, which are expense driven and currently below forecast in the liquidity plan.	14.1	14.3	13.2
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	YTD liquidity has decreased primarily due to timing of room tax receipts and prior year room tax waterfall collections, as well as increased capital expenditures to maintain facilities.	7.6	5.4	6.5
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	YTD liquidity has increased, primarily driven by higher than expected collections from the School Cafeteria Program. ADEA will continue to work with the schools to collect on past due balances, and expects to make progress throughout FY19. At month-end Oct, receivables relating to the School Cafeteria program were at \$17.3M.	45.2	59.5	55.0

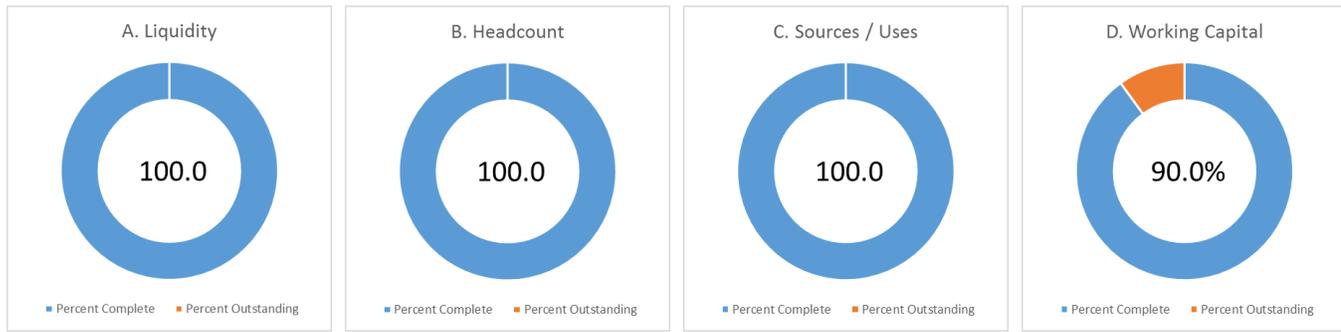
Notes:

(a) For reporting purposes, October month end actual balances were taken as of the last Friday of the month, or October 26, 2018.

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

RJP to Update

Each of the Component Units provided data for the month of October 2018. Data was broken into four sections, and included: A. Liquidity information, B. Headcount information, C. Sources / Uses of funds, and D. Working Capital information. The 15 CUs included in this report were 100% compliant in providing data for A. Liquidity, B. Headcount, and C. Sources / Uses. Data for D. Working Capital was not provided for all 15 CUs – see note (a) below.



Notes:

(a) Working Capital data is missing for the following CUs:

- PRITA, specifically sub-component units: ATM and ATI (as of 11/28/2018).
- ADEA, specifically the accounts receivable and accounts payable detailed breakout by client/vendor type.

I. PUERTO RICO PORTS AUTHORITY (“Ports”)

Primary Business Activity: The Puerto Rico Ports Authority is responsible for developing, improving, and administering all types of transportation facilities and air and sea services, as well as establishing and managing maritime collective transportation systems in, from, and to Puerto Rico.

Key Takeaways: Due to the recent start-up of the Culebra Ferryboat cargo ramp repair CapEx project, Ports has unrestricted funds earmarked for this project, resulting in a \$9.4M increase to the opening operating cash balance.

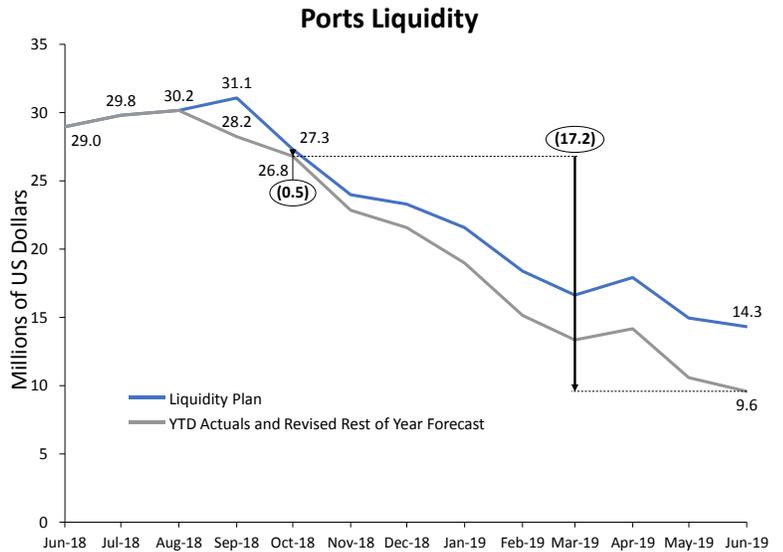
A. FY19 Operating Liquidity – Actuals¹ vs. Forecast

1. (\$0.5M) YTD actuals vs. Liquidity Plan:

- \$4.0M variance in operating receipts, of which \$1.3M is permanent as Ports has collected on aviation receivables. The balance is timing related and expected to reverse in Q2 and Q3 of FY19.
- (\$0.8M) timing variance in Federal Funds which are expected to come in FY19 (exact timing unclear).
- (\$2.7M) unbudgeted permanent variance in insurance payments, which increased following claims from 2017 hurricanes.
- (\$3.1M) timing variances in operating disbursements.
- \$2.4M timing variances in CapEx, due to a delay in start-up of certain CapEx projects.

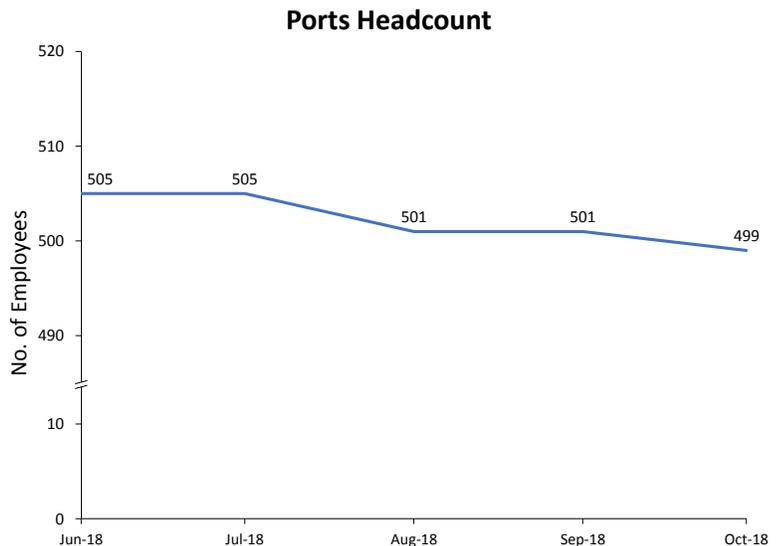
2. (\$17.2M) forecast Nov-18 through Jun-19 cash burn:

- \$71.0M in forecasted total receipts driven by: \$60.5M in operating receipts, \$9.0M in federal grant receipts and other, and \$1.5M in FEMA receipts.
- (\$88.2M) in forecasted total disbursements driven by: (\$69.9M) in operating disbursements and (\$18.3M) in CapEx.



B. Headcount / Payroll

- Headcount FTEs: Decreased from 505 to 499 from Jun-18 to Oct-18.
- Payroll: Disbursements are forecast to be \$28.6M for FY19. YTD payroll is \$8.0M.
 - Disbursements for the month of October are roughly in line with average monthly payroll spend in FY19 (~\$2.0M).

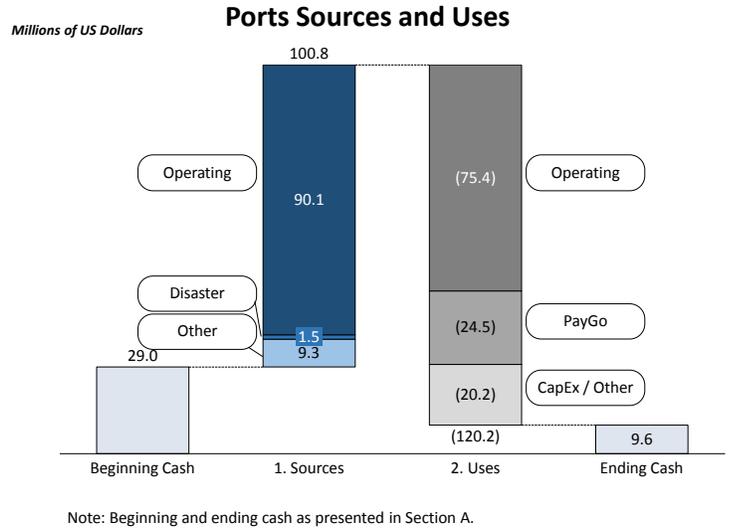


¹ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

I. PUERTO RICO PORTS AUTHORITY (“Ports”) (Continued)

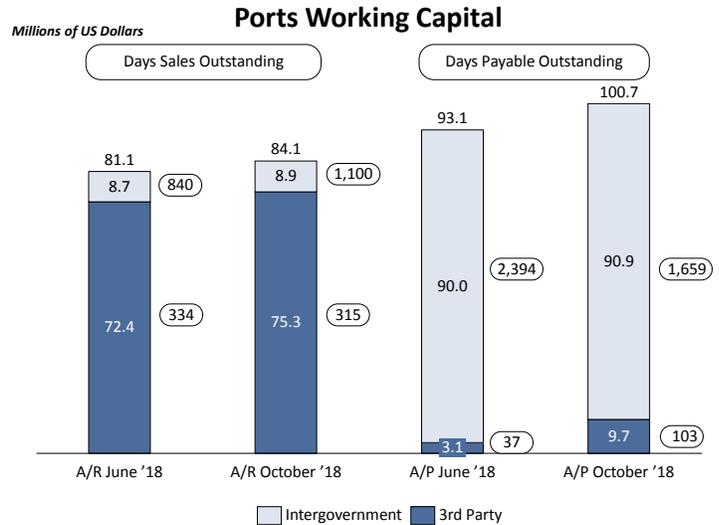
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$100.8M:
 - a. Operating receipts total \$90.1M, comprised of \$76.7M in maritime receipts and \$13.4M in airport receipts.
 - b. Disaster-related receipts of \$1.5M, are a result of FEMA funds. FEMA funds are a pass through, and therefore have no impact on forecasted cash.
 - c. Federal funds and other funds total \$9.3M.
2. Uses (\$120.2M):
 - a. Operating disbursements of (\$75.4M), driven primarily by payroll (\$28.6M), professional services (\$18.8M), PREPA / PRASA (\$9.5M), other operating payments of (\$9.2M), materials and supplies of (\$1.7M), purchased services of (\$4.3M) and other retirement contributions into the legacy retirement system (\$3.3M).
 - b. PayGo disbursements of (\$24.5M). YTD, Ports has disbursed \$4.7M in FY19 PayGo charges, and is forecast to disburse the remaining FY19 obligation of \$19.8M.
3. Other including CapEx:
 - a. CapEx of (\$20.2M), of which approximately \$2.0M has been disbursed YTD. Ports is expected to fund \$11.0M of CapEx from internal funds, including \$9.6M (mentioned in Key Takeaways) derived from a restricted account now considered in the cash balance, with the remaining \$9.2M funded through federal grants.



D. Accounts Receivable / Accounts Payable²

1. Accounts Receivable:
 - a. Increased \$3.0M from Jun-18 to Oct-18, driven by an increase in 3rd party A/R.
 - b. 3rd party DSO decreased from 334 to 315 in the same time period due to an increase in Ports’ 3rd party receipt base. Intergovernmental receivables remain virtually unchanged.
2. Accounts Payable:
 - a. \$7.6M increase from Jun-18 to Oct-18, largely driven by a \$6.6M increase in 3rd party payables.
 - b. These 3rd party payables over the same time period have grown from 37 days to 103 days, primarily due to payments being withheld to dry dock operators and insurance providers, who are both expected to be paid in FY19.
 - c. Intergovernmental A/P and DPOs remain high due to the Retirement System Administration balance of \$41.7M, and PREPA/PRASA balance of \$36.2M.
3. Working Capital:
 - a. Ports generated \$4.6M in working capital through October as payables grew more than receivables over the same time period.



² Figures are unaudited and subject to change.

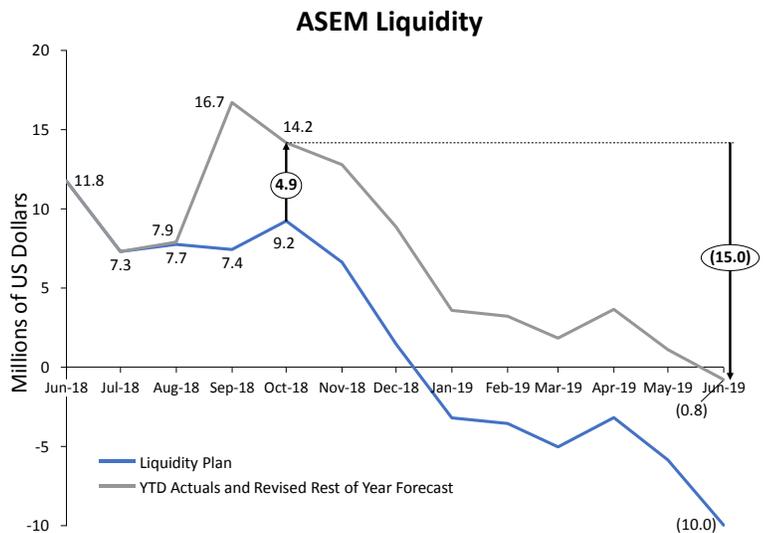
II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

Primary Business Activity: ASEM plans, organizes, operates, and administers centralized health services, provided in support of the hospital and other functions, offers to the member institutions and users of the medical complex known as the Puerto Rico Medical Center.

Key Takeaways: ASEM began FY19 with \$11.8M in cash, as a result of an OMB appropriation of \$37.8M the week of 6/15/18 used for addressing liquidity issues in the prior year. These liquidity issues stemmed from an operating deficit related to institutional revenues, wherein payments received were not commensurate with the cost of services provided. FY19 intergovernmental institutional collections are currently projected at \$45.3M vs. \$53.5M in prior year. However, in the month of September ASEM received an unexpected payment on a past-due receivable of \$9.7M from UDH and Pediatrico, ASEM’s largest institutional customers relating to FY15 purchases. This improves the year-end outlook to (\$0.8M) by year end from (\$10.0M) included in the liquidity plan. This outlook is inclusive of a projected pay down of \$16.5M in A/P and FY18 employee withholdings not remitted.

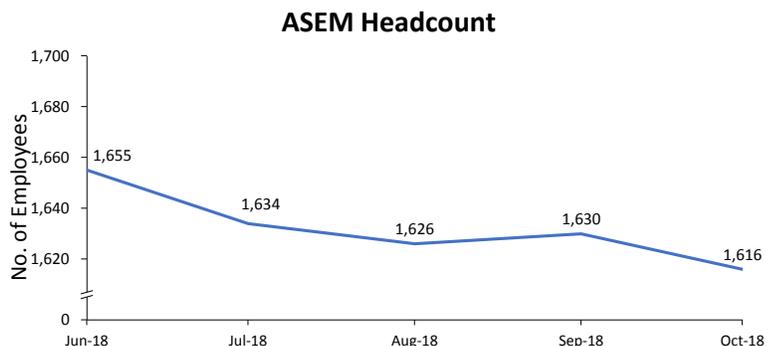
A. FY19 Operating Liquidity – Actuals³ vs. Forecast

1. \$4.9M YTD actuals vs. Liquidity Plan:
 - a. \$9.8M – Intergovernmental Institution collections – Driving this favorable variance are collections on FY15 receivables from UDH and Pediatrico of \$6.2M and \$3.5M respectively. These payments were not projected and are expected to be permanent variances.
 - b. (\$2.2M) – Intergovernmental Institutions – The majority of this variance is driven by the timing of payments from Industrial Hospital of (\$1.4M) and Department of Health of (\$0.6M) for FY19 services, which is expected to reverse in April.
 - c. \$1.0M – Payroll – Payroll is favorable due to falling headcounts, with \$0.8M of this variance projected to be permanent, and the remainder to reverse over the course of the year.
 - d. (\$3.9M) – Vendor Disbursements – ASEM was deferring operating expenditures pending reconciliation of accounts payable balances of its vendor base, and during October a significant portion of this pay down has taken place. This variance should reverse in December where this pay down had been forecast.
2. (\$15.0M) forecast Nov-18 through Jun-19 cash burn:
 - a. Reduction in liquidity is primarily related to a pay down of vendor payables (\$8.2M), along with payroll liabilities of (\$8.3M) relating to FY18. These specific liabilities accumulated due to a strained liquidity position throughout FY18 that forced ASEM to stretch its payables.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,655 to 1,616 from Jun-18 to Oct-18.
 - a. Vacancies are not refilled due to a hiring freeze imposed by the government. Professional contract services are used to address vacancies.
2. Payroll: Disbursements are forecast to be \$104.4M for FY19. YTD payroll is \$30.7M.
 - a. Headcount changes do not always correlate to payroll changes due to ASEM’s reliance on a mostly hourly workforce (excluded in headcount figures). The YTD positive variance in payroll is primarily due to vacancies not being filled.

