



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

Component Unit Liquidity

FOR THE MONTH ENDED MARCH 31, 2018

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GLOSSARY

Term	Definition
AAFAF	- Fiscal Agency and Financial Advisory Authority
ADEA	- Puerto Rico Agricultural Development Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
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.
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.
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.
DTPR, Hacienda	- Puerto Rico Department of Treasury.
General Fund	- The Commonwealth's principal operating fund.
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.
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.
Intergovernmental Receipts	- General fund appropriations to and funds transferred between public corporations and municipalities.
New Insurance Project	- A new business venture for SIFC 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.
Other Inflows	- Sales of toll tags, rental income, and impact fees.
Other Outflows	- Payments to suppliers from prior years.
PayGo Charges	- Puerto Rico pension system that is funded through a pay-as-you-go system. Retirement benefits expenses of government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
PBA	- Puerto Rico Public Building Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Ports	- Puerto Rico Ports Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Pre-hurricane forecast	- Projected cash flows for each component unit, based on their respective approved FY 2018 Budget.
PRITA	- Puerto Rico Integrated Transit Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Post-hurricane forecast	- Projected cash flows for each component unit, based on a revised outlook after the effects of the hurricanes.

GLOSSARY

continued

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.
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 05-2017, 03-2018, 04-2018, 05-2018, 06-2018.

INTRODUCTION

AAFAP 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 AAFAP’s evaluation of the liquidity of the Government of Puerto Rico and its public corporations.

15 select CUs prepared their individual liquidity plans at the beginning of the fiscal year based on their approved Fiscal Year 2018 budgets (“pre-hurricane forecast”). The CUs pre-hurricane forecasts were projected weekly through June 2018, and are used as the benchmark by AAFAP against which weekly and monthly results are measured. As a result of material economic and operational changes stemming from Hurricanes Irma and Maria, certain CUs management teams have updated the liquidity plans through fiscal year-end (“post-hurricane forecast”).

This document presents the actual vs post-hurricane forecast (where applicable) variance analysis for 15 select CUs for the nine months ended 3/31/2018. It also provides information on projected cash for each CU at the end of Fiscal Year 18, and a comparison to expected ending cash based on pre-hurricane forecasts.

The forecasts contain projections of cash receipts (which include revenues collected from operations, intergovernmental receipts - general fund appropriations and funds transferred between public corporations and municipalities from Central Government, 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).

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 this document where available.

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.

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¹ FONDO, HTA, HFA, and AAFAP have not prepared post-hurricane forecasts

EXECUTIVE SUMMARY – OPERATING LIQUIDITY ACTUALS VS. FORECAST¹

\$M

COMPONENT UNIT	HIGHLIGHTS	FY18 Beg. Balance	ACTUAL 3/31/18	Q4 F'CAST* 6/30/18
PR PORTS AUTHORITY	Expected to run out of cash by May, mainly due to PayGo charges (\$25.2M for Q4, \$15.6M of which is an increment in pre vs. post-hurricane forecasts) and CapEx disbursements.	12.2	14.6	-21.2
MEDICAL SERVICES ADMINISTRATION	Revised forecast expect cash depletion by February, has managed by receiving advances of GF appropriations. Q4 cliff driven by lower intergovernmental collections, revised PayGo charges.	5.1	1.1	-40.4
PR INTEGRATED TRANSIT AUTHORITY	Actuals above forecast, due to payroll variance and CapEx deferral. Expected to run out of cash by May, in line with pre-hurricane forecast, although revised PayGo charges added \$7.2M to cliff.	7.4	8.6	-10.4
STATE INSURANCE FUND CORPORATION	Actuals \$75.7M better than forecast, due to deferrals expected to reverse. Q4 forecast points to \$67.4M by year-end. Cash build driven by less disbursements due to hurricane Maria.	37.2	202.0	67.4
HEALTH INSURANCE ADMINISTRATION	Actuals and revised Q4 projections reflect overperformance vs. forecast mainly due to better than expected prescription drug rebates (\$89M).	197.8	270.2	370.7
PR HIGHWAYS & TRANSIT AUTHORITY	Actual results are above forecast mainly due to unspent CapEx funds, planned to be spent by year-end, which would drive ending cash balance back towards the forecast.	82.1	144.7	83.7
PUBLIC BUILDINGS AUTHORITY	Pre-hurricane forecast assumed cash burn of approximately \$40M, mostly due to lower than requested GF appropriations in the FY18 budget.	62.4	43.9	16.3
CARDIOVASCULAR CENTER FOR PR & THE CARIBBEAN	Actuals show permanent favorable variance due to higher than estimated patient activity. \$2M expected increase in Q4, rate of purchased services could worsen result.	6.8	8.7	10.9
HOUSING FINANCE AUTHORITY	Actual results above forecast due to timing of federal fund receipts, and CapEx. Q4 outlook is above the forecast due to lower subsidy payouts and investments.	71.1	50.6	47.8
PR TOURISM COMPANY	Actuals and revised Q4 projections reflect overperformance vs. forecast mainly due to better than forecasted slot machine and room tax collections.	18.1	33.2	31.4
PR FISCAL AGENCY & FINANCIAL ADVISORY AUTHORITY	Positive results vs. forecast expected to reverse completely by year-end through catch-up professional service payments.	16.1	24.7	18.9
DEPARTMENT OF ECONOMIC DEVELOPMENT & COMMERCE	Actuals above forecast from delayed investments beyond FY18. Increase to \$16.6M by 6/30 primarily due to development project inflows that won't be spent.	10.8	12.6	16.2
PR CONVENTION CENTER DISTRICT AUTHORITY	Actuals show permanent favorable variance due to less events after the impact of hurricane Maria.	8.5	7.6	7.0
PR AGRICULTURAL DEVELOPMENT ADMINISTRATION	Actual results above forecast due to timing of disbursements, expected to catch up in Q4. Cash burn in Q4 is due to Other OpEx (\$52M) and PayGo charge (\$6.3M).	43.5	45.1	26.9

■ IN LINE WITH FORECAST

■ BELOW FORECAST OR NEGATIVE CASH BALANCE

■ ABOVE FORECAST

¹ Post Hurricane forecast, were applicable.