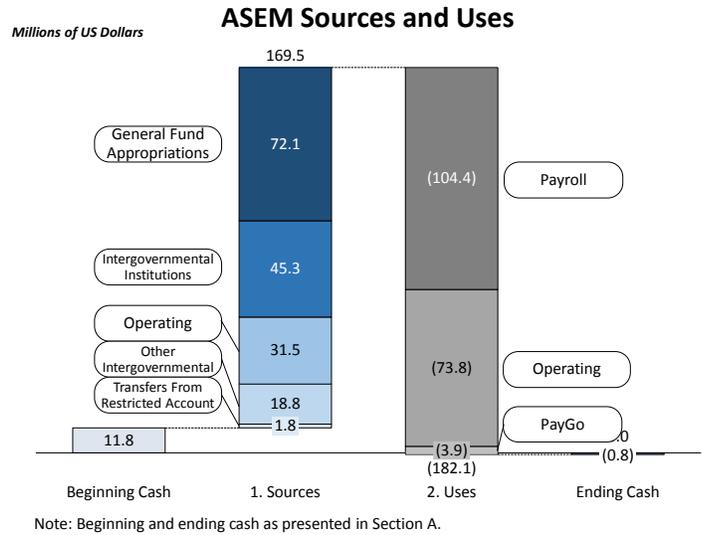


³ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

II. MEDICAL SERVICES ADMINISTRATION (“ASEM”) (Continued)

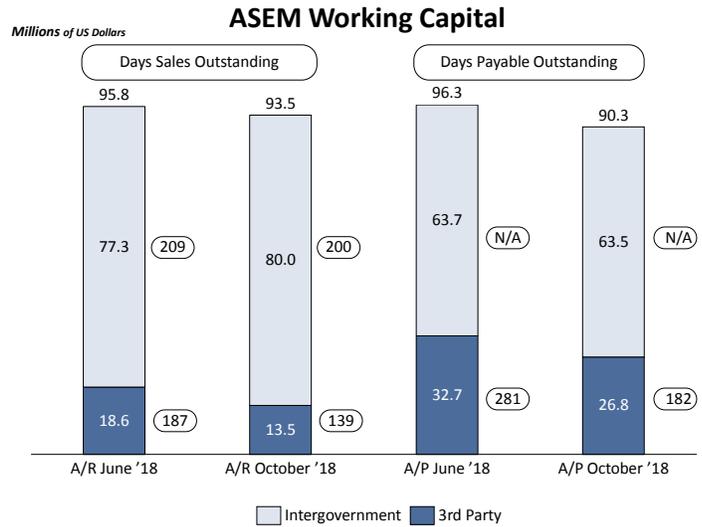
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$169.5M:
 - a. Intergovernmental receipts account for \$136.3M, or 81% of receipts, \$45.3M of which relate to intergovernmental institutions. The remainder includes other intragovernmental revenue of \$18.8M, and the net appropriation from the General Fund of \$72.1M from the Central Government.
 - b. Operating receipts including 3rd party payors and other income represent \$31.5M, or 19%.
 - c. Transfers from ASEM’s restricted account represent \$1.8M.
2. Uses (\$182.1M):
 - a. (\$178.2M) in operating disbursements for FY19, driven by payroll of (\$104.4M) and vendor payments of (\$73.8M) (key components of which are: Materials and Supplies (\$7.6M), Facilities and Payments for Public Service (\$5.5M), Professional Fees (\$18.2M), Purchased Services (\$6.1M), and Other Operating Payments (\$36.3M) comprised of donations and subsidies, prior years A/P, interest and banking fees, and other expenses).
 - b. PayGo is (\$3.9M) for FY19. The actual PayGo obligation is estimated to be approximately (\$28.3M) though this obligation is netted against a \$24.4M allocation from ASEM’s total General Fund appropriation of \$96.6M.



D. Accounts Receivable / Accounts Payable⁴

1. Accounts Receivable:
 - a. (\$2.4M) decrease from Jun-18 to Oct-18 driven by a \$2.7M increase in intergovernmental receivables and a (\$5.1M) decrease in third party receivables.
 - b. The \$2.7M increase in intragovernmental payables is primarily driven by intragovernmental institutions including the Department of Health by \$1.4M and the Municipality of San Juan by \$1.3M.
2. Accounts Payable:
 - a. (\$6.0M) decrease from Jun-18 to Oct-18 primarily driven by a pay down of 3rd party payables of (\$5.8M) from prior years’ accumulated payables balances.
 - b. The FY19 liquidity plan anticipates an (\$8.2M) total pay down of prior years’ AP to occur by year end.
3. Working Capital:
 - a. Changes are unfavorable by (\$3.7M), representing approximately 2.0% of FY19 uses of cash.



⁴ Figures are unaudited and subject to change.

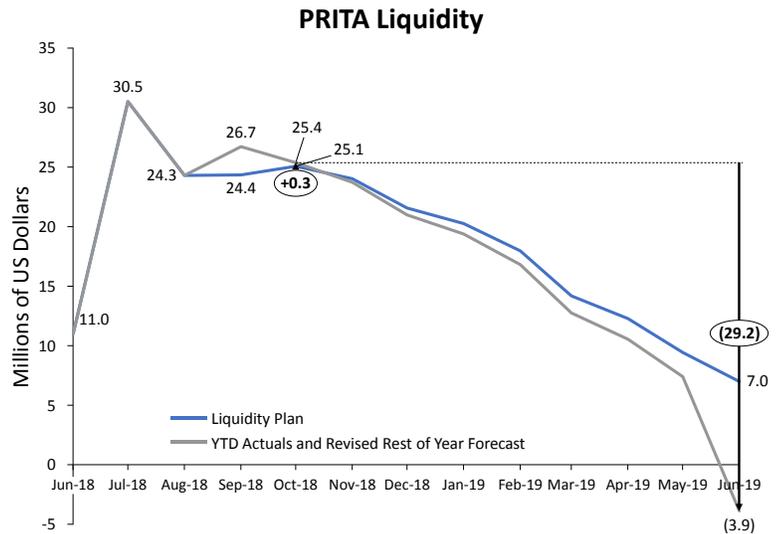
III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”)

Primary Business Activity: PRITA serves as the Commonwealth’s central transit authority and is tasked with operating its network of public transit buses and certain maritime vessels.

Key Takeaways: PRITA’s most significant operating disbursement in FY19 continues to be CapEx, which is projected to be \$21.7M. YTD \$5.7M has been disbursed. PRITA received a General Fund appropriation of \$15.8M in Q1-19 to fund a large part of this obligation for the year. CapEx will go toward the finishing of a maritime terminal point, Ceiba. Forecasted cash balance at the end of FY19 has been revised downward from \$7.0M to a deficit of \$3.9M due to the inclusion of AMA’s PayGo charges of approximately \$11.4M.

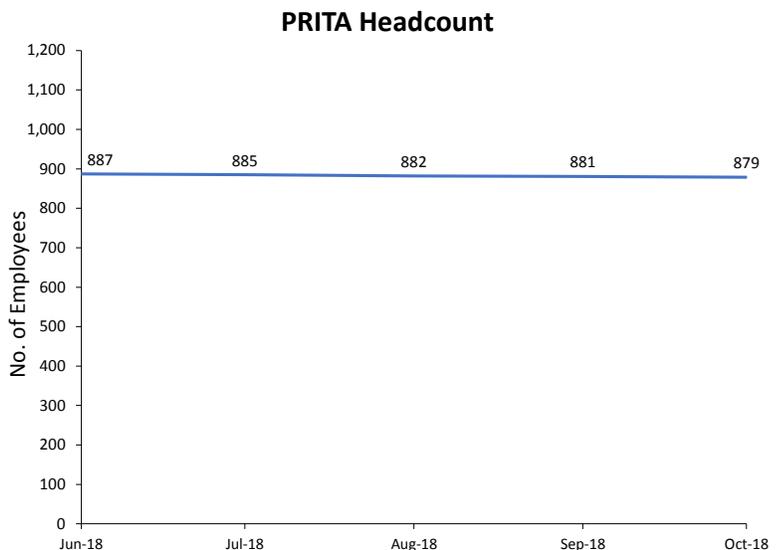
A. FY19 Operating Liquidity – Actuals⁵ vs. Forecast

1. \$0.3M YTD actuals vs. Liquidity Plan:
 - a. \$2.3M Intergovernmental Receipts – driven by timing of Cigarette Tax receipts.
 - b. \$2.7M FTA Receipts – driven by timing of FTA – preventative maintenance fund receipts. Reimbursement receipts came sooner than forecast.
 - c. (\$0.2M) timing variance in operating receipts.
 - d. (\$4.5M) timing variances in CapEx expected to normalize in FY19.
2. (\$29.2M) forecast Nov-18 through Jun-19 cash burn:
 - a. The decline in cash through year end is due to negative operating cash flow of \$19.5M, which is largely driven by the remainder of PRITA’s PayGo expense, explained in the Key Takeaways.
 - b. The remaining roughly \$9.8M is due to CapEx spend of \$16.0M, exceeding expected Federal Grant receipts of \$6.2M.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 887 to 879 from Jun-18 to Oct-18.
2. Payroll: Disbursements are forecast to be \$47.7M for FY19. YTD payroll is \$14.6M.
 - a. The yearly run rate is in line with the FY19 projection.

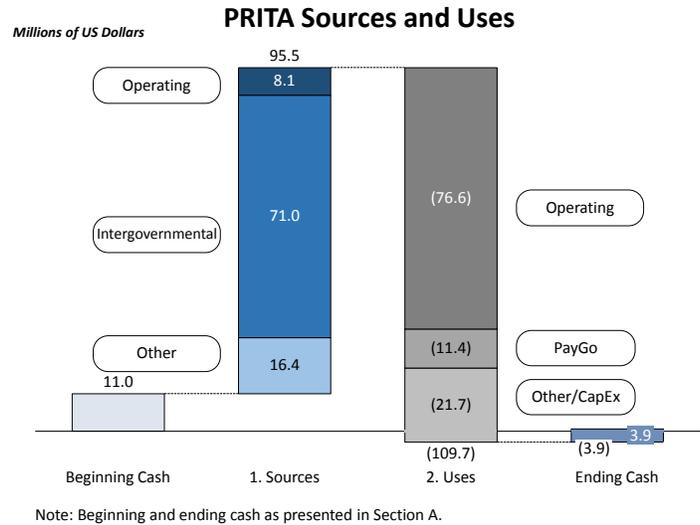


⁵ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

1. Sources \$95.5M:
 - a. Operating receipts of \$8.1M, composed primarily of ferries/cargo of 60%, bus fares of 38%, and miscellaneous receipts of 2%.
 - b. Intergovernmental receipts of \$71.0M, with 52% coming from cigarette taxes, 25% from General Fund appropriations, and 22% from a special government appropriation specifically earmarked for CapEx.
 - c. Federal Fund grants received from FTA of \$16.4M.
2. Uses (\$109.7M):
 - a. Operating disbursements total (\$76.6M), of which payroll is (\$48.1M). Materials and Supplies are (\$12.2M), Purchased Services are (\$6.4M), Facilities for Public Services are (\$3.2M), Professional Services are (\$2.8M), and all other operating disbursements are (\$3.9M).
 - b. PayGo is (\$11.4M).
 - c. CapEx is projected to be (\$21.7M).
3. Other:
 - a. PRITA FY19 PayGo charges of approximately \$12.1M.



D. Accounts Receivable / Accounts Payable⁶

Information not available.

⁶ Figures are unaudited and subject to change.

IV. STATE INSURANCE FUND CORPORATION (“Fondo”)

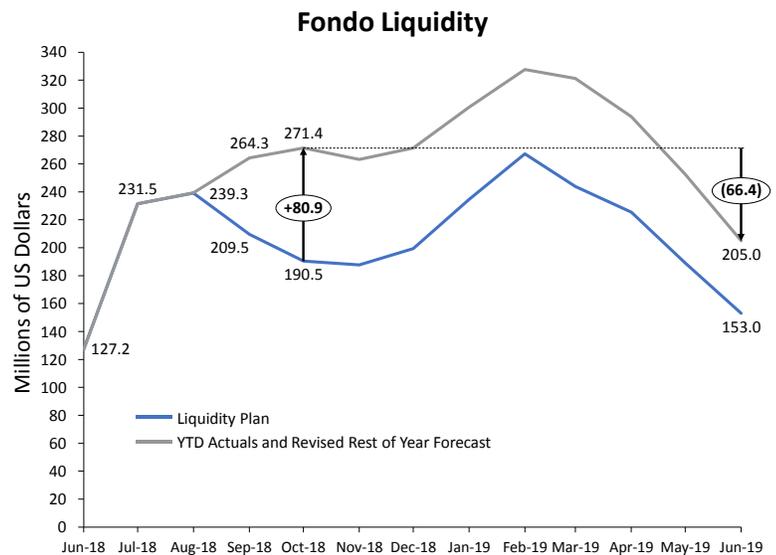
Primary Business Activity: Fondo provides workers’ compensation and disability insurance to public and private employees. Fondo is the only authorized workers’ compensation insurance company on the Island. Both public and private companies must obtain this security for their workforces by law.

Key Takeaways: Through Oct-18, Fondo has generated \$144.2M, and ended Oct-18 with \$271.4M in available cash. The liquidity position was higher due to seasonality – premium collections typically occur in July and August and again in January. Overall collections related to insurance premiums are projected to increase over FY19 due to post-hurricane reconstruction efforts driving increased economic activity, including higher employment, and consequently the need for more workers’ compensation insurance.

A. FY19 Operating Liquidity – Actuals⁷ vs. Forecast

1. \$80.9M YTD actuals vs. Liquidity Plan:

- Considered to be partially timing and partially permanent.
- \$64.8M favorable timing variance in premiums collections due to (1) new online advance payment system driving accelerated collections from employers in FY19 and (2) federal funding and construction project increases driving a higher demand for worker’s compensation insurance.
- \$7.8M favorable timing variance in PayGo Charges as Fondo made a payment for Jun-18, but is still awaiting invoices related to FY19 – expected to reverse.
- \$4.0M favorable timing variance in Payroll and Related Costs – expected to reverse in Nov-18.
- \$3.2M favorable variance in Claims-Related Disbursements – expected to reverse.
- \$1.2M favorable timing variance in Purchased Services, which is expected to reverse as Fondo increases its medical services volume as the insured population increases from various construction projects aimed at rebuilding the Commonwealth’s infrastructure.
- (\$2.0M) unfavorable timing variance in Contributions to Other Government Entities and mostly related to Fondo not making the Oct-18 payment of (\$1.4M) to the Human Resources Department through 10/26 – expected to reverse as Fondo makes these payments in accordance with various legislation.
- (\$1.7M) permanent variance in unfunded disaster spend related to building repairs from hurricane damage – it is currently uncertain if and how much Fondo would receive in reimbursement monies from FEMA or its insurance providers.
- \$3.6M variance in other disbursement items, which is mostly timing related.

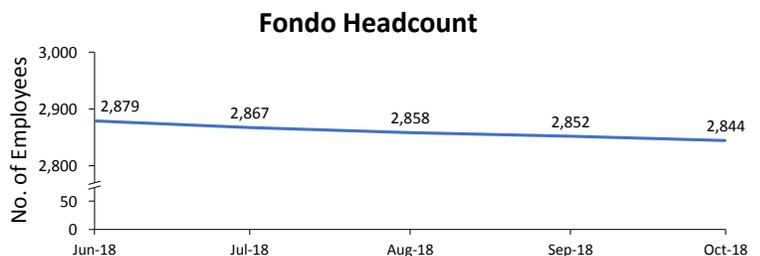


2. (\$66.4M) forecast Nov-18 through Jun-19 cash burn:

- Normal course of business operating expenses, including PayGo (\$86.2M), Claims-Related Disbursements (\$63.7M), intergovernmental disbursements (\$30.9M) and purchased services pertaining to medical services (\$53.2M).
- Fondo’s liquidity position is typically impacted by the seasonal insurance premium invoicing, which occurs only twice per year, typically in July and January. For the full FY19, cash is projected to be in line with forecast.

B. Headcount / Payroll

- Headcount FTEs: Decreased from 2,879 to 2,844 from Jun-18 to Oct-18.
- Payroll: Disbursements are forecast to be \$215.6M for FY19. YTD payroll is \$65.6M.
 - YTD payroll is currently misaligned with forecast; however, \$4.0M favorable timing variance is expected to reverse when Fondo makes payroll on 10/31.

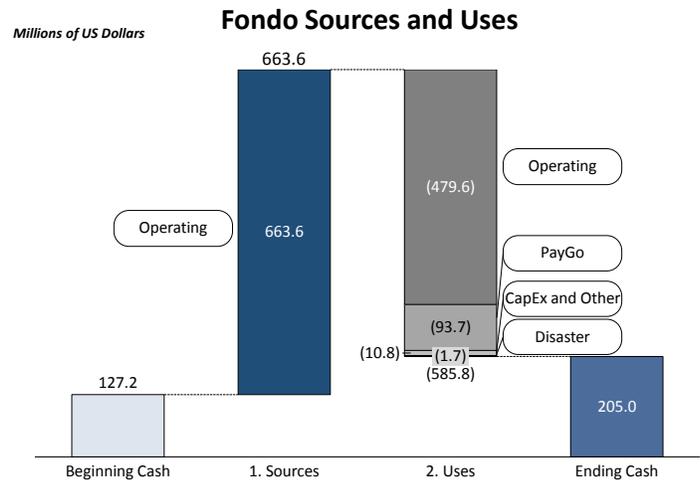


⁷ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

IV. STATE INSURANCE FUND CORPORATION (“Fondo”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

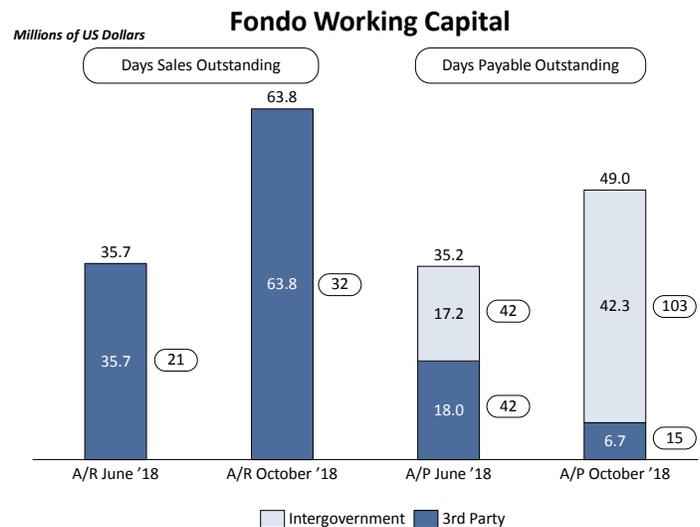
1. Sources \$663.6M:
 - a. Premium collections account for 100% of operating receipts. Timing of premium collections leads to cash increases in January and July when customers are invoiced.
2. Uses (\$585.8M):
 - a. Operating expenses total (\$479.6M), of which payroll is (\$215.6M) and Claims-Related Disbursements are (\$86.1M). Excluding these two expenses, the majority of Fondo’s operating expenses consist of (1) payments made to other government entities as determined by laws, and (2) purchased services and material / supplies expenses pertaining to medical services, equipment and supplies as Fondo is not just an insurance provider, but also provides medical services to its insured population. The biggest unknown variable in cash disbursements has been the level of claims paid out, and from year to year, there may be material differences in the level of claims given that Fondo’s insurance products provide unlimited benefits.
 - b. PayGo disbursements are projected to amount to (\$93.7M) in FY19. Fondo made one payment of (\$7.5M) related to the Jun-18 PayGo invoice in Jul-18; however, Fondo is waiting on Jul-18 through Oct-18 invoices before subsequent cash is disbursed. In FY18, Fondo consistently made its required PayGo contributions, with the exception of Jun-18’s contribution amount, which rolled over into FY19 as mentioned previously.
 - c. CapEx /other amounts to (\$10.8M).
 - d. Disaster-related spend is (\$1.7M) YTD related to building repair work after the hurricanes.



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable⁸

1. Accounts Receivable:
 - a. \$28.1M increase from Jun-18 to Oct-18 driven entirely by 3rd Party A/R increases due to the July premiums invoicing period.
2. Accounts Payable:
 - a. \$13.8M increase from Jun-18 to Oct-18 driven by Intergovernmental A/P increases of \$25.1M consisting mostly of (1) amounts accrued related to PayGo invoices not received, and to be paid to Hacienda \$19.1M and (2) quarterly obligation due to the Industrial Commission of Puerto Rico not yet paid \$5.4M.
 - b. These increases in Intergovernmental A/P are partially offset by pay downs to vendors (\$11.2M) for medical services and other operating costs.
3. Working Capital:



⁸ Figures are unaudited and subject to change.

V. HEALTH INSURANCE ADMINISTRATION OF PUERTO RICO (“ASES”)

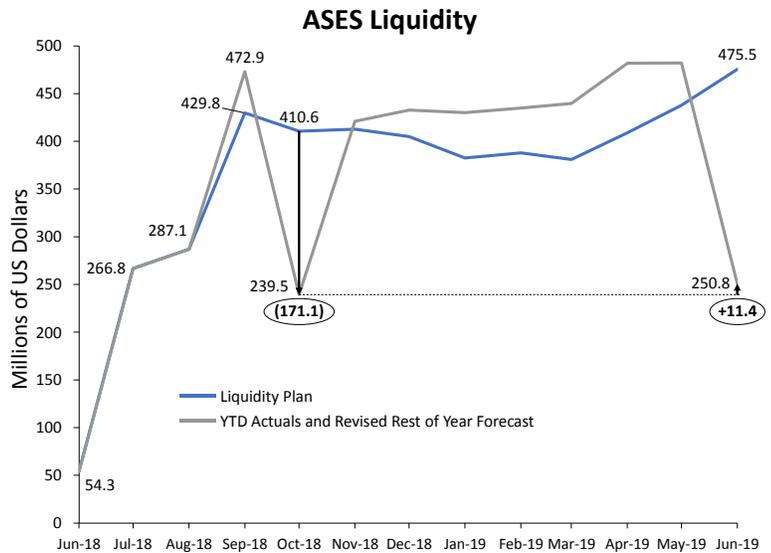
Primary Business Activity: ASES implements, administers, and negotiates the Medicaid Health Insurance System in Puerto Rico through contracts with third party insurance underwriters to provide quality medical and hospital care to the Puerto Rico Medicaid and Platino (Medicaid + Medicare dual-eligible) populations.

Key Takeaways: Due to changes brought about by BBA 2018⁹, ASES is eligible to receive up to \$4.6B in supplemental federal funding and is subject to new matching rates for Medicaid through Sep-19. As a result, federal funding is higher and state funding sources are reduced in FY19 relative to FY18. ASES’s unfavorable \$171.1M cash position at the end of October vs. Liquidity Plan is a timing issue related to federal funding. Due to the large inflows (Federal Funds) and outflows (MCO Premiums) occurring intra-month, significant variances can and do occur due to timing effects.

A. FY19 Operating Liquidity – Actuals¹⁰ vs. Forecast

1. (\$171.1M) YTD actuals vs. Liquidity Plan:

- (\$170.4M) Federal Funding – Federal funding variance is timing related and reverses in Nov-18.
- (\$27.3M) – Other Intergovernmental Funding – (\$23.4M) relates to receipts from municipalities and employers. These receipts are at risk due to ongoing negotiations within the Puerto Rico legislature to curtail this funding source.
- (\$17.9M) – 3rd Party Receipts – Variance primarily relates to prescription drug rebates of (\$16.4M). This is a timing-related variance and is projected to reverse in Nov-18.
- \$44.5M – Operating Disbursements – Variance primarily relates to MCO premiums of \$43.2M, which is not material on a relative basis (<5% of YTD budget). It is currently projected to reverse over course of the year.



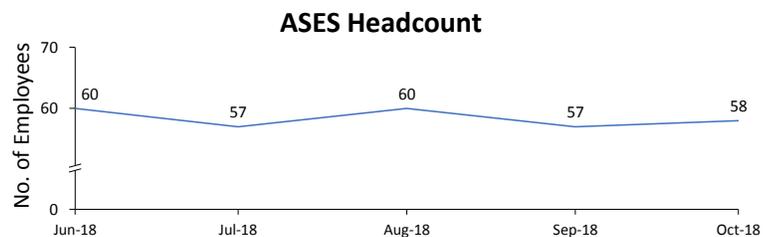
2. \$11.4M forecast Nov-18 through Jun-19 cash build:

- ASES’ cash position is influenced by significant inflows and outflows from federal funding and premium expenditures.
- Current cash balance is due to timing effects of \$415.8M of BBA Federal Funding received in Q1-19 for Q3-18 (Jan-18 through Mar-18) Medicaid costs plus the timing impact of \$170.4M in federal funds not received in October, projected to reverse in Nov-18.
- ASES’ remaining (Nov-18 through Jun-19) municipality and employer revenues of \$76.8M are at risk pending potential changes to Puerto Rico law.
- Year-end prescription drug rebates are projected to be \$135.9M, down from \$225.4M in the liquidity plan. This reflects the impact of the new healthcare model to be implemented in Nov-18.

B. Headcount / Payroll

1. Headcount FTEs: Decreased from 60 to 58 from Jun-18 to Oct-18.

- Hiring process is underway, but subject to numerous government approvals and requirements which defer the onboarding of new FTEs.



2. Payroll: Disbursements are forecast to be \$6.0M for FY19. YTD payroll is \$1.2M.

- YTD run-rate of payroll is below the annual forecast due to the delayed onboarding of new FTEs per the BBA’s requirements for new departments; MMIS and fraud-detection. The delay is due to various government and OMB approval processes required before the new FTE’s can be hired, payroll is expected to increase significantly in the second half of FY19 as new FTEs are added to comply with elements of BBA 2018, which include the creation of the MMIS¹¹ and fraud detection departments.

⁹ Bi-Partisan Budget Act of 2018.

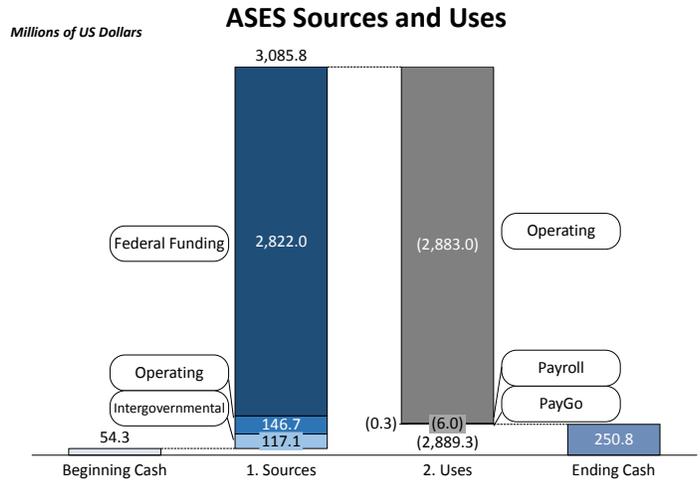
¹⁰ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

¹¹ Medicaid Management Information System

V. HEALTH INSURANCE ADMINISTRATION OF PUERTO RICO (“ASES”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

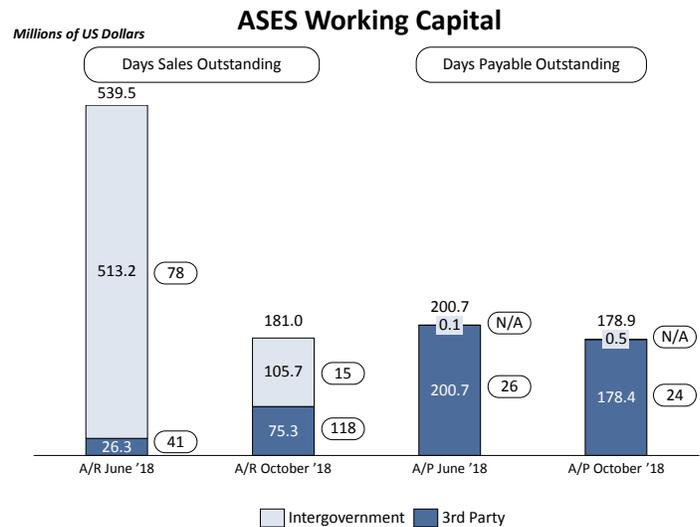
1. Sources \$3,085.8M:
 - a. Federal funding makes up \$2,822.0M of receipts. 3rd party operating receipts consist of drug rebates \$135.9M and other income \$10.5M. Approximately \$428.2M of projected receipts in FY19 relate to FY18 activity, consisting of \$415.8M of federal funding and \$12.4M of intergovernmental receipts.
 - b. The intergovernmental receipts \$117.1M are primarily payments from municipalities.
2. Uses (\$2,889.3M):
 - a. Operating disbursements are primarily related to healthcare premiums and related costs (\$2,863.9M). The largest component of healthcare premiums and related costs are MCO premiums (\$2,767.2M), followed by the PBM administrator and HIV program (\$66.6M) and Platino premiums (\$30.1M).
 - b. The remaining disbursements include other operating payments (\$19.1M) which relate to ASES’ administrative costs and overhead expenses, payroll (\$6.0M), and PayGo (\$0.3M).



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable¹²

1. Accounts Receivable:
 - a. \$358.5M decrease from Jun-18 to Oct-18 driven primarily by intergovernmental A/R decreases of (\$407.5M), a majority of which is related to CMS receivables of (\$420.6M).
 - b. The primary component of the paydown in CMS receivables was BBA funding earned but not received from FY18 of \$415.8M.
 - c. Third party A/R grew by \$49.0M, which was primarily related to growth in prescription drug rebate receivables.
2. Accounts Payable:
 - a. (\$21.9M) decrease from Jun-18 to Oct-18 driven primarily by third Party A/P decreases of (\$22.3M).
 - b. The primary component of the pay-down were health insurance premiums of (\$49.2M).
3. Working Capital:
 - a. Changes are favorable by \$336.7M, representing approximately 11.7% of FY19 sources of cash.
 - b. BBA 2018 played a role in A/R paydown in FY19, accounting for \$415.8M of additional federal funding.



¹² Figures are unaudited and subject to change.

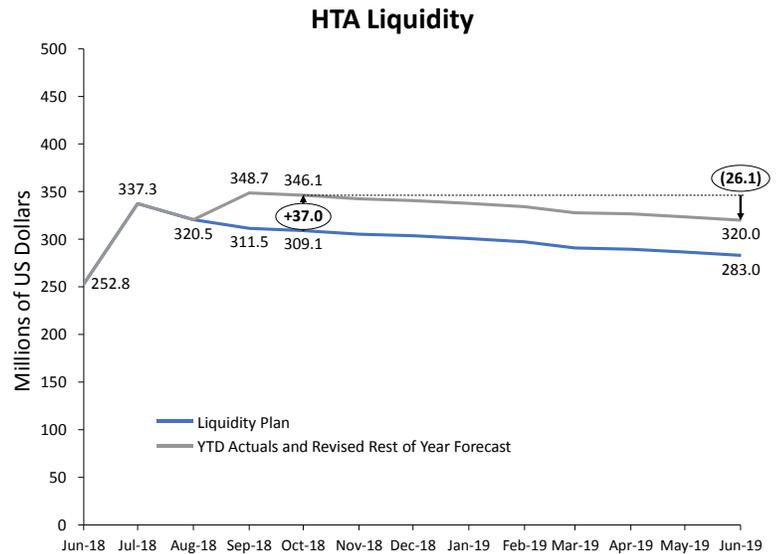
VI. HIGHWAYS & TRANSPORTATION AUTHORITY (“HTA”)

Primary Business Activity: HTA controls and supervises highway facilities, sets tolls, issues bonds, and manages the construction of all major projects relating to the Commonwealth’s toll highway system.

Key Takeaways: Through October, HTA has received approximately \$186.5M in intergovernmental transfers and CapEx funding. The forecast for YTD ending cash balance is \$320.0M; current cash on hand is \$346.1M. To date in FY19, HTA has disbursed \$55.6M in CapEx, and forecasts to disburse another \$624.9M for the remainder of FY19. Operating revenues were slightly lower than forecast due to timing variances.

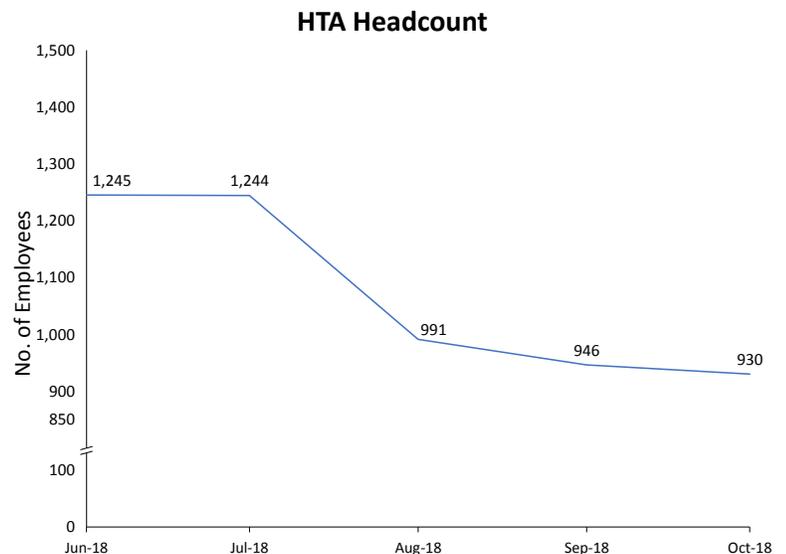
A. FY19 Operating Liquidity – Actuals¹³ vs. Forecast

1. \$37.0M YTD actuals vs. Liquidity Plan:
 - a. (\$82.0M) variances in total receipts driven by: (\$2.5M) in operating receipts, \$18.9M in intergovernmental receipts, and (\$98.4M) in federal grants receipts.
 - b. \$119.4M variances in total disbursements driven by: \$8.6M in operating disbursements and \$110.8M in CapEx.
 - c. (\$0.4M) timing in Other Inflows/Outflows.
2. (\$26.1M) forecast Nov-18 through Jun-19 cash burn:
 - a. CapEx disbursements of (\$624.9M), as delayed projects commence in FY19.
 - b. Operating disbursements of (\$181.7M), including certain disbursements and payroll related to CapEx projects.
 - c. The disbursements are being funded by federal funding through FHWA, FTA, and FEMA of \$560.2M.
 - d. \$100.8M in operating receipts.
 - e. Puerto Rico Government infrastructure funding of \$54.7M, and transfers from Puerto Rico government pass through funds of \$64.9M.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,245 to 930 from Jun-18 to Oct-18.
 - a. Large drop in headcount over the course of FY19 is due to the VTP program, and it is not expected that these positions will be replaced.
2. Payroll: Disbursements are forecast to be \$94.6M for FY19. YTD payroll is \$36.1M.
 - a. FY19 payroll of \$94.6M is slightly higher than FY18 primarily due to the voluntary retirement program one-time severance costs.