SUMMARY OF REPORTING BY COMPONENT UNIT

COMPONENT UNIT	Headcount		First Reported		Last Reported		First Reported		Last Reported		First Reported		Last Reported	
	First Reporting Date	Latest Reporting Date	AR (IG (a))	AR (Third Party)	AR Detail	AR (IG (a))	AR (Third Party)	AR Detail	AR (IG (b))	AR (Third Party)	AR Detail	AP (IG (a))	AP (Third Party)	AP Detail
PUERTO RICO PORTS AUTHORITY	September	February	August	August	Complete	March	March	Complete	July	July	Complete	March	March	Complete
MEDICAL SERVICES ADMINISTRATION	July	July	July	July	Complete	February	February	Complete	July	July	Complete	February	February	Complete
PUERTO RICO INTEGRATED TRANSIT AUTHORITY (b)	July	March	N/A	N/A	N/A	March	March	Complete	N/A	N/A	N/A	March	March	Complete
STATE INSURANCE FUND CORPORATION	July	March	August	August	N/A	March	March	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HEALTH INSURANCE ADMINISTRATION	August	March	N/A	N/A	N/A	March	March	N/A	N/A	N/A	N/A	March	March	N/A
HIGHWAY AND TRANSPORTATION AUTHORITY	July	March	July	July	Complete	March	March	Complete	July	July	Complete	March	March	Complete
PUERTO RICO PUBLIC BUILDING AUTHORITY	August	August	January	January	Complete	February	February	Complete	N/A	N/A	N/A	N/A	N/A	Complete
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN UNIVERSITY OF PUERTO RICO	July	September	August	August	Complete	March	March	Complete	August	August	Complete	March	March	Complete
UNIVERSITY OF PUERTO RICO	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HOUSING FINANCE AUTHORITY	March	March	N/A	N/A	N/A	March	March	N/A	N/A	N/A	N/A	March	March	N/A
PUERTO RICO TOURISM COMPANY	July	March	August	August	N/A	March	March	N/A	N/A	N/A	N/A	N/A	N/A	N/A
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (c)	July	March	June	June	Complete	January	January	Complete	June	June	Complete	January	January	Complete
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE	July	March	September	September	N/A	March	March	N/A	July	July	N/A	March	March	N/A
CONVENTION CENTER DISTRICT AUTHORITY	July	March	July	July	N/A	March	March	N/A	July	July	N/A	March	March	N/A
PUERTO RICO AGRICULTURAL DEVELOPMENT AUTHORITY (d)	July	January	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(a) Intergovernmental

(b) AR/AP details as of July 2017 reflects data for ATI/ATM as ANMA has not provided detail.

(c) AAFAF provided AR/AP details as of 3/31. The data is not included in the report as management missed the reporting deadline.

(d) ADEA has provided AR details as of September and March but, due to system issues, management is unable to report intergovernmental and Trade AR separately. ADEA has provided AP details as of August and March but, due to system issues, management is unable to report intergovernmental and Trade AP separately.

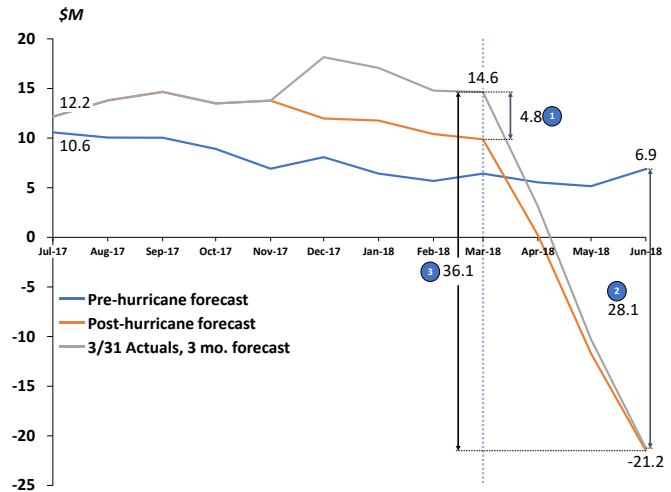
Meets requirements
Partially meets requirements
Does not meet requirements

PUERTO RICO PORTS AUTHORITY (“Ports”)

Key takeaways: Ports is expected to burn its \$14.6M current cash balance by May, mainly due to PayGo charges and CapEx disbursements.

A. FY18 Operating Liquidity² – Actuals vs. Forecasts

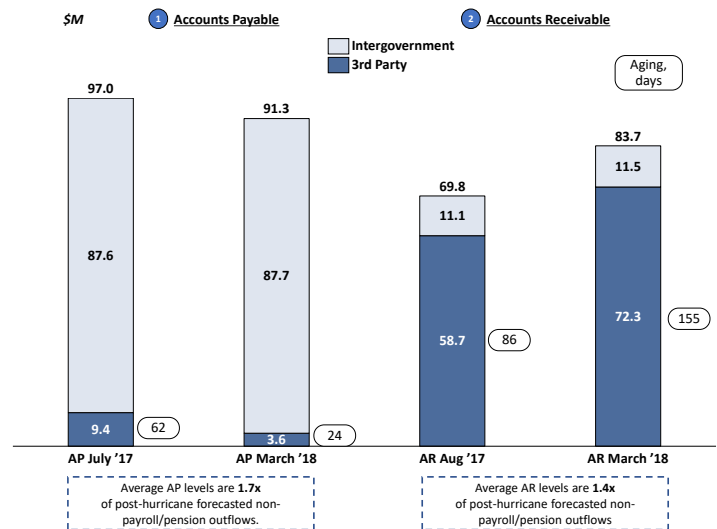
1. **+\$4.8M – actual vs. post-hurricane forecast**, considered to be **timing related**, primarily due to:
 - a. +\$7.6M – delay of CapEx projects
 - b. -\$2.5M – federal fund receipts; due to delays in projects eligible to be federally funded
2. **-\$28.1M – pre vs. post-hurricane forecasts** due to:
 - a. -\$15.6M – PayGo billings incremental to pre-hurricane forecast³
 - b. -\$10.3M – maritime receipts related to wharfage, docks, rent, and utilities
 - c. -\$3.3M – other retirement contributions incremental to pre-hurricane forecast
3. **\$36.1M – forecasted Q4 cash burn**, mainly driven by
 - a. -\$25.2M – PayGo charges
 - b. -\$10.4M – CapEx, net of Federal funds received



Headcount/Payroll: FTEs: 529 to 509 since from September to March. YTD payroll and related costs of \$21.8M are \$1.2M less than the post-hurricane forecast and management expects to be permanent. Q4 forecast is in line with post-hurricane forecast.

B. Accounts Payable/Receivable⁴

1. Payable:
 - a. **-\$5.7M (6%) from July to March**, driven by a \$5.8M (62%) 3rd party paydown, mainly due to a \$4.3M (70%) paydown to a single service provider
 - b. 3rd party aging decreased from 62 to 24 days
2. Receivable:
 - a. **+\$13.9M (20%) from August to March**, driven by a \$13.6M (24%) in 3rd party buildup⁶
 - b. 3rd party aging increased from 86 to 155 days



² According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$22.5M. This variance of \$7.9M as compared to what is reported here is due to cash on hand that is not being used for daily operational purposes.

³ Difference between PayGo charge from Retirement Systems and Retirement Contribution considered in the original OMB budget.

⁴ Figures have unaudited and subject to change

⁶ Further analysis needed to clarify whether \$13.9M increase in receivables is tied to the revision of Maritime revenues.

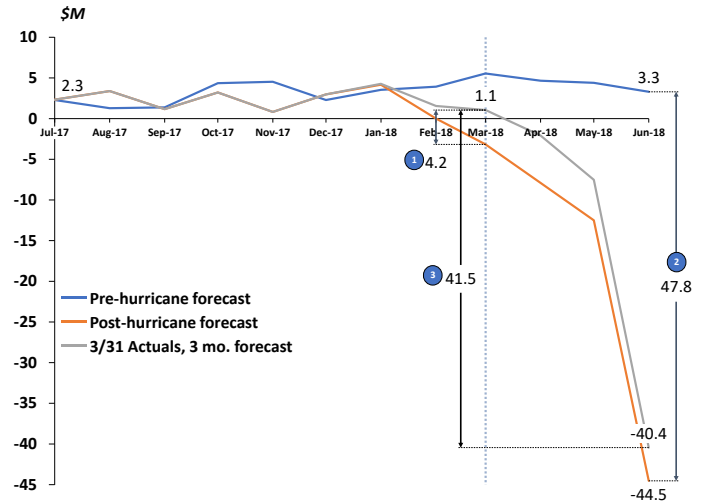


MEDICAL SERVICES ADMINISTRATION (“ASEM”)

Key takeaways: ASEM started fiscal year 2018 with less cash than the average \$3.7M payroll cycle. This challenging liquidity situation was exacerbated by a \$31M PayGo charge increase vs. the pre-hurricane forecast. To ensure continuing operations, ASEM has executed a series of emergency liquidity management levers, including requesting and receiving a 100% advance on all its budgeted GENERAL FUND appropriations advances by February 2018. Notwithstanding, ASEM is projected to run out of cash by end of May. ASEM and OGP have requested the FOMB to approve a GENERAL FUND budget reappropriation to ensure ASEM’s operations through June 30th.

A. FY18 Operating Liquidity⁷ – Actuals vs. Forecasts

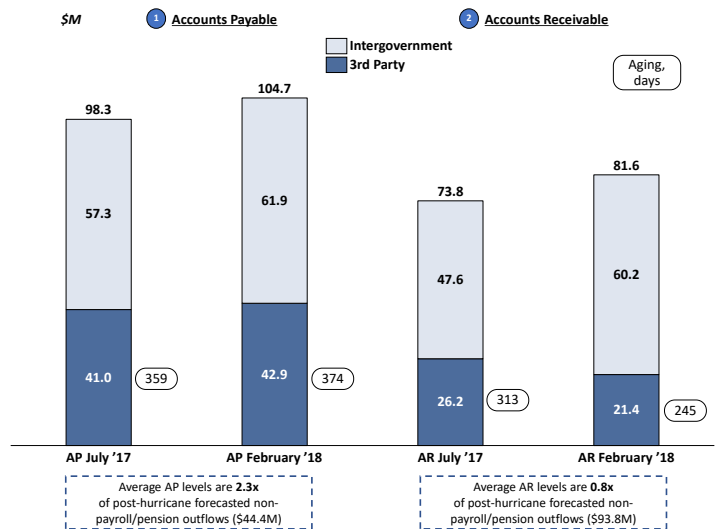
1. **+\$4.2M – actual vs. post-hurricane forecast**, considered mostly to be **timing related**, primarily due to unspent GENERAL FUND appropriations (+\$4.0M) for a medical records improvement project and the increase in physician and medical plans (+\$1.9M).
2. **-\$47.8M – pre vs. post-hurricane forecasts** mainly due to:
 - a. -\$33.2M – intergovernmental service collections
 - b. -\$16.8M – PayGo charges
 - c. +\$2.7M – vendor payments
3. **\$41.5M – forecasted Q4 cash burn**, mainly driven by:
 - a. -\$31.0M – PayGo charges
 - b. -\$7.8M – 100% advance of remaining GENERAL FUND appropriations in February 2018
 - c. -\$4.3M – catch up vendor and physician payments



Headcount/Payroll: FTEs: 1,755 to 1,687 from July to March. Total payroll cost for the year is expected to be \$95.6M, which is \$2.2M lower than the pre-hurricane forecast. YTD variance is \$1.1M lower than post-hurricane forecast.

B. Accounts Payable/Receivable⁸

1. Payable:
 - a. **+\$6.4M (6.5%) from July to February**, driven by \$4.6M (8%) build up in intergovernmental payables, \$2.8M (9%) of which are due to PREPA.
 - b. 3rd party aging increased from 359 to 374 days
2. Receivable:
 - a. **+\$7.8M (10.6%) from July to February**, driven by a \$12.6M (26.5%) intergovernmental buildup, \$11.2M (28%) of which is related to the Department of Health. This is offset by a \$4.8M (18%) reduction due to payments issued to ASEM by insurance providers
 - b. 3rd party aging decreased from 313 to 245 from July to February



⁷According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$19.6M. This variance of \$18.6M as compared to what is reported is due to a combination of: (i) \$1.6M in timing differences produced by the cutoff of operational inflows and outflows (management’s cutoff for this reporting is 3/30/18), and (ii) \$17.0M cash on hand that is not being used for daily operational purposes..

⁸ Figures have unaudited and subject to change

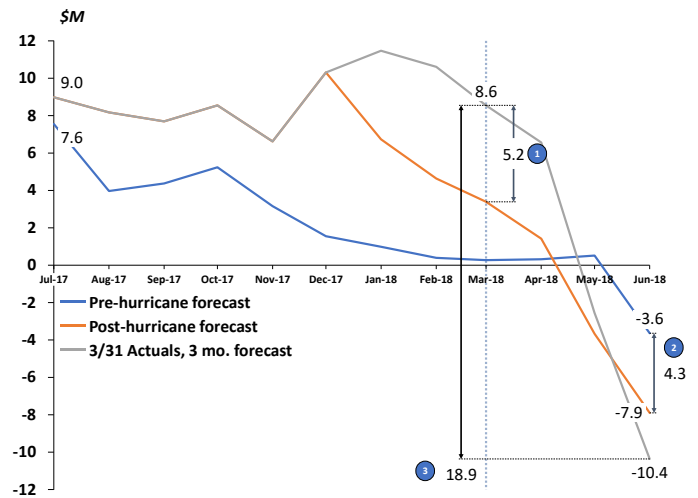


PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”)

Key takeaways: Since developing its pre-hurricane forecast, PRITA expected to have liquidity issues by the second half of the year due to PayGo charges. PRITA is expected to burn its current \$8.6M cash balance by late May, mainly because of PayGo charges and payroll costs.

FY18 Operating Liquidity⁹ – Actuals vs. Forecasts

1. **+\$5.2M – actual vs. post-hurricane forecast**, mostly expected to be **timing related** primarily due to:
 - a. +\$1.4M - delays in CapEx spending, net of General Fund appropriations
 - b. +\$3.0M – payroll/overtime
 - c. -\$1.7M – delay in FTA preventive maintenance program reimbursement
2. **-\$6.3M – pre vs. post-hurricane forecasts** due to primarily due to incremental PayGo of \$7.2M
3. **\$18.9M – forecasted Q4 cash burn**, mainly driven by:
 - a. -\$13.1M – PayGo charges
 - b. -\$5.9M – payroll costs, offsets timing related variance referenced in item 1(b) above



Headcount/Payroll: FTEs: 961 to 893 from July to March.