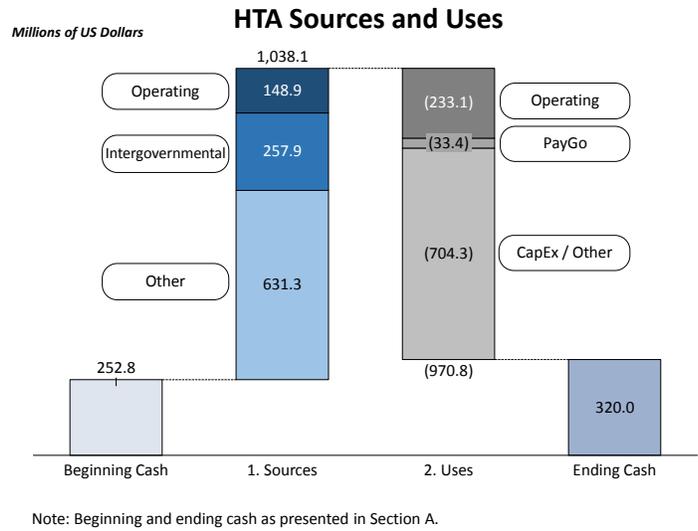


¹³ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

VI. HIGHWAYS & TRANSPORTATION AUTHORITY (“HTA”) (Continued)

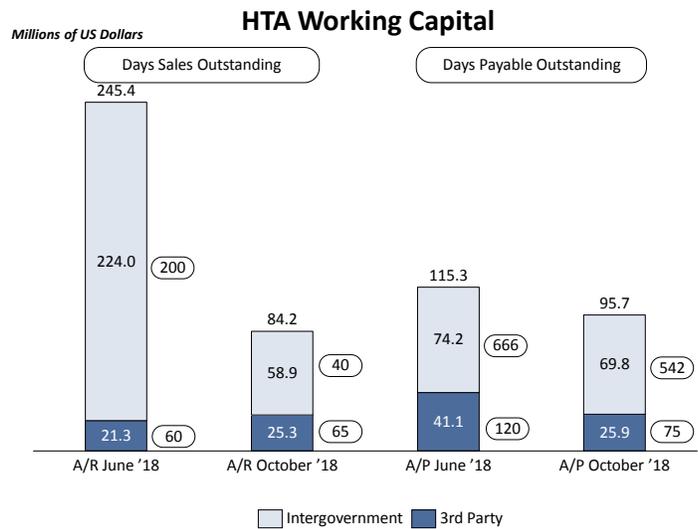
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$1,038.1M:
 - a. \$148.9M operating receipts, with 82% coming from toll fares and 18% from toll fines and other income.
 - b. \$889.1M in other sources come from \$257.9M petrol tax, \$608.5M from other federal highway authority and federal transportation authority receipts, along with \$22.8M in other inflows.
2. Uses (\$970.8M):
 - a. CapEx and Other totals (\$704.3M), consisting of CapEx (\$425.9M), emergency reconstruction (\$254.7M), and other outflows (\$23.8M).
 - b. Operating disbursement totals (\$233.1M), with payroll (40%) and purchased services (38%) being the largest components.
 - c. PayGo totals of (\$33.4M), slightly above last year’s contributions of (\$30.7M).



D. Accounts Receivable / Accounts Payable¹⁴

1. Accounts Receivable:
 - a. (\$161.2M) decrease from Jun-18 to Oct-18 driven by an audit adjustment to write off retained revenue with the Department of Treasury (Hacienda).
2. Accounts Payable:
 - a. (\$19.6M) decrease from Jun-18 to Oct-18 mainly resulting from a decrease in 3rd party payables of (\$15.2M), along with a decrease in intergovernmental payables (\$4.4M) due to pay down of the Retirement Administration System, and PREPA.
3. Working Capital:
 - a. Working capital decreased by \$19.2M since Jun-18 as receivables increased by \$4.0M; at the same time, payables decreased by \$15.2M.



¹⁴ Figures are unaudited and subject to change.

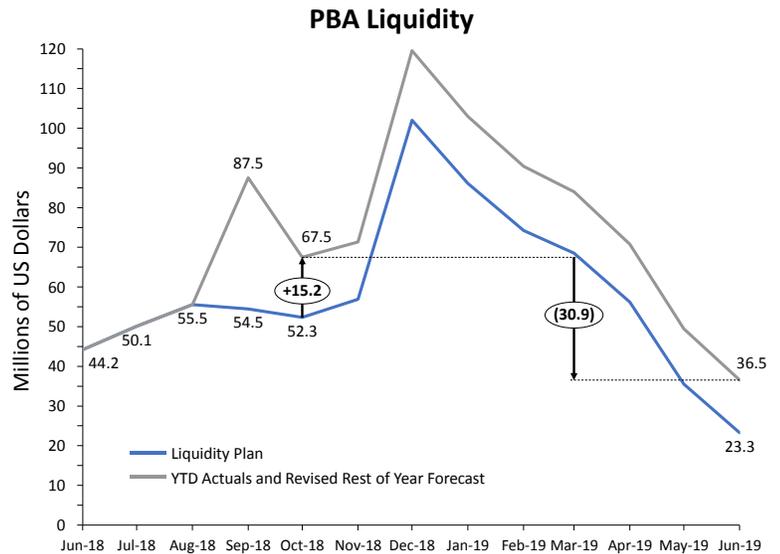
VII. PUERTO RICO PUBLIC BUILDINGS AUTHORITY (“PBA”)

Primary Business Activity: PBA constructs, purchases, or leases office, school, health, correctional, social welfare, and other facilities for lease to certain Commonwealth departments, component units, and instrumentalities.

Key Takeaways: PBA received \$36.3M in rental payments from Hacienda, on behalf of various government agencies, during the month of September. This included \$9.6M for the month of October, so during October, PBA received \$0 from Hacienda. As a result, cash burn was high, with the cash balance declining \$20.0M due to \$14.9M in negative operating cash flow and \$5.1M in disaster-related expenditures.

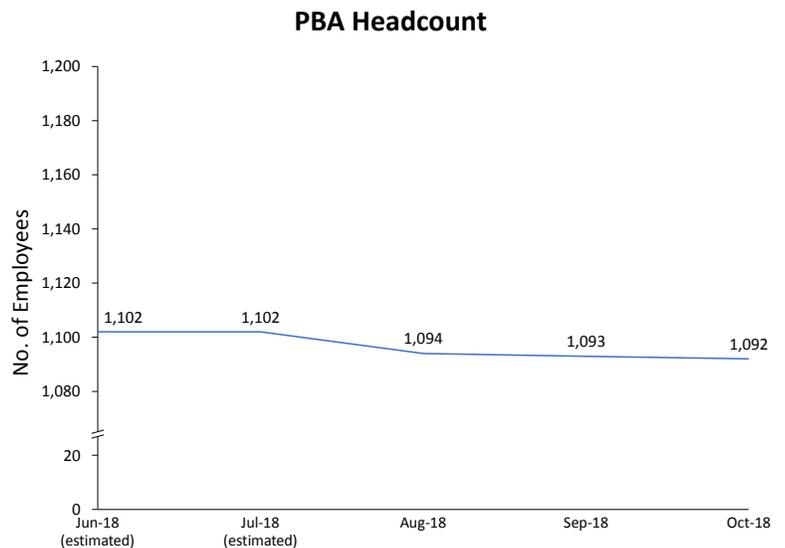
A. FY19 Operating Liquidity – Actuals¹⁵ vs. Forecast

1. \$15.2M YTD actuals vs. Liquidity Plan:
 - a. \$23.2M in rent received from Hacienda following their rent collection – PBA received a one-time payment of \$36.3M from Hacienda, to cover the months from Jul-18 to Oct-18 in Sep-18.
 - b. (\$6.9M) unfavorable variance in Operating Disbursements primarily driven by (\$8.5M) in Purchased Services due to an insurance premium disbursement, and a (\$7.8M) Transfer to a Restricted Account, both of which occurred earlier than forecast.
 - c. Favorable variance in Payroll of \$3.0M of which, \$2.7M is timing and \$0.3M is permanent due to a savings in employee benefit expenses.
2. (\$30.9M) forecast Nov-18 through Jun-19 cash burn:
 - a. \$144.0M in forecasted total receipts driven by: \$0.6M in operating receipts, \$79.0M in intergovernmental receipts, and \$64.4M in disaster related receipts.
 - b. (\$175.0M) in forecasted total disbursements driven by: (\$96.2M) in operating disbursements and (\$78.8M) in disaster related disbursements.
 - c. Due to impacts of Hurricanes Maria and Irma, many PBA-owned buildings are in need of repairs. With sufficient cash on hand, due to receiving cash for hurricane-related insurance claims, PBA is expected to increase its spend related to building repairs.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,102 to 1,092 from Jun-18 to Oct-18.
2. Payroll: Disbursements are forecast to be \$59.4M for FY19. YTD payroll is \$17.9M.
 - a. FY19 payroll has decreased by \$2.4M in a permanent variance as PBA expects to realize savings in their reduced employee benefit costs.

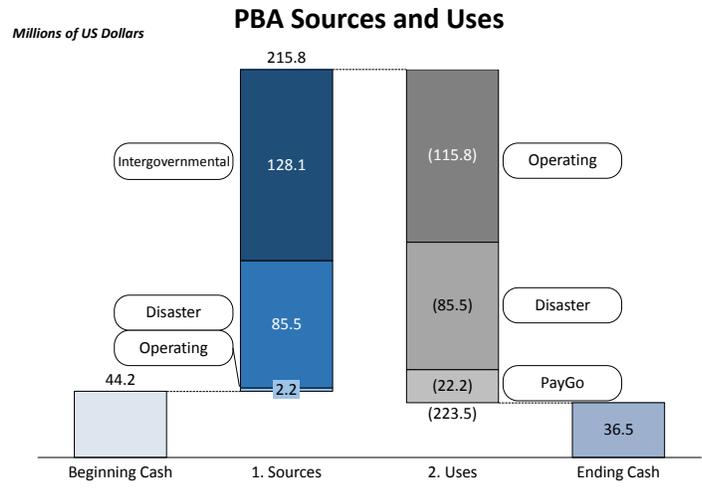


¹⁵ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

VII. PUERTO RICO PUBLIC BUILDINGS AUTHORITY (“PBA”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

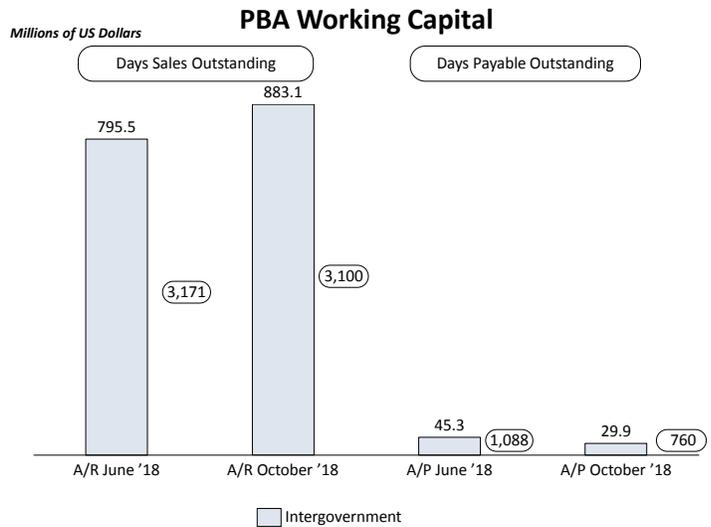
1. Sources \$215.8M:
 - a. PBA’s FY19 receipts consist of intergovernmental receipts of \$128.1M; disaster related receipts of \$85.5M that include insurance receipts of \$75.0M and FEMA funding of \$10.5M; and other operating receipts of \$2.2M.
2. Uses (\$223.5M):
 - a. Operating disbursements total (\$115.8M), consisting of Payroll (\$59.4M), purchased services (\$22.5M), facilities and payments for public services (\$20.7M), professional services (\$0.9M) and other operating expenses of (\$3.8M).
 - b. Disaster relief funds and expenses are expected to be pass through. PBA projects to receive \$85.5M in FY19 related to disaster funds, and projects it will disburse all of those funds.
 - c. PayGo contributions are forecast at (\$22.2M).
3. Other:
 - a. YTD, PBA has received \$21.1M in disaster-related receipts and has disbursed \$6.7M. The discrepancy between received and disbursed is timing related, and expected to reverse in Q2 and Q3 of FY19.



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable¹⁶

1. Accounts Receivable:
 - a. \$87.6M increase from Jun-18 to Oct-18 driven by intergovernmental receivables, including accrued rent and debt service.
2. Accounts Payable:
 - a. (\$15.4M) decrease from Jun-18 to Oct-18 driven by intergovernmental payables, primarily due to payments for facilities and public services and PayGo charges.
3. Working Capital:
 - a. PBA had a decrease in working capital of \$103.0M for the four months ended Oct-18, largely due to accrued intergovernmental receivables.



¹⁶ Figures are unaudited and subject to change.

VIII. CARDIOVASCULAR CENTER FOR PUERTO RICO & THE CARIBBEAN (“Cardio”)

Primary Business Activity: Cardio is a general acute care hospital providing specialized treatment to patients suffering from cardiovascular diseases.

Key Takeaways: Cardio’s collections were strong in the first four months of FY19, with Cardio generating patient collections at an \$85.1M annualized rate while increasing A/R by \$1.7M, indicating a higher activity level. However, Cardio remains challenged by labor shortages, as headcounts have dropped by 9% since Jul-17. Despite these challenges, Cardio was able to add 7 FTEs during Oct-18 and plans to actively replace any vacancies occurring during the year.

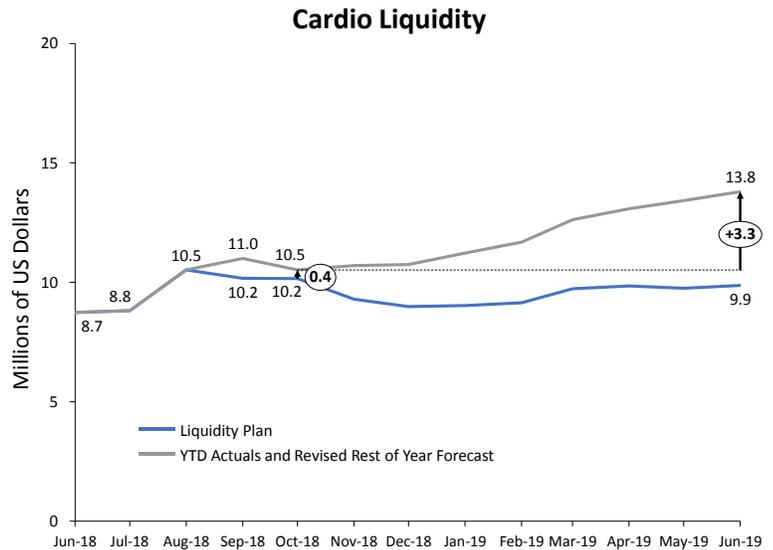
A. FY19 Operating Liquidity – Actuals¹⁷ vs. Forecast

1. \$0.4M YTD actuals vs. Liquidity Plan:

- \$1.6M permanent variance – Receipts – Mainly driven by higher patient collections of \$1.5M as a result of higher activity levels at the Hospital.
- \$0.8M permanent variance – Payroll – Payroll favorability is impacted by falling headcounts.
- \$0.1M – PayGo – Favorable PayGo variance is timing related and expected to reverse Nov-18.
- (\$2.5M) – Operating Disbursements – Operating disbursements are impacted by higher activity levels at the hospital. This variance is expected to reverse due to a general slow-down expected during the winter months as result of the holidays.
- \$0.4M – CapEx – Favorable CapEx variance is timing related.

2. \$3.3M forecast Oct-18 through Jun-19 cash build:

- Cardio is expected to generate more cash flow for the rest of the year. The changes are driven by higher receipts of \$1.1M and lower disbursements of \$2.5M as operating disbursements reverse their YTD unfavorable trend. Cardio is expected to continue its favorable trend in patient receipts based on the higher levels of patient activity seen in the first four months of FY19.



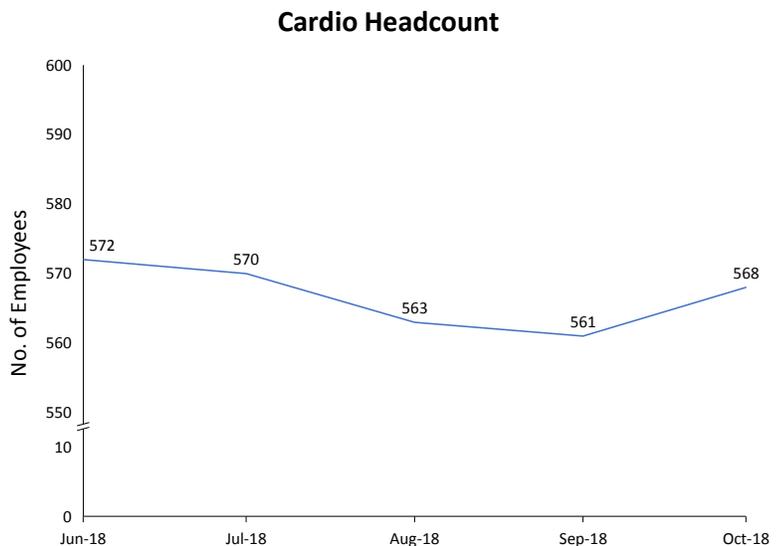
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 572 to 568 from Jun-18 to Oct-18.

- Cardio has had historical issues with staffing turnover, particularly after Hurricane Maria. For comparison purposes, Cardio had 623 employees at the end of Jul-17, which was pre-Maria.
- The continued loss of staff may eventually put Cardio in a strained position to meet the healthcare needs of its patients. This risk is mitigated by Cardio’s policy to actively replace any vacancies occurring during the current year. In Oct-18, Cardio added 7 FTEs to its payroll

2. Payroll: Disbursements are forecast to be \$30.6M for FY19. YTD payroll is \$8.5M.

- Year-end payroll is expected to remain in line with the liquidity plan as Cardio can make use of overtime workers to meet its labor needs and replace vacant positions as needed.