However, **projected full year payroll of \$49.8M is in line with the pre- and post-hurricane forecast.**

⁹According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$8.3M. This variance of -\$0.2M as compared to what is reported here is due to cash on hand that is not being used for daily operational purposes.

STATE INSURANCE FUND CORPORATION (“Fondo”)

Key takeaways: The Fondo was expected to burn over \$100M according to its Q4 forecast primarily due to deferral of disbursements and lower collections. Cash as of March 31st has risen to \$202M (+75.7M vs. forecast) however, most of that variance is expected to be timing related, as the Fondo forecasts to end the fiscal year with \$67.4M in cash (+20.3M vs. forecast). +\$30.0M fiscal year 2018 cash build primarily driven by lower than forecasted operating disbursements due to hurricane impact on medical operations and claims processing, as well as the deferral of a portion of PayGo charges.

FY18 Operating Liquidity¹⁰ – Actuals vs. Forecasts

1. **+\$75.7M - actual vs. pre-hurricane forecast**, considered to be **mostly timing related**, due primarily to:

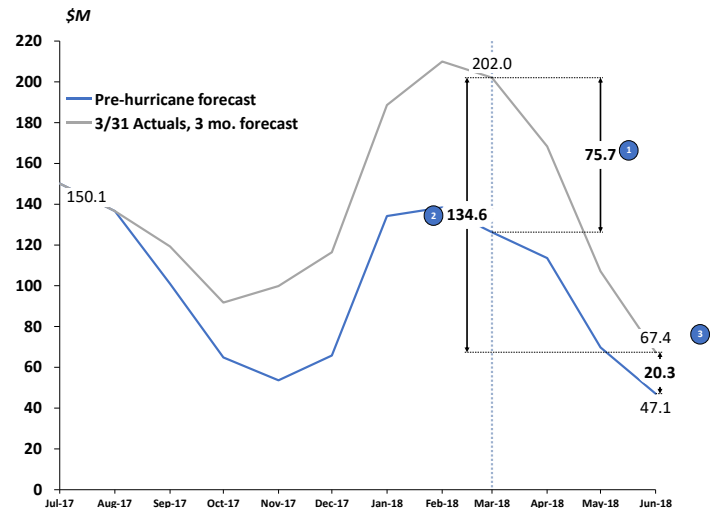
- +\$21.8M – premiums receipts driven by increased collection and marketing efforts, including incentives for employers with outstanding payments for prior years¹¹
- +\$20.2M – deferral of PayGo Charges is expected to reverse in Q4
- +\$25.3M – lower claims related disbursements (+\$13.2M), and professional and purchased service providers (+\$12.1M) due to hurricane impact on operations and availability of medical services

2. **+\$20.3M – Q4 forecast vs. pre-hurricane forecast** mainly driven by

- +\$14.4M – excess of premiums collections
- +\$13.2M – lower payments for claims related disbursements
- +\$7.0M – cost savings initiatives on payments for vendors & professional services
- \$19.5M – lost revenues related to the delay of the New Insurance Project

3. **\$134.6M – forecasted Q4 cash burn, mainly driven by:**

- +\$44.9M – Collections in Q4. Large swings in FONDO’s collections are not unusual. FONDO’s liquidity position is typically impacted by their seasonal insurance premium invoicing, which occurs only twice/year, typically in July and January
- \$172M – deferred disbursements through Q4 (including \$37.3M in PayGo charges¹³)



Headcount/Payroll: **FTEs: 3,017 to 2,894 from July to March**. YTD payroll costs of \$171.1M are \$5.2M less than revised liquidity plan. Variance due to SIFC implementing cost-savings initiatives including reducing overtime, voluntary transition program, and other. Projected FY18 payroll of \$224.9M is \$7.6M lower than the original liquidity plan. However, **projected full year payroll** of \$53.7M is **in line with forecast**.

¹⁰According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$202.7M. This variance of \$1.4M as compared to what is reported is due to timing differences produced by the cutoff of operational inflows and outflows (management’s cutoff for this reporting is 3/30/18)..

¹¹ Act 92 incentive plan (2017) offers employers a 50% discount on collections made for outstanding invoices.

¹³ June PayGo payment, approximately \$8.0M, deferred to FY19

HEALTH INSURANCE ADMINISTRATION OF PUERTO RICO (“ASES”)

Key takeaways: ASES pre- vs post-hurricane forecasts expect to burn \$245.8M due to loss of non-General Fund state funds appropriations from OMB offset by lower MCO premiums. In addition, ASES expected to build \$100M in Q4, mainly due the increase in federal funding and lower disbursements to certain programs, both of which are partially offset by payment of MCO premiums.

FY18 Operating Liquidity¹⁴ – Actuals vs. Forecasts

1. **+\$54.8M – actual vs. post-hurricane forecast** expected to be permanent through year-end primarily due to:

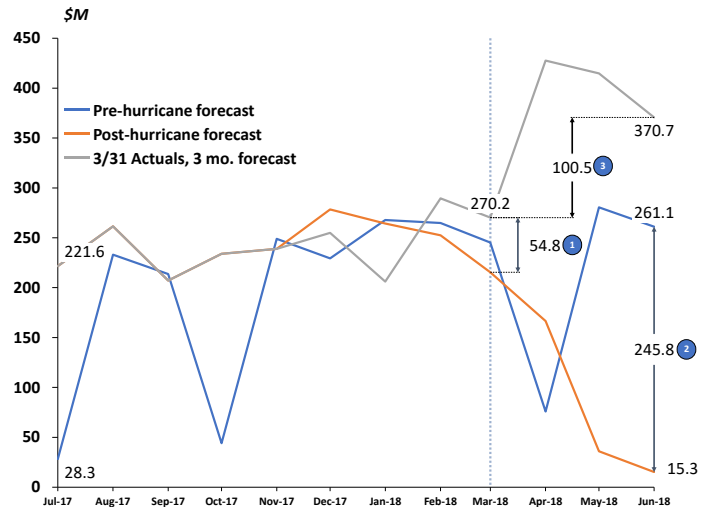
- a. +\$53M – federal funding
- b. -\$33M – lower General Fund appropriations, offsetting increased in federal funding above
- c. +\$30M – prescription drug rebates
- d. -\$6.7M – other, driven by incremental PayGo Charges of \$7.2M

2. **-\$245.8M – pre- vs post-hurricane forecasts** mainly due to:

- a. -\$448M – non-General Fund state funds appropriations from OMB no longer expected to happen
- b. +\$121M – lower MCO premiums

3. **\$100.5M – forecasted Q4 cash build** mainly due to:

- a. +\$800M – net federal funding
- b. -\$682M – MCO premiums
- c. +\$41M – Pharmacy Benefit Manager (PBM) Administrator and HIV program disbursements. Based on actual trends, it is possible that these payments will be lower in Q4



Headcount/Payroll: **63 to 62 from August to March**. Projected full year payroll of \$3.9M is \$0.8M lower than the pre-hurricane forecast. Post-hurricane vs forecast variances is \$0.5M lower due to the reduction of headcount. YTD is in line with the forecast.

¹⁴According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$273.0M. This variance of \$2.8M as compared to what is reported here is due to a combination of: (i) \$1.5M in timing differences produced by the cutoff of operational inflows and outflows (management’s cutoff for this reporting is 3/30/18), and (ii) \$1.3M cash on hand that is not being used for daily operational purposes..

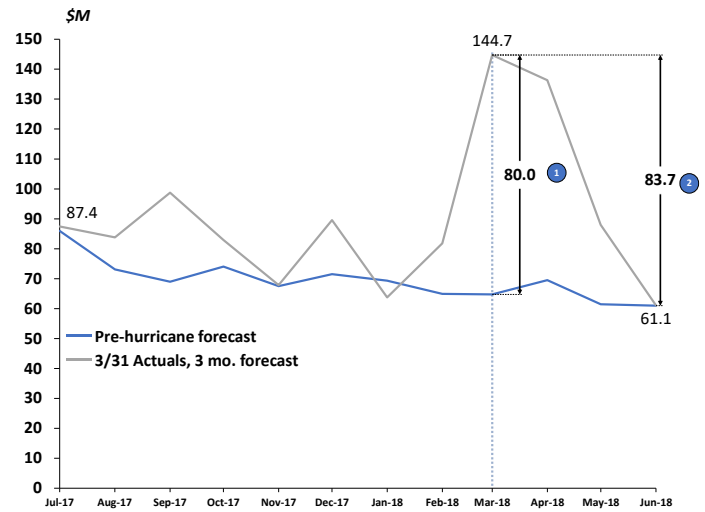


HIGHWAYS & TRANSPORTATION AUTHORITY (“HTA”)

Key takeaways: Actuals tracked closely to the pre-hurricane forecast up to March, when HTA received \$69.7M in CapEx funding from the TSA. The Q4 forecast assumes the start of previously deferred CapEx projects, but there is risk that this will not be realized in Fiscal Year 2018.

FY18 Operating Liquidity¹⁵ – Actuals vs. Forecasts

- +\$80.0M – actual vs. pre-hurricane forecast**, expected to be completely **timing related**, primarily due to:
 - +\$123M - deferral of CapEx projects to Fiscal Year 19
 - \$28M - toll receipts
- \$83.7M – forecasted Q4 cash burn offsetting YTD timing variance**, mainly driven by:
 - \$107M – start of previously deferred CapEx projects. There is a risk that the previously deferred CapEx projects will not be realized in Fiscal Year 2018
 - +\$37.5M – toll receipts. Based on YTD trends in tolls receipts, there is a risk that these incremental revenues will not materialize



Headcount/Payroll: FTEs: 1,325 to 1,254 from July to March. Although, projected payroll for full year 2018 of \$88.9M is in line with the pre-hurricane forecast due to VTP. YTD Payroll is \$1.4M less than pre-hurricane forecast due to lower headcount.

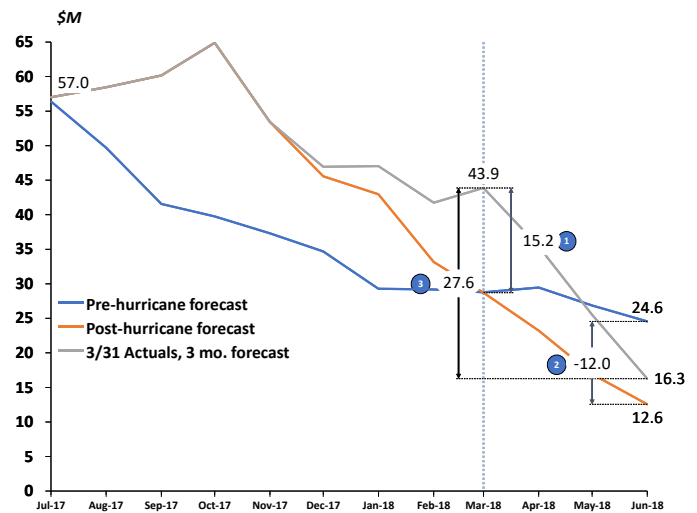
¹⁵According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$144.9M. This variance of +\$0.2M as compared to what is reported here is due cash on hand that is not being used for daily operational purposes.

PUERTO RICO PUBLIC BUILDINGS AUTHORITY (“PBA”)

Key takeaways: PBA was expected to burn cash since the beginning of FY18, primarily due to a lower GF budget appropriation than requested. PBA has maintained a higher liquidity position than forecasted due to the deferral of PayGo charges. PBA is expected to finish the year with \$16.3M, representative of 9 weeks of operating disbursements.

FY18 Operating Liquidity¹⁶ – Actuals vs. Forecasts

- +\$15.2M – actual vs. post-hurricane forecast**, of which \$11M is expected to reverse (a, b, and c below) in Q4, due to:
 - +\$5.0M – property insurance claim advance
 - +\$4.2M – deferred vendor payments
 - +\$2.1M – rent not transferred to a nonoperational bank account
 - +\$5.7M – additional rent not considered in the pre-hurricane forecast
 - \$3.7M – overtime payments
- \$12.0M – pre- vs post- hurricane forecasts** are partially driven by higher operating disbursements (\$3.8M)
- \$27.6M – Q4 forecasted cash burn from May to June** primarily due to PayGo Charges (\$22.4M), and a catch up in vendor disbursements (\$7.0M), primarily for purchased services



Headcount/Payroll: FTEs: 1,108 as of March 2018. Projected full year payroll is \$76.8M and, based on actual trends, projected payroll for Q4 could be understated by \$4.0M.

¹⁶According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$44.3M. This variance of +\$0.4M as compared to what is reported here is due to cash on hand that is not being used for daily operational purposes.

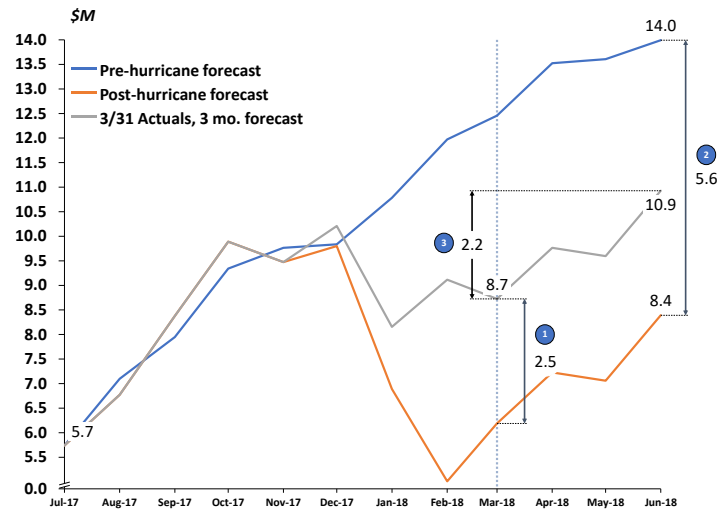
CARDIOVASCULAR CENTER FOR PUERTO RICO & THE CARIBBEAN ("CARDIO")

Key takeaways: Cardio managed its liquidity closely to forecasts until November. After the passing of the hurricanes, the forecast for fiscal year was revised to reflect lower expectations of ending cash by \$5.6M due to impact of hurricane Maria. Yearend outlook shows results tracking higher than post-hurricane forecasts, mainly due to higher patient activity than anticipates.