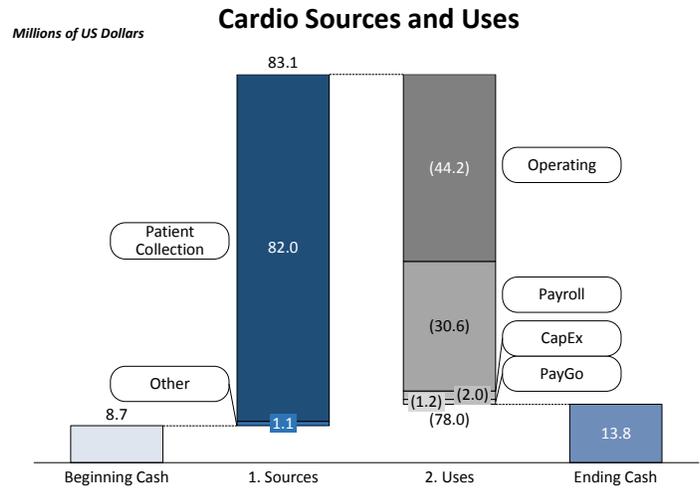


¹⁷ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

VIII. CARDIOVASCULAR CENTER FOR PUERTO RICO & THE CARIBBEAN (“Cardio”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

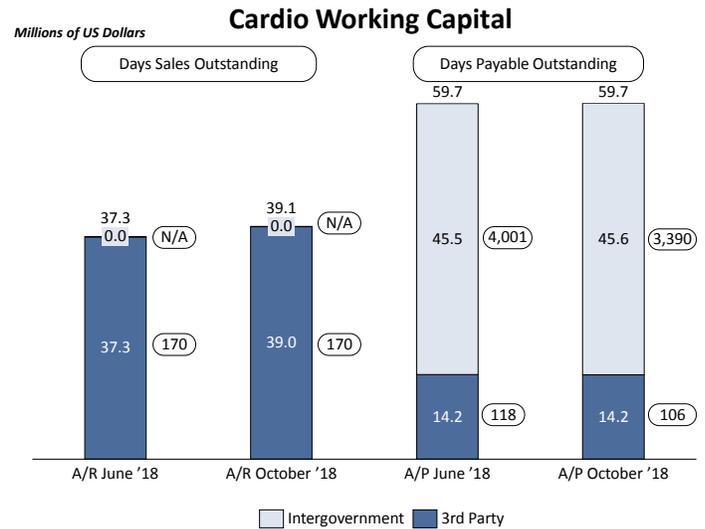
1. Sources \$83.1M:
 - a. \$82.0M, or 99% of sources of funds, is related to patient service collections. The balance of other sources is \$1.1M, 1%, which is primarily rent paid by physicians for office space inside the hospital.
2. Uses (\$78.0M):
 - a. Operating disbursements total (\$44.2M), with purchased services representing (\$25.7M), professional fees (\$7.5M), materials and supplies (\$5.5M), facilities and payments for public services (\$5.1M), and other operating expenses (\$0.4M).
 - b. Payroll disbursements representing (\$30.6M).
 - c. CapEx expected to reach (\$2.0M) by the end of FY19.
 - d. PayGo disbursements of (\$1.2M).



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable¹⁸

1. Accounts Receivable:
 - a. \$1.8M increase from Jun-18 to Oct-18 driven by mostly 3rd party receivables.
2. Accounts Payable:
 - a. Have remained flat at \$59.7M from Jun-18 to Oct-18.
3. Working Capital:
 - a. Changes were unfavorable by \$1.8M, representing 2.1% of FY19 uses of cash.



¹⁸ Figures are unaudited and subject to change.

IX. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION (“PRIDCO”)

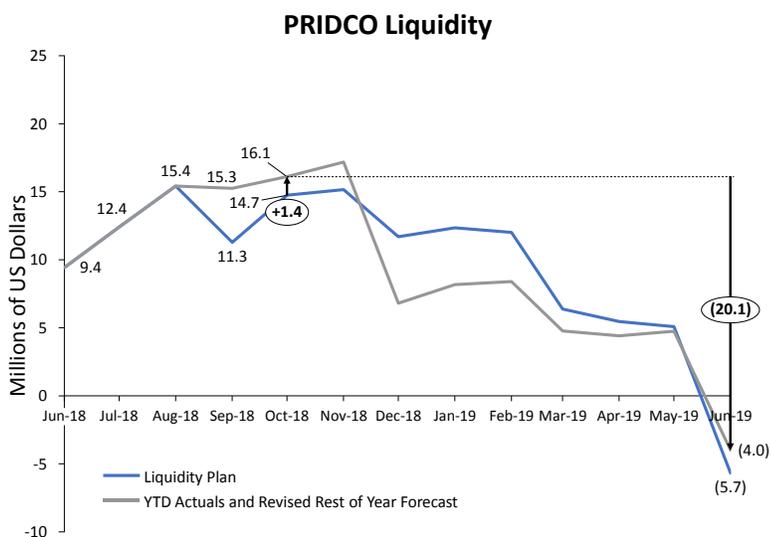
Primary Business Activity: PRIDCO is engaged in the development and promotion of industry within Puerto Rico. It accomplishes its mission through a variety of incentives to attract businesses to expand operations within Puerto Rico, but primarily through the offering of commercial lease spaces and industrial facilities on favorable terms to qualifying enterprises.

Key Takeaways: Due to the impact of Hurricane Maria, rental receipts in FY19 are impacted to the extent certain properties remain unmarketable or are in less than 100% usable condition, resulting in rent-related concessions. PRIDCO continues to make needed Maria-related repairs and maintenance has \$23.0M in outstanding insurance claims. While PRIDCO expects full reimbursement, the timing of this inflow is uncertain which may impact liquidity as PRIDCO continues to incur these expenses. Due to this and taking into account PayGo obligations, PRIDCO is forecasting a cash deficit for FY19, not including trustee debt service obligations.

A. FY19 Operating Liquidity – Actuals¹⁹ vs. Forecast

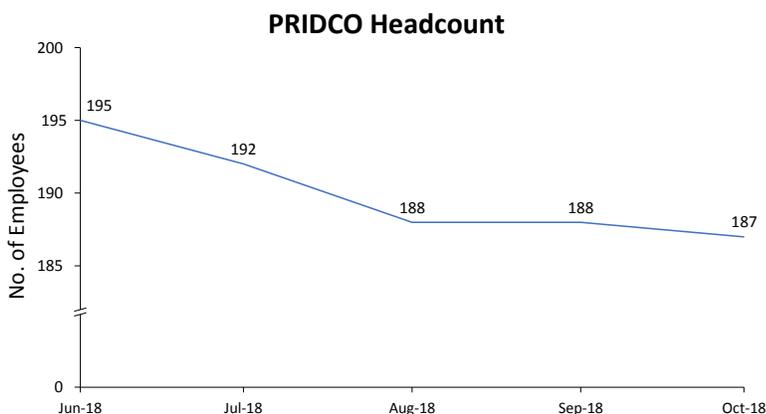
1. \$1.4M YTD actuals vs. Liquidity Plan:

- \$4.5M Trustee Debt Reserve – This is considered to be a timing variance as PRIDCO has not yet made any trustee payments; however, PRIDCO is still accumulating trustee rents to make trustee payments and plans to make a \$12.0M reserve payment at the end of Q2.
 - \$1.3M PayGo Charges – Driven by timing variance.
 - (\$2.0M) Vendor Disbursements – Unfavorable vendor disbursements YTD are primarily related to professional fees (\$0.5M) and other operating payments (\$0.9M). These variances are timing related and expected to reverse by year end.
 - (\$0.7M) Disaster Spend – Management has \$23.0M in outstanding insurance claims related to Hurricane Maria which were not included in PRIDCO’s budget. Accordingly, the variance is permanent and projected to worsen as PRIDCO makes needed repairs and maintenance ahead of any receipt of insurance monies. However, PRIDCO is expecting full reimbursement, which should offset the impact of this outflow.
 - (\$1.7M) Receipts – Unfavorable variances are primarily related to asset sales (\$2.5M). Asset sales are event contingent and therefore subject to greater uncertainty. The current variance is projected to be timing related.
2. (\$20.1M) forecast Nov-18 through Jun-19 cash burn:
- Decline in liquidity driven by PRIDCO trustee debt payments (\$18.1M) and PayGo (\$15.6M).



B. Headcount / Payroll

- Headcount FTEs: Decreased from 195 to 187 from Jun-18 to Oct-18.
- Payroll: Disbursements are forecast to be \$14.7M for FY19. YTD payroll is \$5.1M, which is in line with Liquidity Plan.

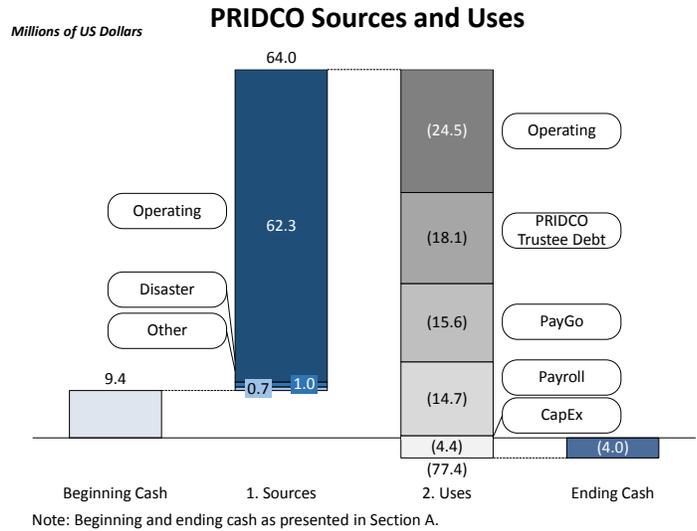


¹⁹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

IX. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION (“PRIDCO”) (Continued)

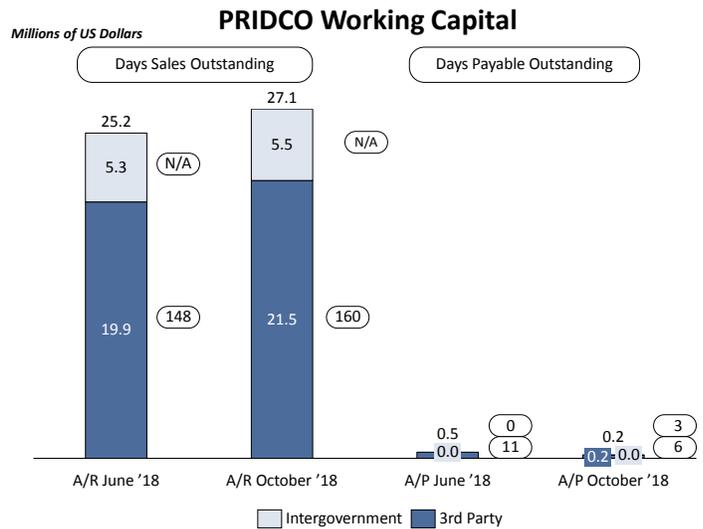
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$64.0M:
 - a. Primary sources of cash are operating receipts of \$62.3M consisting of: rental receipts for \$46.7M, asset sales for \$10.7M and other receipts for \$4.9M. In addition, there are \$1.0M in net insurance-related disaster proceeds and \$0.7M in other related to net transfers in/(out).
2. Uses (\$77.4M):
 - a. Primary uses of cash are operating expenditures of (\$24.5M), PRIDCO trustee debt (\$18.1M), PayGo (\$15.6M), payroll and related expenses (\$14.6M), and CapEx (\$4.4M).



D. Accounts Receivable / Accounts Payable²⁰

1. Accounts Receivable:
 - a. \$1.9M increase from Jun-18 to Oct-18 driven by a \$1.7M increase in 3rd party A/R.
 - b. As a result, total DSO increased from 148 to 160 days over the period.
2. Accounts Payable:
 - a. (\$0.3M) decrease from Jun-18 to Oct-18 driven by decreases in 3rd party A/P.
 - b. As a result, total DPO declined from 11 to 5 days.
3. Working Capital:
 - a. Changes are unfavorable by \$2.2M, representing 2.7% of FY19 uses of cash.



²⁰ Figures are unaudited and subject to change.

X. HOUSING FINANCE AUTHORITY (“HFA”)

Primary Business Activity: HFA promotes the development of low-income housing and provides financing, subsidies, and incentives to help those who qualify to acquire or lease a home.

Key Takeaways: Month end Oct-18 cash balance was \$52.0M, while projected liquidity plan cash balance was \$75.2M; the underperformance was driven primarily by lower federal fund receipts in the first four months of FY19. YTD \$27.8M decline in cash is attributed to \$18.8M in net Balance Sheet disbursements and \$9.0M in net Federal Fund disbursements. FY19 projected cash inflow includes \$74.9M in proceeds from the Community Development Block Grant (“CDBG”) that were awarded for the first time in FY19 and \$150.1M in proceeds from HUD. To date, HFA has not received any disbursements of CDBG funds, though it expects to receive the total allocation of funds in the current fiscal year; HFA has received \$37.0M in funds from HUD for the YTD19 period.

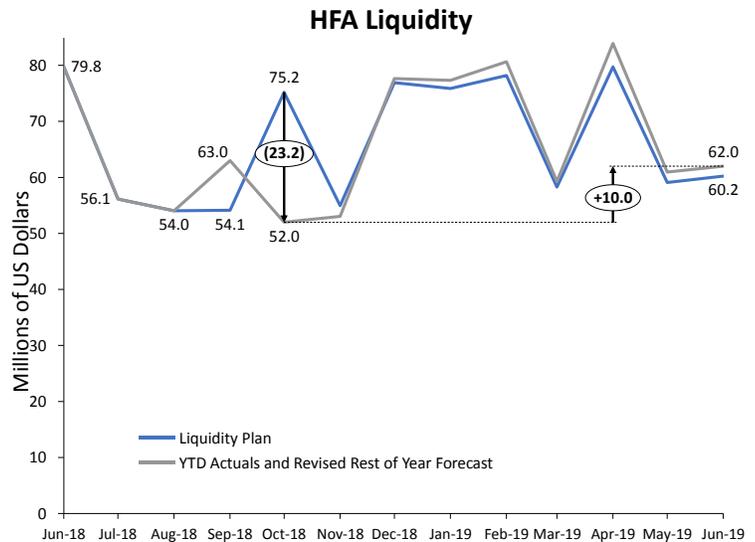
A. FY19 Operating Liquidity – Actuals²¹ vs. Forecast

1. (\$23.2M) YTD actuals vs. Liquidity Plan:

- (\$29.5M) in net federal fund negative variance relative to the forecast, comprised primarily of (\$12.4M) and (\$15.0M) in HUD and CDBG funding, respectively, which has not yet been received by HFA. Funds are expected during the remainder of FY19, reversing the projected negative variance.
- \$2.4M positive variance in net operating disbursements, primarily due to lower-than-forecast spend of intergovernmental receipts, which include appropriations and spend of government funds.
- \$3.8M improvement in net Balance Sheet Disbursements, driven by lower cash disbursements for mortgage and constructions loans, which should reverse once HFA receives CDBG funding.

2. \$10.0M forecast Nov-18 through Jun-19 cash build:

- HFA is expected to generate cash throughout the remainder of FY19, driven primarily by balance sheet receipts estimated to be \$17.2M higher than balance sheet disbursements, and federal fund and intergovernmental receipts \$17.9M higher than disbursements, offset by \$7.4M in operating disbursements and \$17.2M in debt-related payments.



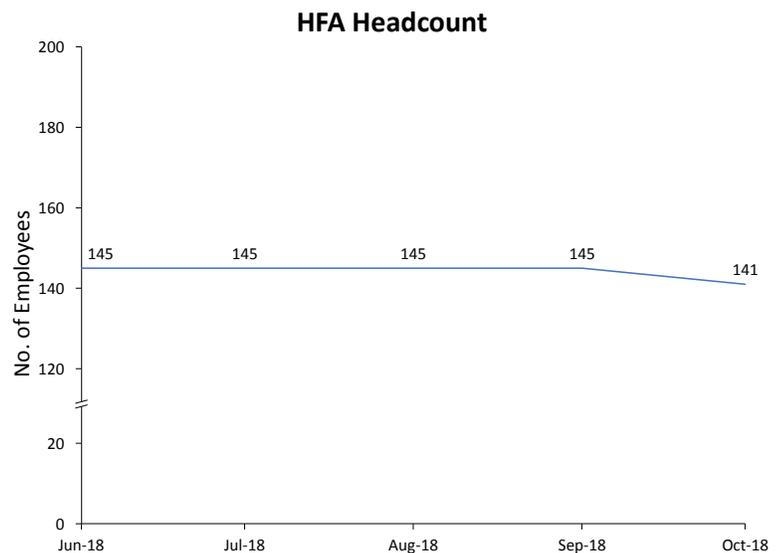
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 145 to 141 from Jun-18 to Oct-18.

- HFA does not plan on materially changing the number of FTEs for FY19.

2. Payroll: Disbursements are forecast to be \$8.5M for FY19. YTD payroll is \$1.9M.

- Payroll has been reforecast from \$11.3M in the Liquidity Plan to better represent expected FY19 cash disbursements.
- The run-rate payroll is lower than the projected because only one pay period is included for October due to the reporting cut-off date; if this pay period were included the run-rate, payroll would be in line with the revised forecast.