A. FY18 Operating Liquidity¹⁷ – Actuals vs. Forecasts

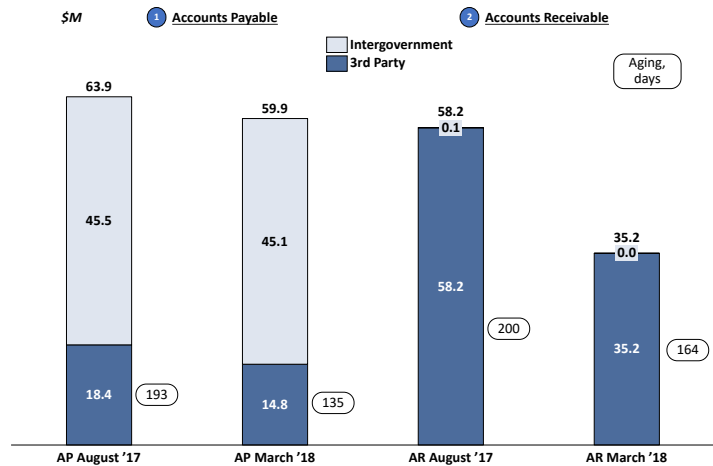
1. **+\$2.5M** – actual vs. pre-hurricane forecast, permanent variance due to higher patient activity
2. **+\$5.6M** – pre- vs. post-hurricane forecast mainly due to higher than expected patient activity (+6.0M)
3. **\$2.2M** – Q4 forecasted cash build primarily due to lower purchased services (+\$2.3M). Given the run rate for the first 3 quarters of FY18, there is a risk that these savings won't be fully realized

Headcount/Payroll: FTEs: **623 to 615 from July to September**. Projected full year payroll is \$30.0M, which is in line with the pre- and post-hurricane forecasts.



B. Accounts Payable/Receivable¹⁸

1. Payable: **-\$4.0M (6%) from August to March**, primarily driven by a \$4.6M (25%) 3rd party paydown. 3rd party aging decreased from 193 to 135 days
2. Receivable: **-\$23.0M (40%) from August to March**, completely driven by a 3rd party paydown. 3rd party aging decreased from 200 to 164 from August to March



¹⁷According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$9.6M. This variance of \$0.9M as compared to what is reported here is due cash on hand that is not being used for daily operational purposes.

¹⁸ Figures have unaudited and subject to change

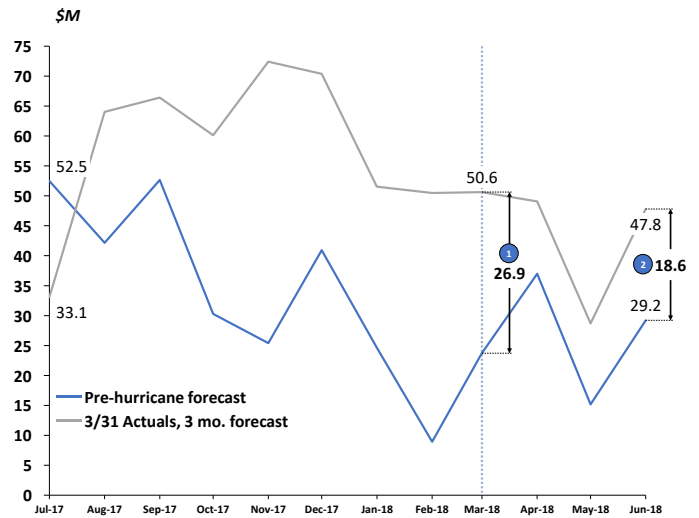


Housing Finance Authority (“HFA”)

Key takeaways: Overperformance of actuals vs. pre-hurricane forecast related to timing of federal fund receipts and spending of CapEx appropriations. The year-end forecast shows a favorable variance vs. the forecast due to lower housing subsidy payouts and investments in term deposits and mortgage loans.

FY18 Operating Liquidity²⁰ – Actuals vs. Forecasts

1. **+\$26.9M – actuals vs. pre-hurricane forecast, mostly timing related**, due to:
 - a. +\$23.5M – federal fund receipts that will be disbursed in Q4
 - b. +\$6.1M – unbudgeted appropriations for CapEx that have not been spent, may become permanent
2. **+\$18.6M – forecast through Q4 vs. pre-hurricane forecast**, primarily due to:
 - a. +\$6.6M – housing subsidy payouts, which HFA management attributes to people leaving the island
 - b. +\$8.2M – fewer investments in term deposits and mortgage loans.



Headcount/Payroll: **145 as of March**. Projected full year payroll costs are \$9.4M, which is in line with forecast; YTD is in line with the forecast.

²⁰According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$53.9M. This variance of \$3.3M as compared to what is reported here is due to timing differences produced by the cutoff of operational inflows and outflows (management’s cutoff for this reporting is 3/30/18).

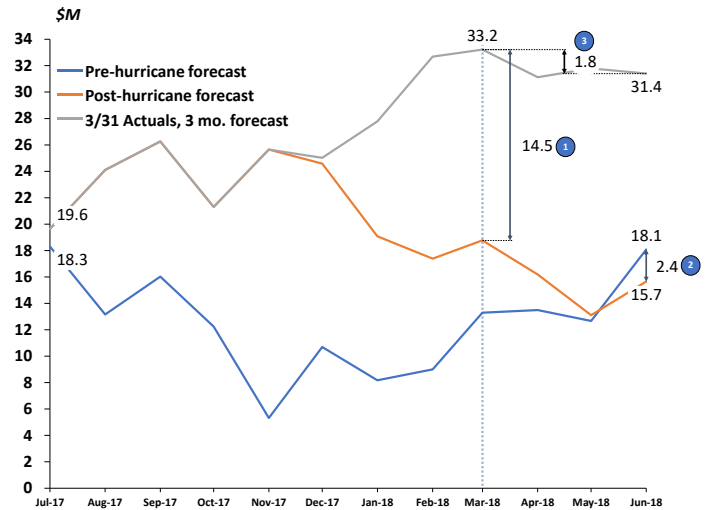
Puerto Rico Tourism Company ("TOURISM")

Key takeaways: Actuals and revised Q4 projections reflect overperformance vs. forecast mainly due to better than forecasted slot machine and room tax collections.