²¹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

X. HOUSING FINANCE AUTHORITY (“HFA”) (Continued)

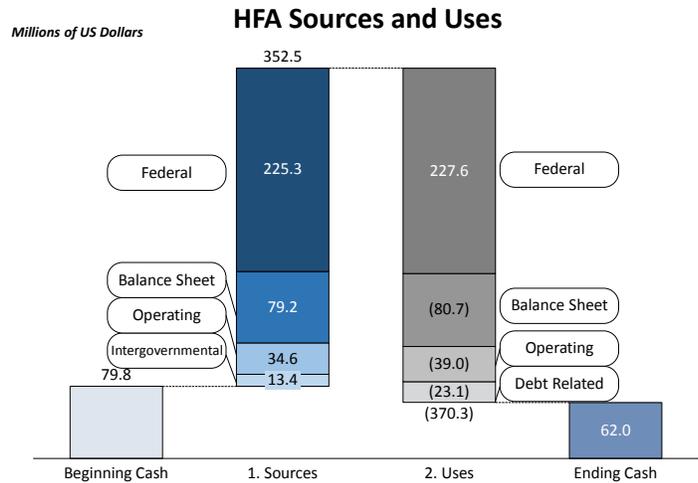
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$352.5M:

- a. Consists of federal fund receipts of \$225.3M, primarily from HUD for \$146.9M and CDBG for \$68.7M, with the remainder of \$9.8M from other federal programs. Funds from HUD will be used to help low-income home buyers either purchase a home or subsidize their rent, and funds from the CDBG program will be used to underwrite mortgages for qualifying low income home buyers.
- b. Other receipts include balance sheet receipts of \$79.2M; operating receipts of \$34.6M, consisting primarily of interest income on loans, deposits, and investments; and intergovernmental receipts of \$13.4M.

2. Uses (\$370.3M):

- a. Total disbursements includes federal fund appropriation of \$227.6M, with federal disbursements of \$158.9M and CDBG disbursements of \$68.7M; balance sheet disbursements of \$80.7M, the majority of which is used to originate mortgage and construction loans; operating disbursements of \$39.0M, comprised primarily of payroll, professional services and federal funds used to fund operations; and debt-related disbursements of \$23.1M, which consist of \$20.5M of principal payments and \$2.6M of interest payments, for bonds, notes payable, and lines of credit.



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable²²

1. Accounts Receivable:

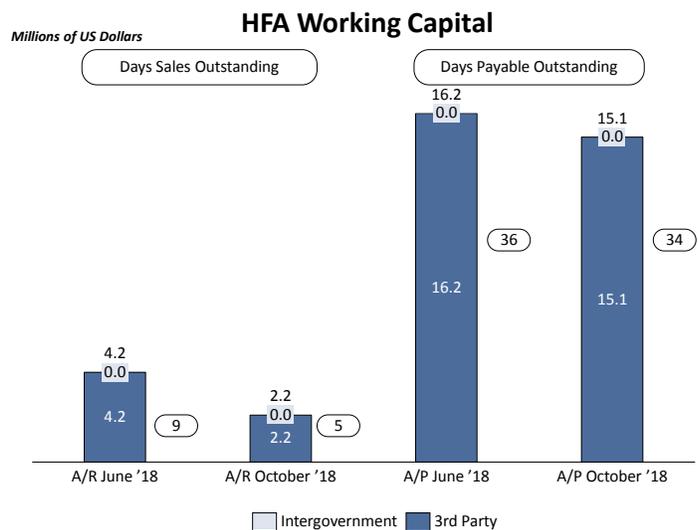
- a. (\$2.0M) decrease from Jun-18 to Oct-18 driven by a collection of 3rd party receivables.

2. Accounts Payable:

- a. (\$1.1M) decrease from Jun-18 to Oct-18 driven by a reduction in third-party payables.

3. Working Capital:

- a. 3rd Party working capital has been a slight source of cash for the first four months of the year, totaling \$0.9M.



²² Figures are unaudited and subject to change.

XI. PUERTO RICO TOURISM COMPANY (“Tourism”)

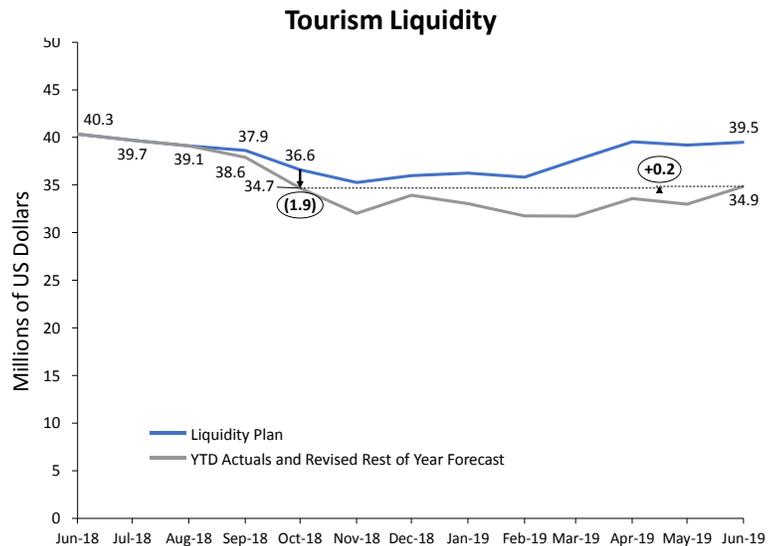
Primary Business Activity: Tourism’s purpose is to promote the tourism industry of Puerto Rico.

Key Takeaways: Month end cash balance at Oct-18 is \$34.7M. Through its collections from slot machine gambling revenues and room taxes, Tourism funds the entirety of its operations and intergovernmental obligations through various waterfall distributions. Beginning in FY19, Tourism will no longer manage its external marketing campaign, as it is now contracted with the Direct Marketing Organization, or “DMO.” Determined by Act. 17 (2017), Tourism must pay up to, but not exceed, (\$25.0M) this fiscal year to the DMO for contracted services.

A. FY19 Operating Liquidity – Actuals²³ vs. Forecast

1. (\$1.9M) YTD actuals vs. Liquidity Plan:

- Favorable permanent variance in slot machine collections of \$12.6M due to increasing play from various contractors and tourists, as well as increased enforcement on illegal slot machine operations, which is driving those players into more legitimate venues.
- Favorable variance in room tax collections of \$2.0M, which is now expected to exceed forecast as the busy season progresses.
- Unfavorable variance in slot machine waterfall disbursements (\$15.9M) due to both permanent and timing factors – disbursements are variable with slot machine collections, and as collections increase so do the disbursements.
- Unfavorable permanent variance in Media/Ad spend of (\$1.6M) driven primarily by rollover payments on Tourism’s FY18 Marketing Contract (“IXS”).
- Unfavorable timing variance in Donations/Subsidies of (\$1.4M).
- Favorable timing of payroll and other disbursements of \$1.1M – majority of variance to reverse as Tourism makes payroll on 10/31.
- Favorable timing variances of other operating expenses \$1.3M.

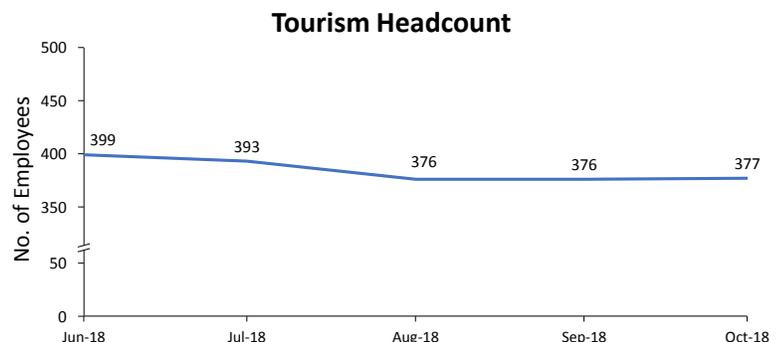


2. \$0.2M forecast Oct-18 through Jun-19 cash build:

- Tourism expects to disburse an additional (\$4.5M) pertaining to the FY18 marketing contract – spend previously deferred in FY18 due to hurricanes and was under budgeted in Q1 of FY19. This spend is offset by favorable collection trends with regard to slot machine and room tax collections, which may continue to increase the cash build over FY19.

B. Headcount / Payroll

- Headcount FTEs: Decreased from 399 to 377 from Jun-18 to Oct-18.
 - Reduction in headcount driven by employees participating in the VTP officially being excluded from the headcount effective Aug-18.
- Payroll: Disbursements are forecast to be \$22.2M for FY19. YTD payroll is \$6.0M.
 - The yearly run rate is slightly behind FY19 projection, due to timing and is expected to reverse as noted in Section A above.

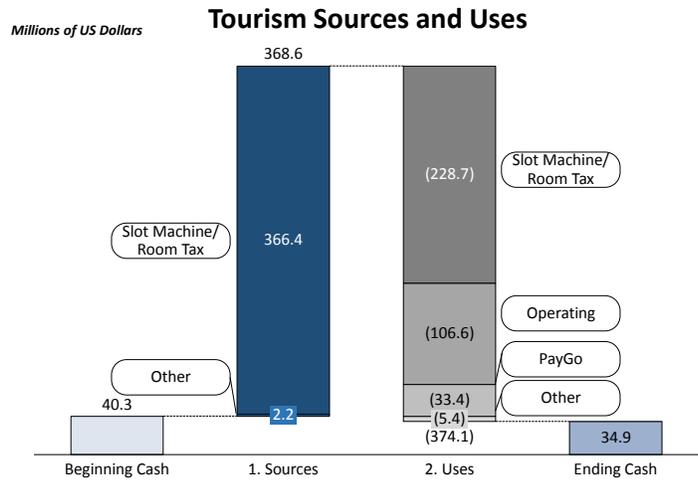


²³ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XI. PUERTO RICO TOURISM COMPANY (“Tourism”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

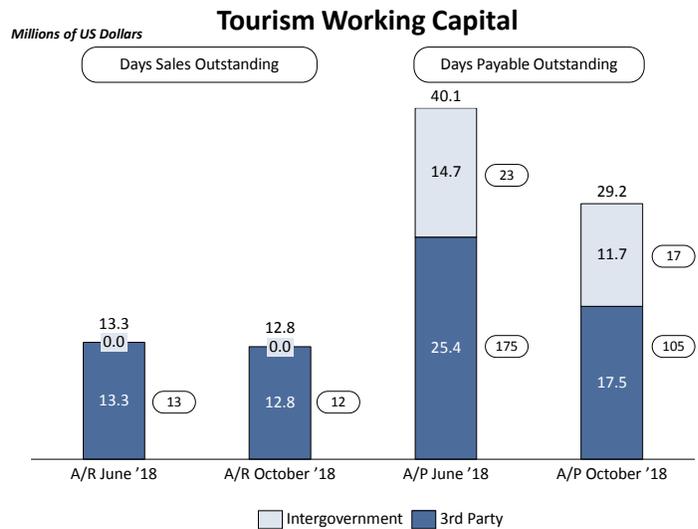
1. Sources \$368.6M:
 - a. Primary Tourism sources of funds are slot machine revenues of \$293.7M (79%) and room taxes revenues of \$72.7M (20%). There is seasonality in the receipt of these funds, which may create temporary timing variances.
 - b. Other Receipts total \$2.2M, which consist mostly of fares and/or fines charged by Tourism to local street vendors.
2. Uses (\$374.1M):
 - a. Slot machines and room taxes have disbursements per a waterfall: slot machine funds are disbursed to Hacienda, University of Puerto Rico, and casinos; room tax funds are disbursed to the Convention Center and inter-company marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements of (\$222.9M) and (\$5.8M) are made.
 - b. Operating expenses are projected to be (\$106.6M), built from payroll (\$22.2M), subsidies/incentives (\$16.9M), media/ads (\$12.9M), purchased services (\$10.3M), and other operating expense and direct marketing organization (\$44.3M).
 - c. Other disbursements are \$33.4M, primarily driven by (\$30.3M) in transfers to a restricted account and (\$3.1M) in transfers to the Convention Center.
 - d. Tourism has made three payments totaling (\$1.4M) related to PayGo contributions, which is in line with forecast.
3. Other:
 - a. PREPA/PRASA and rent disbursements totaled (\$0.3M), the majority of which consists of payments made for FY18 obligations.



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable²⁴

1. Accounts Receivable:
 - a. (\$0.5M) decrease from Jun-18 to Oct-18 driven entirely by 3rd Party A/R decreases primarily a result of invoicing and collections timing pertaining to room tax collections.
2. Accounts Payable:
 - a. (\$10.9M) decrease from Jun-18 to Oct-18 driven primarily by 3rd Party A/P decreases of (\$7.9M) due to pay downs on the FY18 marketing contract ("IXS"), and amounts owed to cruise lines Royal Caribbean and Carnival, incurred in FY18.
 - b. Decrease in Intergovernmental A/P (\$3.0M) related to payments made to CCDA for amounts owed per room tax waterfall legislation for FY19, as well as prior years.
3. Working Capital:
 - a. Working capital levels have been unfavorable by (\$11.4M) due to Tourism catching up on spend activities incurred last year, including spend on marketing contracts delayed in FY18 due to the hurricanes.



²⁴ Figures are unaudited and subject to change.

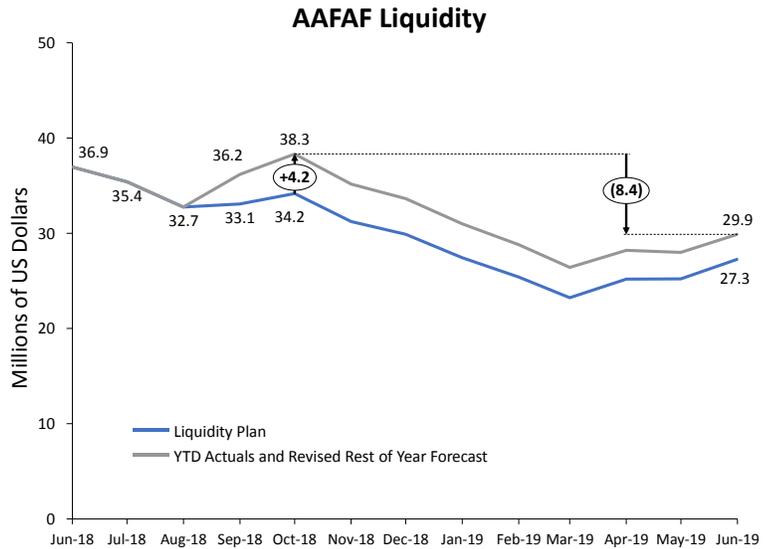
XII. PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (“AAFAF”)

Primary Business Activity: AAFAF acts as fiscal agent, financial advisor, and reporting agent for the Government of Puerto Rico and certain related entities. It was established pursuant to the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act.

Key Takeaways: AAFAF began FY19 with \$36.9M in cash. AAFAF has maintained a higher liquidity position, which is expected to reverse by year end through a catch up in professional service payments and payroll costs. End-of-year liquidity is \$2.6M higher than expected, as collections were strong in September of FY19, with AAFAF receiving a reimbursement of \$1.3M in Sep-18 for an excess payment made in FY18 and less-than-forecast professional service fees of \$1.0M.

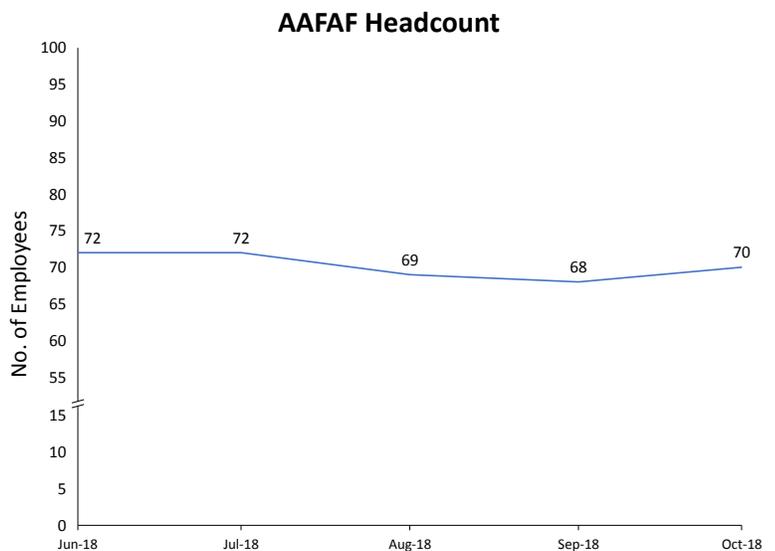
A. FY19 Operating Liquidity – Actuals²⁵ vs. Forecast

1. \$4.2M YTD actuals vs. Liquidity Plan:
 - a. \$3.2M Professional Services – This variance is due to AAFAF paying less than expected professional service fees as a result of timing and delayed invoice processing.
 - b. \$1.3M for other receipts related to GDB.
 - c. (\$0.5M) Payroll and Related Costs – AAFAF has increased its headcount from 68 to 70 month-over-month, driving the negative variance.
 - d. (\$0.4M) for purchased services.
 - e. \$0.1M in Fiscal Agency fees.
2. (\$8.4M) forecast Nov-18 through Jun-19 cash burn:
 - a. The decline in liquidity is driven primarily by the pay down of accrued professional service fees from prior fiscal years.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 72 to 70 from Jun-18 to Oct-18.
 - a. Resulting from employees who have left AAFAF; however, headcount is expected to remain unchanged through the balance of 2019.
2. Payroll: Disbursements are forecast to be \$8.2M for FY19. YTD payroll is \$2.2M.
 - a. The yearly run rate is currently below FY19 projection, due to decreasing the headcount month over month from Jun-18 to Oct-18.
 - b. This variance is partly due to timing, but also because headcount decreased at the start of FY19 so the YTD number is lower than the expected run rate.