FY18 Operating Liquidity²¹ – Actuals vs. Forecasts

1. **+\$14.5M – actuals vs. post-hurricane forecast** expected to be **permanent** primarily due to increase in **slot machine and room tax collections** because of more tourists and relief workers being present on the island, and these groups paying higher room tax rates.
2. **+\$2.4M – pre- vs. post-hurricane forecasts.** Primary drivers are slot machine and room taxes collections exceeding forecast (+\$13.4M) and higher than re-forecasted spend for operating expenses (-\$11.1M)
3. **-\$1.8M – forecasted Q4 cash burn** primarily due to higher cruise line incentives (donations and subsidies) (-\$5.1M) and marketing spend (-\$4.0M) offset by lower transfers to non-operational account (+\$6.1M).

Headcount/Payroll: **FTEs: 428 to 397 from July to March.**
Projected payroll for FY18 is \$20.8M, \$3.9M lower than the pre-hurricane forecast, as management noted payroll was over budgeted.



²¹ According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$77.3M. This variance of \$44.1M as compared to what is reported here is due cash on hand that is not being used for daily operational purposes.

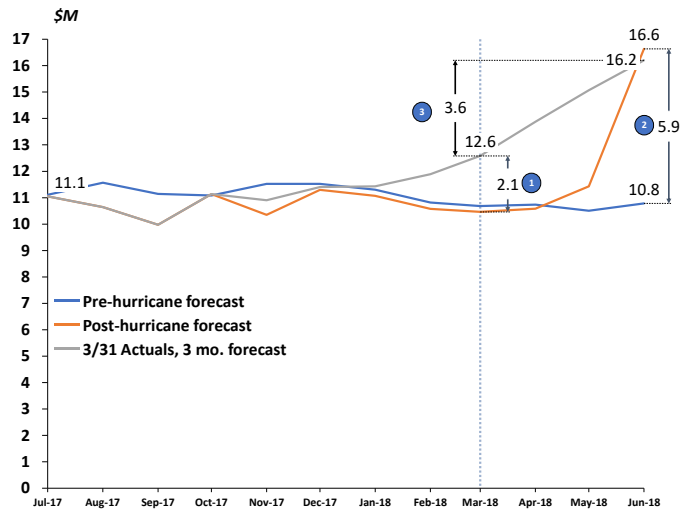
Department of Economic Development and Commerce (“DDEC”)

Key takeaways: Actual results tracked to forecasts up to January, where delayed investments began to create a positive variance through yearend. The forecast through year end shows an ending cash balance of \$16.6M, primarily due to additional development project fund inflows that are expected to be disbursed in Fiscal Year 2019.

FY18 Operating Liquidity²² – Actuals vs. Forecasts

1. **+\$2.1M – actual vs. post-hurricane forecast** primarily due to delayed investments in employment development programs because of the hurricanes. These are expected to be spent in FY19.
2. **+\$5.9M – pre vs. post-hurricane forecasts** driven by less spend on a workforce promotion program that did not commence as planned due to the hurricanes.
3. **+\$3.6M – projected cash build for Q4** primarily due to inflows for development projects from federal funds that have not yet been spent.

Headcount/Payroll: **FTEs: 157 to 156 from July to March.** Total payroll cost for full year is projected to be \$8.0M, which is in line with the post-hurricane forecast. YTD is in line with the forecast.



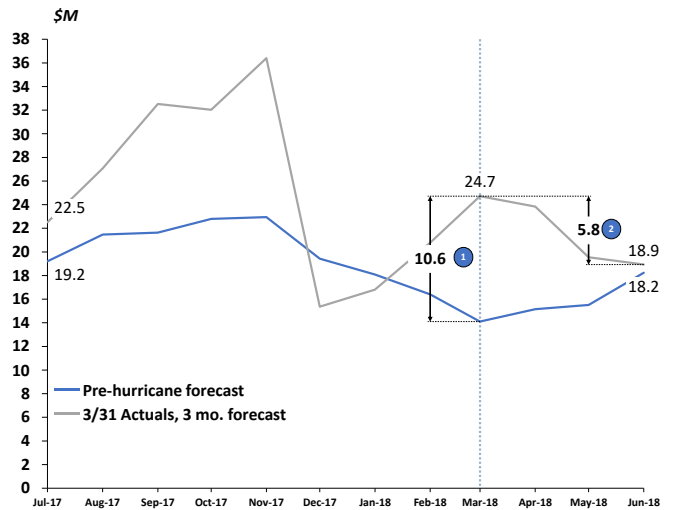
²²According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$12.8M. This variance of \$0.2M as compared to what is reported here is due to timing differences produced by the cutoff of operational inflows and outflows (management’s cutoff for this reporting is 3/31/18).

Fiscal Agency And Financial Advisory Authority (“AAFAF”)

Key takeaways: PBA has maintained a higher liquidity position than forecasted (+\$10.6M), which is expected to reverse by year-end through a catch-up in professional service payments. Q4 forecasts ending balance for the year to be in line with forecast.

A. FY18 Operating Liquidity – Actuals vs. Forecasts

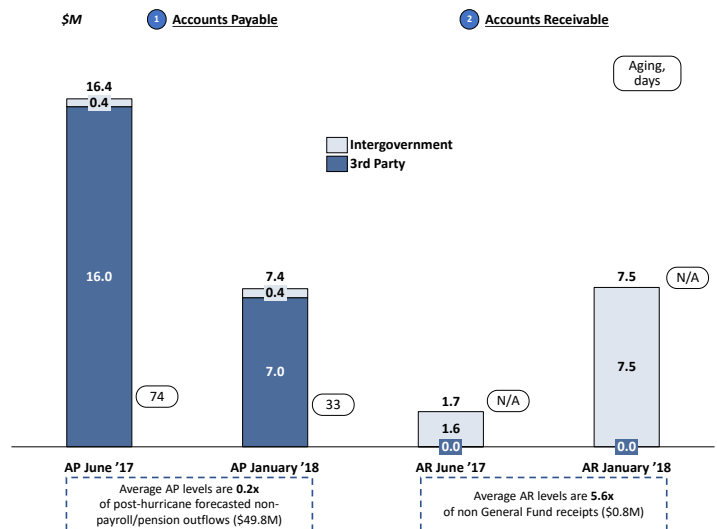
1. **+\$10.6M – actual vs. post-hurricane forecast**, mostly **timing related**, primarily due to:
 - a. +\$13.0M – professional services payments, mainly due to timing tied to rigorous invoice approval process
 - b. +\$1.8M – payroll expected to reverse and switch to negative variance by year-end to consider GDB accounting staff currently being transferred to AAFAF
 - c. -\$4.2M – lower General Fund appropriation transfers, set aside in a reserve account for professional fees
2. **\$5.8M – forecasted cash burn through Q4** due to the following, which will **in part offset timing variances** referenced in item 1 above:
 - a. -\$28.4M – professional fees
 - b. -\$4.8M – payroll, a portion of which offsets positive variance on 1(b) above
 - c. +26M – General Fund appropriations



Headcount/Payroll: FTEs: 29 to 70 from July to March, due to the execution of **staffing plans**; most of the increase related to the transfer of GDB employees. **Due to a hiring wave in March 2018**, AAFAF expects their payroll **run rate to increase from an YTD average of \$1.2M per quarter to \$2.9M for Q4**.

B. Accounts Payable/Receivable²⁴

1. **Payable: -\$9M (56%) from June to January**, driven by payment of \$6.4M in professional fees.
2. **Receivable: +\$5.8M from June to January** due to **MOUs to facilitate professional service contracts related to debt restructuring efforts** for: PREPA (\$2.3M), PRASA (\$2.2M), GDB (\$1.3M).



²⁴ Figures have unaudited and subject to change



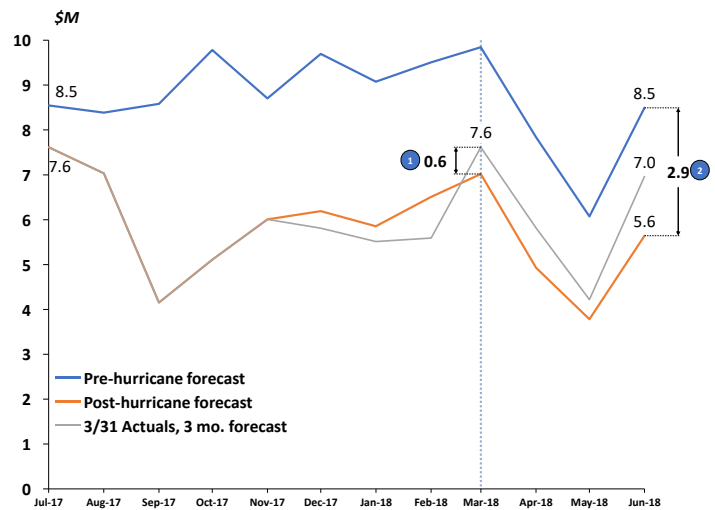
Puerto Rico Convention Center District Authority ("CCDA")

Key takeaways: Actual cash balance as of March 31st is above post-hurricane forecast due to increased revenues from the use of the Center's facilities by emergency response teams. After the passing of the hurricanes, the forecast for FY18 was revised to reflect lower expectations of ending cash by \$2.9M, mainly due to lost revenues as a result of the hurricane.

FY18 Operating Liquidity²⁵ – Actuals vs. Forecasts

1. **+\$0.6M – actual vs. post-hurricane forecast, expected to reverse with lower subsequent activity**, primarily due to revenues from the use of the Center's facilities by emergency response teams
2. **-\$2.9M – pre- and post-hurricane forecasts** due in part, to lost revenues as a result of the hurricane since convention facility was utilized as an emergency center for a period of time (no third party event revenues).

Headcount/Payroll: **Headcount for March is 8**. Projected full year payroll costs \$0.9M, in line with the pre- and post-hurricane forecast; YTD is in line with the forecast.



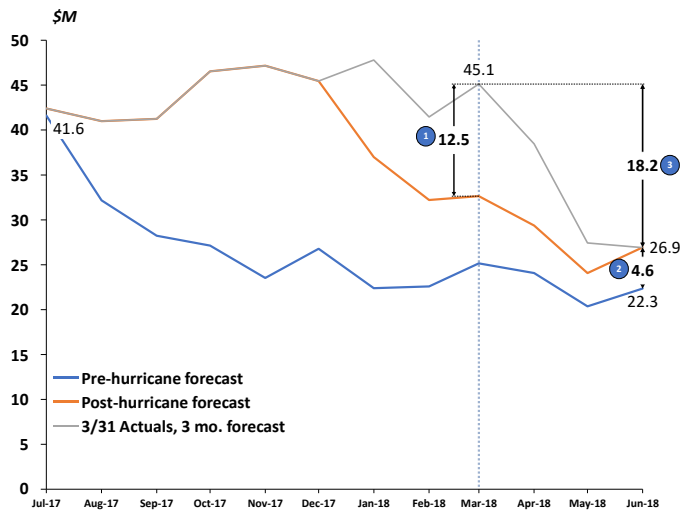
²⁵According to the company's bank statements as of April 2, 2018, the company had total cash on hand of \$7.8M. This variance of \$0.2M as compared to what is reported here is due to cash on hand that is not being used for daily operational purposes..

PUERTO RICO AGRICULTURAL DEVELOPMENT ASSOCIATION (“ADEA”)

Key takeaways: Actual cash balance is above post-hurricane forecast due to timing of disbursements which are expected to catch up in Q4. Year-end cash balance is expected to close at \$26.9M, better than the pre-hurricane forecast by \$4.6M (\$2.3M payroll, \$2.3M operating receipts due to higher coffee sales).

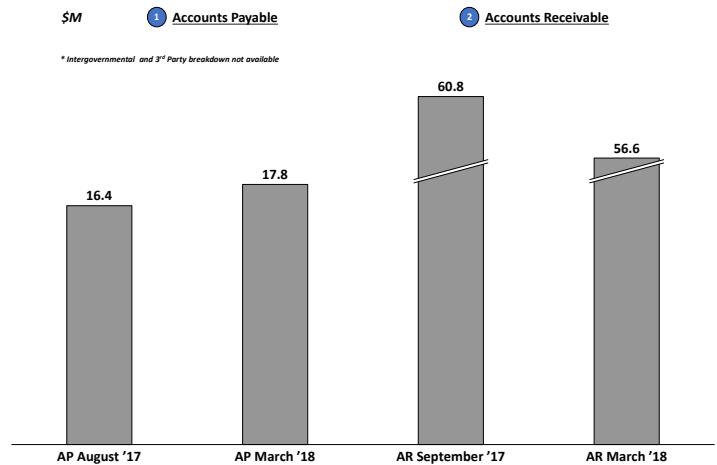
A. FY18 Operating Liquidity²⁶ – Actuals vs. Forecasts

1. **+\$12.5M - actual vs. post-hurricane forecast**, mostly expected to be **timing related**, primarily due to
 - a. +\$16.9M – timing of other operating disbursements (subsidies to farmers and expenditures for coffee and cafeteria food items)
 - b. -\$2.5M – school cafeteria receipts due to school closures after the hurricanes
2. **+\$4.6M - pre vs. post-hurricane forecasts**
 - a. +\$2.3M - operating receipts due to higher coffee receipts
 - b. +\$2.3M – payroll, partially due to lower headcount
3. **\$18.2 – forecasted Q4 cash burn** mainly **offsets YTD timing variances** referenced in item 1 above:
 - a. -\$23.0M – other operating expenses
 - b. -\$10.3M – payroll (\$5.6M) and PayGo charges (\$4.7M)
 - c. +\$13.0M – operating receipts



Headcount/Payroll: FTEs: **409 to 389 from July to January**. Actual YTD trends indicate a possible \$2.3M favorable variance by the end of the year.

B. Accounts Payable/Receivable²⁷



²⁶According to the company’s bank statements as of April 2, 2018, the company had total cash on hand of \$61.1M. This variance of \$16.0M as compared to what is reported here is due cash on hand that is not being used for daily operational purposes.

²⁷ Figures have unaudited and subject to change