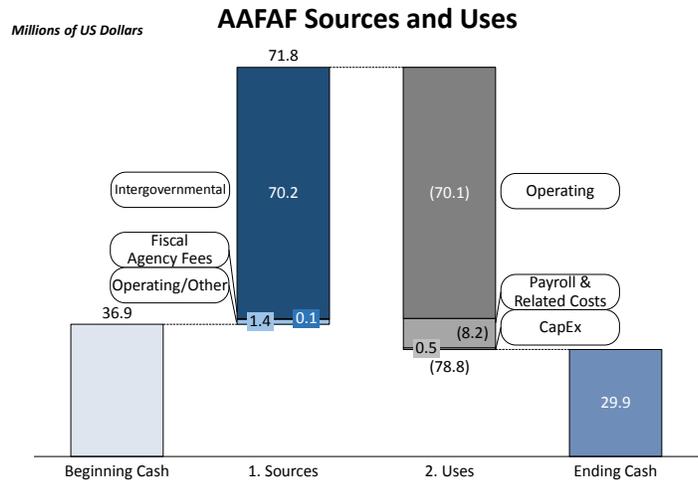


²⁵ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

XII. PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (“AAFAF”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

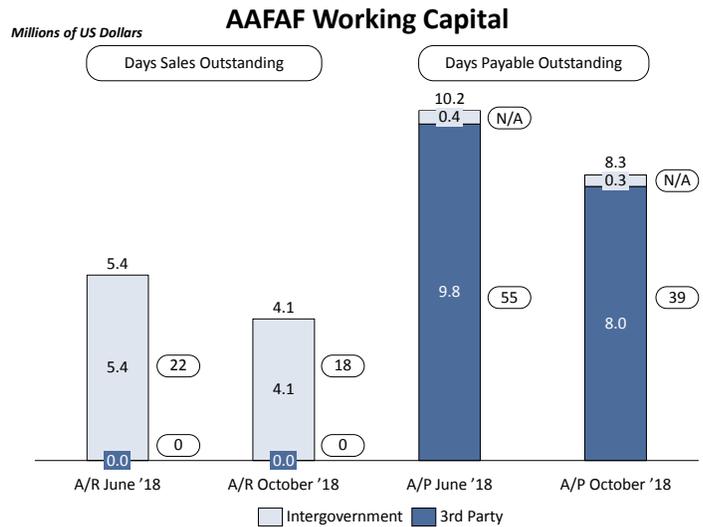
1. Sources \$71.8M:
 - a. \$70.2M General Fund appropriations from the central government largely being used to administer restructuring efforts and provide financial reporting on behalf of the government.
 - b. \$1.4M in other receipts due to the aforementioned reimbursement from GDB for an excess payment to a 3rd party vendor.
 - c. \$0.1M in Fiscal Agency fees.
2. Uses (\$78.8M):
 - a. (\$70.1M) in operating disbursements, with professional services (\$66.6M) largely comprised of attorneys, accountants, restructuring advisors, etc., and purchased services totaling \$2.3M.
 - b. (\$8.2M) in Payroll and Related Costs for FY19.
 - c. (\$0.5) in CapEx for FY19



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable²⁶

1. Accounts Receivable:
 - a. \$1.3M decrease from Jun-18 to Oct-18 driven by a receipt of \$1.3M from GDB.
2. Accounts Payable:
 - a. \$1.9M decrease from Jun-18 to Oct-18 driven by the pay down of accrued professional service fees, in which AAFAF has paid off all of its past due invoices from FY18.
3. Working Capital:
 - a. \$0.6M change in working capital, primarily driven by the payment of accrued invoices to third parties.



²⁶ Figures are unaudited and subject to change.

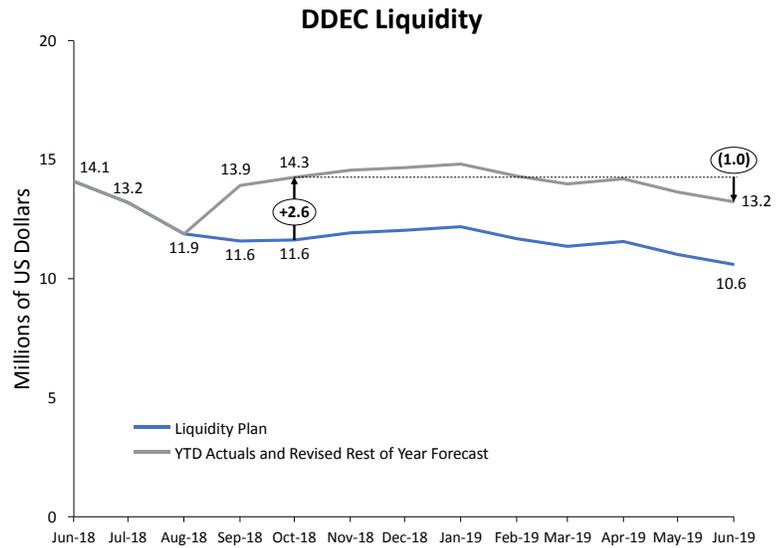
XIII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE (“DDEC”)

Primary Business Activity: DDEC serves as the umbrella agency for key economic development entities in Puerto Rico. It leads efforts to drive competitiveness through structural reforms, promoting private sector investment, and job growth in critical sectors.

Key Takeaways: DDEC began FY19 with \$14.1M in cash. DDEC has maintained a higher-than-forecast liquidity position by \$2.6M, primarily due to an unexpected Film Program receipt of \$1.3M in Sep-18 and an increasing Act 22 fee. The component unit is also benefitting from a positive variance related to its Workforce Innovation and Opportunity Act (the “WIOA”) program, which is expected to maintain a positive variance for FY19.

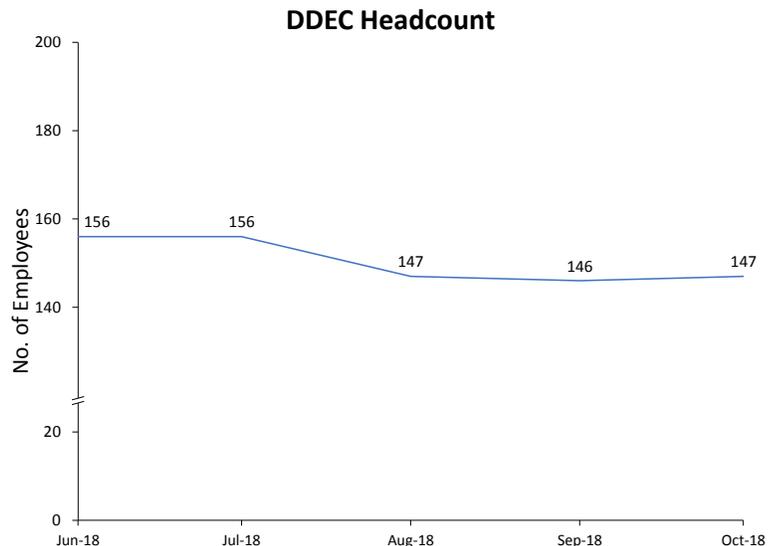
A. FY19 Operating Liquidity – Actuals²⁷ vs. Forecast

1. \$2.6M YTD actuals vs. Liquidity Plan:
 - a. \$1.7M higher operating receipts due to \$1.3M in Film Program Receipts and \$0.6M in Act 22 and management fees, offset by less-than-expected cash from federal grants (\$0.3M).
 - b. (\$1.0M) lower receipts due to receiving less funds in the form of federal grants; however, this is an expense-driven activity for DDEC.
 - c. \$2.1M less operating disbursements primarily driven by \$1.3M less donations, subsidies and distributions, which includes WIOA, as well as decreases in purchased services and professional services of \$0.2M and \$0.5M, respectively.
 - d. (\$0.2M) greater disbursements relating to federally supported projects as a result of timing.
2. (\$1.0M) forecast Nov-18 through Jun-19 cash burn:
 - a. DDEC’s decline in liquidity has decreased month over month; however, it still remains negative due to expected donations and investments to take place during FY19 to promote development on the island.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 156 to 147 from Jun-18 to Oct-18.
 - a. Further headcount reduction is expected to take place during FY19 as a result of the upcoming DDEC consolidation.
2. Payroll: Disbursements are forecast to be \$11.1M for FY19. YTD payroll is \$4.5M.
 - a. The yearly run rate is slightly ahead of FY19 projections due to a slower decline in headcount than anticipated during consolidation efforts.

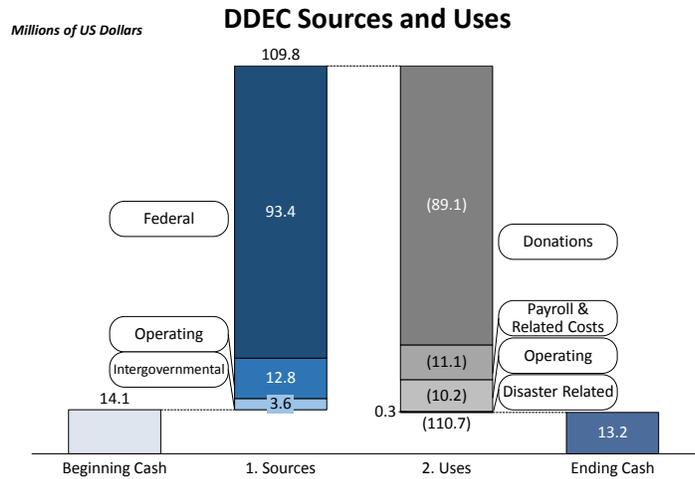


²⁷ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XIII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE (“DDEC”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

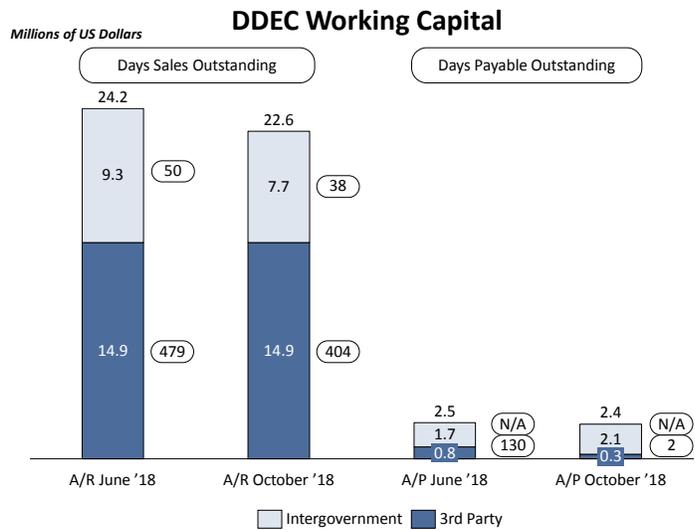
1. Sources \$109.8M:
 - a. Federal grants represent \$93.4M, or 85%, of total receipts, which are used for redevelopment efforts on the island.
 - b. Operating receipts are \$12.8M, or 12%, of total receipts, and are expected to increase during FY19.
 - c. Intergovernmental receipts are \$3.6M, or 2%.
2. Uses (\$110.7M):
 - a. Donations, subsidies, and distributions represent (\$89.1M), or 81%, of total disbursements, which are provided to local areas for redevelopment and to the people through the WIOA.
 - b. Operating Expenses of (\$21.3M) primarily consisting of payroll and related costs (\$11.1M), professional and purchased services combining to (\$5.4M), equipment costs of (\$1.0M), and (\$3.7M) of additional operating expenses.
 - c. Disaster Related disbursements of (\$0.3M) have been incurred during FY19.



Note: Beginning and ending cash as presented in Section A.

D. Accounts Receivable / Accounts Payable²⁸

1. Accounts Receivable:
 - a. \$1.6M decrease from Jun-18 to Oct-18 driven by increased collections from operating activities, primarily the management fees and Act 22 fees.
2. Accounts Payable:
 - a. \$0.1M decrease from Jun-18 to Oct-18 driven by an increase of payments to third parties, which is offsetting the decrease in expected payments to intergovernmental entities.
3. Working Capital:
 - a. \$1.5M change in working capital as a result of the decrease in accounts receivable outweighing the minor decrease in accounts payable.



²⁸ Figures are unaudited and subject to change.

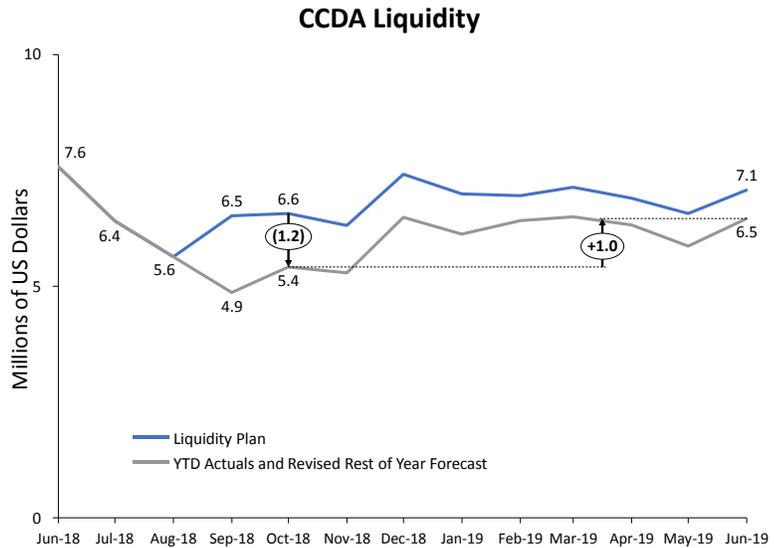
XIV. PUERTO RICO CONVENTION CENTER DISTRICT AUTHORITY (“CCDA”)

Primary Business Activity: CCDA develops, manages, and oversees the Puerto Rico Convention Center, the Coliseo de Puerto Rico José Miguel Agrelot, the Rivas Domenici Executive Airport, and other adjacent hospitality, commercial, and residential developments.

Key Takeaways: CCDA began FY19 with \$7.6M in cash. The majority of the CCDA expense base relates to costs incurred from events held at its facilities, which are traditionally higher in the summer months. This was the primary driver for the decline in liquidity through Q1 FY19, so liquidity is expected to increase the second half of FY19.

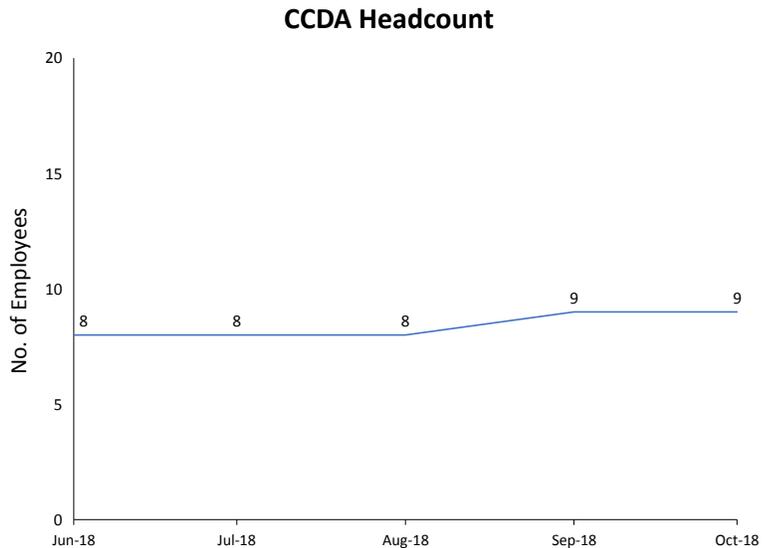
A. FY19 Operating Liquidity – Actuals²⁹ vs. Forecast

1. (\$1.2M) YTD actuals vs. Liquidity Plan:
 - a. (\$0.2M) relating to PR Room Taxes, which is due to timing of receipts and should reverse in Nov-18.
 - b. (\$0.4M) greater operating disbursements, resulting from an increase in Purchased and Professional Service fees.
 - c. (\$1.3M) greater CapEx disbursements due to timing of payments as we approach the end of the calendar year.
 - d. \$0.7M source of cash due to inflows from restricted accounts to fund a portion of CapEx and facility payments.
2. \$1.0M forecast Nov-18 through Jun-19 cash build:
 - a. CCDA’s build in liquidity is primarily due to expected future transfers from a restricted account for CapEx projects, as well as receipts from the Tourism Company related to room taxes and debt payments.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 8 to 9 from Jun-18 to Oct-18.
 - a. Forecast to increase by 3 in FY19, which will consist of 1 post in accounting and 2 posts in operations.
2. Payroll: Disbursements are forecast to be \$1.0M for FY19. YTD payroll is \$0.2M.
 - a. The yearly run rate is slightly behind FY19 projection, due to timing of payroll disbursements and is expected to increase as additional FTEs are added.

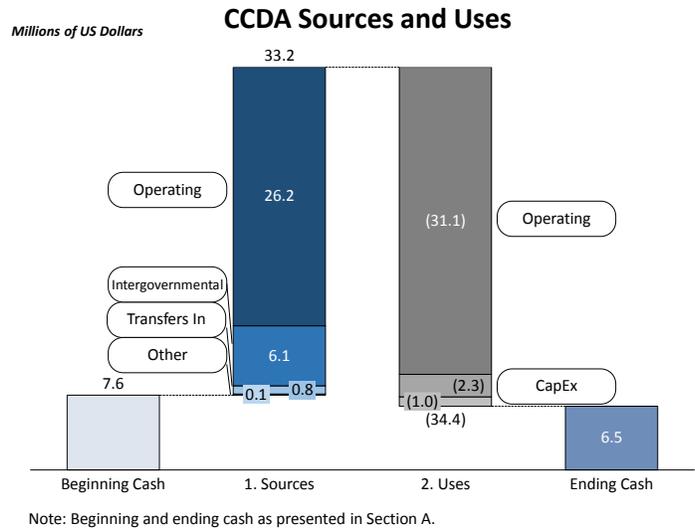


²⁹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XIV. PUERTO RICO CONVENTION CENTER DISTRICT AUTHORITY (“CCDA”) (Continued)

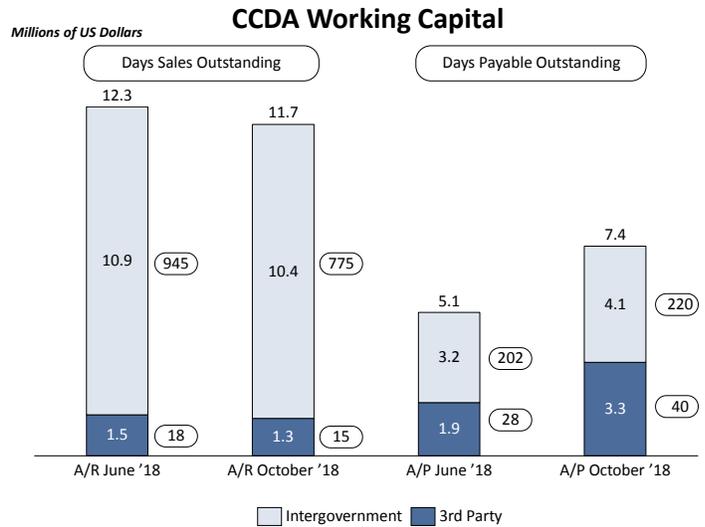
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$33.2M:
 - a. Operating receipts total \$26.2M, consisting of income from the PR Coliseum, the Convention Center, and other rental income.
 - b. Intergovernmental receipts make up \$6.1M of total sources of funds, which relates to Room Tax payments made to CCDA by PR Tourism Company.
 - c. Transfers from restricted accounts to fund capital expenditures has provided a net source of cash totaling \$0.8M.
 - d. \$0.1M in other receipts.
2. Uses (\$34.4M):
 - a. Operating expenses combine to (\$31.1M), with purchased services and facilities payments accounting for (\$29.8M) of total operating expenditures.
 - b. Payroll and Related costs for FY19 is (\$1.0M).
 - c. CapEx is a (\$2.3M) use of cash, and is utilized for maintaining the quality of the PR Coliseum and Convention Center.



D. Accounts Receivable / Accounts Payable³⁰

1. Accounts Receivable:
 - a. (\$0.6M) decrease from Jun-18 to Oct-18 driven by an increase in intergovernmental collections over the period.
2. Accounts Payable:
 - a. \$2.3M increase from Jun-18 to Oct-18 driven by additional invoices relating to CapEx and Purchased Services.
3. Working Capital:
 - a. \$2.9M change in working capital as a result of the accounts receivable and accounts payable changes listed above.



³⁰ Figures are unaudited and subject to change.

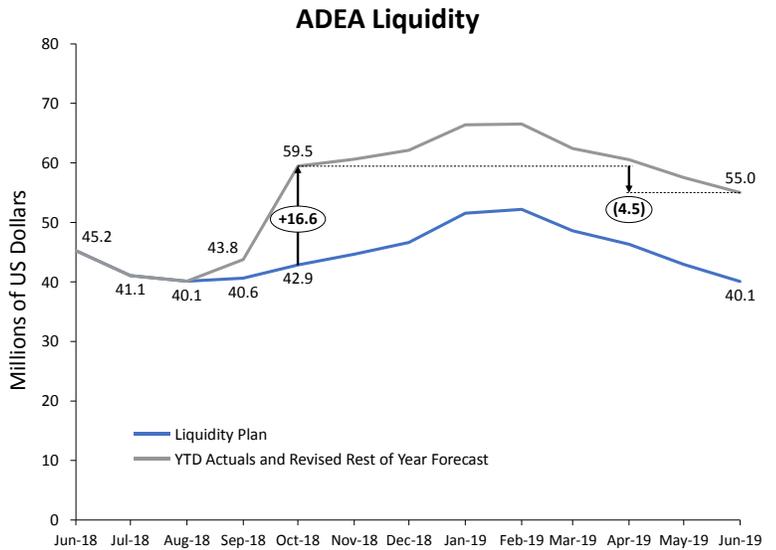
XV. PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION (“ADEA”)

Primary Business Activity: ADEA provides services to the agricultural sector, with the goal of supporting its economic development. Services include: rural infrastructure development, providing incentives and subsidies to the industry, agricultural product market making, and other related services.

Key Takeaways: ADEA continues to improve its cash position by collecting \$16.2M on its receivables from the Department of Education. At month end Oct-18, ADEA’s cash position is \$59.5M, which is roughly equivalent to 21 weeks of operating disbursements. Receipts tied to coffee market making, production of seeds, and the school program initiative outpaced disbursements closely tied to these line items. ADEA recently also made a \$2.7M PayGo disbursement and is forecast to pay another \$9.0M in FY19.

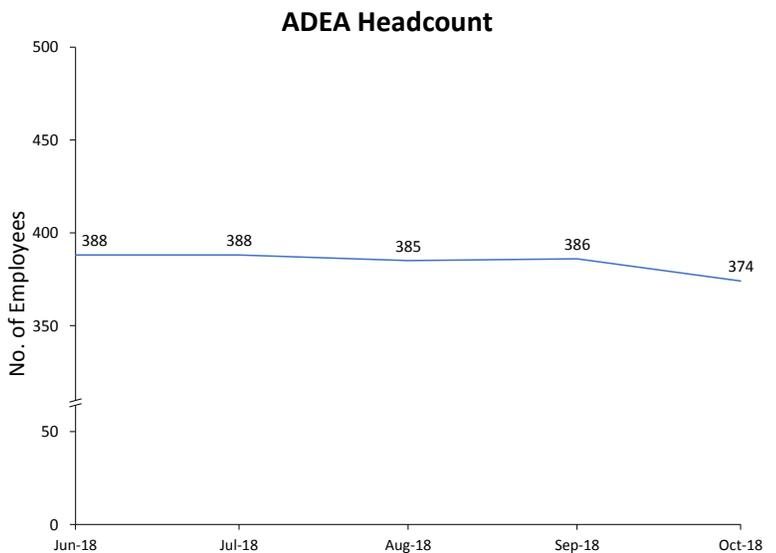
A. FY19 Operating Liquidity – Actuals³¹ vs. Forecast

1. \$16.6M YTD actuals vs. Liquidity Plan:
 - a. \$22.7M in Operating Receipts of which, \$16.2M is permanent as ADEA has collected on prior year receivables from the Department of Education.
 - b. (\$6.2M) timing variances in Operating Disbursements which are expected to normalize in FY19. Variances are primarily driven by (\$2.8M) in PayGo and \$2.8M in Other Vendors, where ADEA has paid earlier than forecast.
2. (\$4.5M) forecast Nov-18 through Jun-19 cash burn:
 - a. \$100.0M in forecast total receipts driven by: \$55.3M in operating receipts and \$44.7M in intergovernmental receipts.
 - b. (\$104.5M) in forecast total disbursements.
 - c. Driven primarily by its FY19 \$11.0M PayGo charge.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 388 to 374 from Jun-18 to Oct-18.
 - a. Primarily due to normal turnover.
2. Payroll: Disbursements are forecast to be \$15.0M for FY19. YTD payroll is \$4.6M, which is in line with Liquidity Plan.

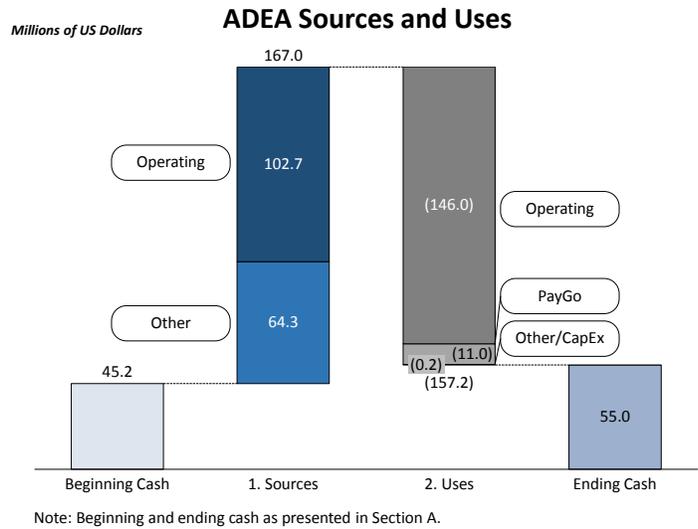


³¹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XV. PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION (“ADEA”) (Continued)

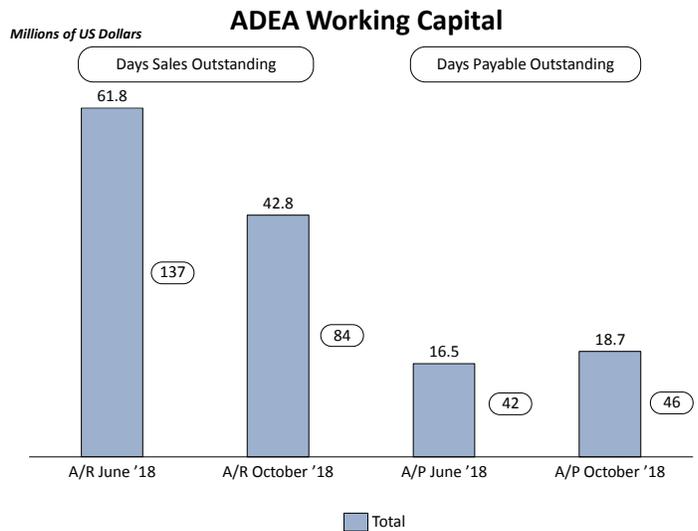
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$167.0M:
 - a. Operating receipts of \$102.7M include: coffee market making, school cafeteria receipts, and seed distribution of \$99.5M of total receipts, including pass through of government programs of \$2.9M. Intergovernmental receipts of \$64.3M are General Fund appropriations.
2. Uses (\$157.2M):
 - a. Operating disbursements are forecast to be (\$146.0M), including (\$65.8M) of other operating expenses, such as coffee and food purchases and seed production, along with payroll (\$15.0M), contributions to nongovernmental agencies for (\$47.9M), facilities and payments to public services of (\$1.1M), and (\$13.4M) in other expenses. ADEA PayGo disbursements are forecast to total (\$11.0M).
 - b. CapEx disbursements of (\$0.2M).
3. Other:
 - a. ADEA has begun making its PayGo contributions, earlier than originally forecast.



D. Accounts Receivable / Accounts Payable³²

1. Accounts Receivable:
 - a. \$19.0M decrease from Jun-18 to Oct-18 largely due to the collection of prior year(s) receivables from the Department of Education.
 - b. DSO decreased from 137 in Jun-18 to 84 in Oct-18.
2. Accounts Payable:
 - a. \$2.1M increase from Jun-18 to Oct-18. DPO increased in the same time period from 42 to 46 days.
3. Working Capital:
 - a. Working capital in Oct-18 increased cash by \$21.0M since Jun-18, as it collected on receivables and have stretched payables.



³² Figures are unaudited and subject to change.

APPENDIX A: RECONCILIATION BETWEEN OCTOBER AAFAF REPORTED FIGURES³³ AND THE FIGURES IN THIS REPORT³⁴

Millions of US Dollars

COMPONENT UNIT	AAFAF Reported Balance	Actual Balance 10/26/18	Variance	Variance due to:	
				Timing	Nonoperational Accounts+H6
PUERTO RICO PORTS AUTHORITY ("PORTS") (a)	30.5	26.8	3.7	(1.5)	5.2
MEDICAL SERVICES ADMINISTRATION ("ASEM") (b) (c)	34.6	14.2	20.4	3.5	17.0
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	24.5	25.4	(0.8)	(0.6)	(0.2)
STATE INSURANCE FUND CORPORATION ("FONDO") (b)	267.8	271.4	(3.6)	(4.1)	0.5
HEALTH INSURANCE ADMINISTRATION ("ASES") (b) (d)	440.2	239.5	200.7	200.7	-
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA") (e)	390.1	346.1	43.9	26.8	17.1
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (f)	86.8	67.5	19.3	(2.1)	21.5
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio") (g)	10.1	10.5	(0.4)	(1.3)	0.8
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (h)	100.9	16.1	84.8	(1.6)	86.3
HOUSING FINANCE AUTHORITY ("HFA") (b)	51.6	51.6	0.0	0.0	-
PUERTO RICO TOURISM COMPANY ("TOURISM") (i)	98.3	34.7	63.7	1.5	62.2
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	37.8	38.3	(0.6)	(0.6)	-
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	14.6	14.3	0.3	(0.1)	0.3
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA") (j)	30.0	5.4	24.6	0.1	24.6
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	59.0	59.5	(0.4)	(0.4)	-

Notes (10/26/18):

(a) Ports cash balance includes \$1.7M in cash at Banco de Desarrollo Economico excluded from AAFAF cash. \$5.2M of restricted cash is excluded from Ports operating cash.

(b) ASEM, Fondo, ASES, and HFA report book balances.

(c) Restricted cash not considered account for \$17.0M of AAFAF cash, distributed as follows: CapEx \$13.9M; Medical Records Project \$0.3M; Malpractice Insurance Reserve \$2.1M; FEMA Funding \$0.6M, other (not significant <\$0.001M).

(d) A number of high value receipts came in the week of 11/2, including \$199.0M in federal funding and \$12.0M of prescription drug rebates.

The ending cash balance ending 11/2 is \$451.0M, within \$11.0M of the ending AAFAF cash balance of \$440.0M on 10/31, two days prior.

(e) \$17.1M in non-operational account is earmarked for debt service and is not included in HTA's cash flow.

(f) Funds held in non-operational accounts at PBA are earmarked for the following: \$12.9M for debt service for bonds pertaining to Resolution 468; \$7.8M for debt service for bonds related to Construction Series R and N; and \$0.8M in other restricted cash accounts.

(g) Restricted cash not considered account for \$0.8M of AAFAF cash, which is a non-operating account.

(h) Restricted/non-operating cash not considered account for \$86.3M of AAFAF webcash, distributed as follows: Investment Sweep of General Operating Account \$0.2M; PRIDCO Trustee CD/Bond Reserve Accounts \$22.1M; Other PRIDCO inactive non-operating/reserve accounts \$2.7M; PRIICO accounts \$2.9M; Incentive and Rum Fund accounts managed on behalf of Central Government \$58.6M.

(i) Funds in non-operational accounts consist of the following: \$54.8M in restricted account; \$7.2M in Tourism subsidiary accounts not included in Tourism operating cash; and \$0.1M in restricted account earmarked for disaster spend.

(j) Non-operational accounts include: \$13.6M in special purpose funds from ticket sales; \$4.4M in funds earmarked for law 272 (room taxes);

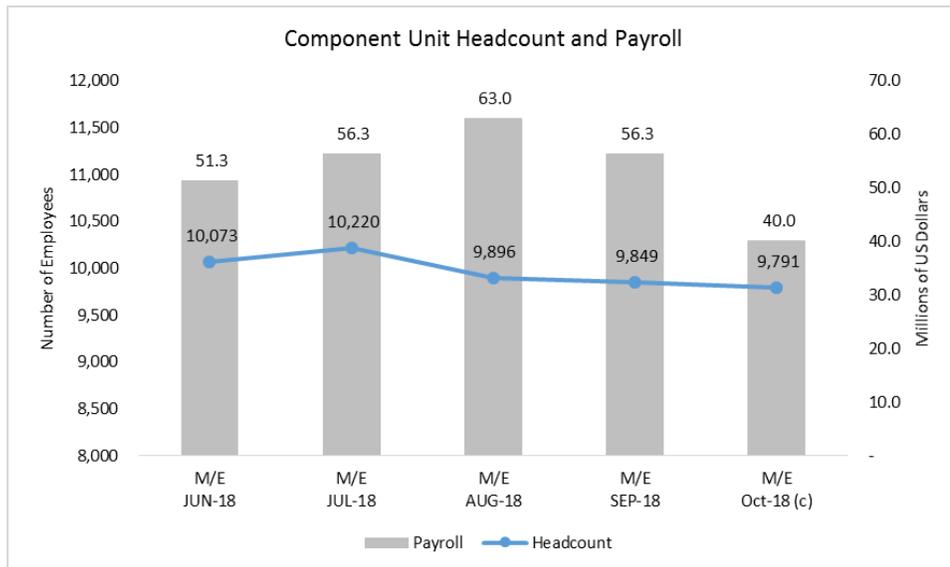
\$3.7M in funds to be used for CapEx from local areas that contribute to Central District Authority; and \$2.9M in other.

³³ AAFAF reported figures as per "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities" report dated October 31, 2018.

³⁴ This report is prepared based on reported operational cash balances as of October 26, 2018, and there are two types of reconciliation differences between the sources of information: timing differences produced by the account delays, or cash being held in nonoperational bank accounts.

APPENDIX B: HEADCOUNT SUMMARY FOR COMPONENT UNITS COVERED IN THIS REPORT

COMPONENT UNIT	FY18 END	FY2019			
	M/E Jun-18	M/E Jul-18	M/E Aug-18	M/E Sep-18	M/E Oct-18
PUERTO RICO PORTS AUTHORITY ("PORTS")	505	505	501	501	499
MEDICAL SERVICES ADMINISTRATION ("ASEM")	1,655	1,634	1,626	1,630	1,616
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA") (a)	887	887	876	881	879
STATE INSURANCE FUND CORPORATION ("FONDO")	2,879	2,867	2,858	2,852	2,844
HEALTH INSURANCE ADMINISTRATION ("ASES")	60	57	60	57	58
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	1,245	1,244	991	946	930
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	1,102	1,102	1,094	1,093	1,092
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	572	570	563	561	568
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (b)	N/A	192	188	188	187
HOUSING FINANCE AUTHORITY ("HFA")	145	145	145	145	141
PUERTO RICO TOURISM COMPANY ("TOURISM")	399	393	376	376	377
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	72	72	69	68	70
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	156	156	156	156	147
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	8	8	8	9	9
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	388	388	385	386	374
TOTAL	10,073	10,220	9,896	9,849	9,791



Notes:

(a) Estimate for June and July Month End.

(b) PRIDCO not a CU tracked in FY18.

(c) Not all CUs captured multiple pay periods in Oct-18, causing a timing variance and an expected increase in payroll in Nov-18.