



GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

Tuesday, May 1, 2018

Government Releases Liquidity Report for 14 Public Corporations

(San Juan, P.R) – Today, Gerardo Portela Franco, the executive director of the Puerto Rico Fiscal Agency and Financial Advisory Authority (AAFAP, by its Spanish acronym), announced that, in order to maintain the ongoing commitment to transparency in government processes, the Government will be publishing in AAFAP’s website a monthly liquidity report for the principal 14 public corporations of the Government of Puerto Rico.

Portela Franco explained that this document presents the actual operational cash flow results of these public corporations, a variance analysis of pre- and post-hurricanes Irma and María forecasts, and a revised projection at the end of FY 2018.

“The publication of this financial report is a great accomplishment for the Administration of Ricardo Rosselló Nevaes. This initiative will help enhance the visibility of the fiscal health of these public entities and will allow the Government to continue restoring Puerto Rico’s credibility, and confidence in its finances; it will also allow to renegotiate the debt with bondholders and to return to the capital markets. At AAFAP, we have an ongoing commitment to promoting transparency,” the Executive Director stated, adding that his public agency releases several financial reports on a regular basis, including the bank account balances for the Government of Puerto Rico and its instrumentalities and the Treasury Single Account cash flow report.

Portela Franco indicated that as a result of the economic and operational changes stemming from Hurricanes Irma and María, the financial teams of certain public corporations updated the liquidity projections through fiscal year-end.

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“These 14 public corporations prepared their individual liquidity plans at the beginning of the fiscal year based on the approved FY 2018 budgets. Pre-hurricane forecasts for the different corporations were projected weekly through June 2018 and were used as the benchmark against which each entity’s weekly and monthly results were measured,” the head of AAFAF pointed out.

AAFAF’s Chief Financial Officer, Pedro Soto Vélez, explained that the liquidity report contains projections of receipts, which include: revenues collected from operations, general fund appropriations and funds transferred between public corporations and municipalities from the Central Government, disaster relief receipts, federal emergency funds, insurance proceeds related to Hurricanes Irma and María, and other federal funds.

Soto Veléz pointed out that the report also includes information on cash disbursements, such as: operating payments—e.g., payroll and related costs—PayGo charges, purchased services, professional services, transportation expenses, disaster relief disbursements, expenditures related to the damages caused by Hurricane Irma and María, and capital expenditures. In addition, they contain information on the staff of employees and details on accounts payable and accounts receivable of certain public corporations.

In addition, AAFAF will also be publishing the Puerto Rico Electric Power Authority’s liquidity report on a weekly basis. The report for April 18, 2018 is already available at: <http://www.aafaf.pr.gov/assets/prepa-loan-agreement-report-and-budget-provided-on-april-18-2018.pdf>. This report contains information similar to that in the public corporations report, as well as the corresponding projections.

“At AAFAF we intend to put Puerto Rico on the path towards fiscal responsibility. Releasing this financial information is part of our transparency commitment and allows the people of Puerto Rico to analyze first-hand the liquidity position of each public corporation while we continue to steer Puerto Rico’s finances towards prudence and integrity,” Portela Franco concluded.

To access the recent report, go to: <http://www.aafaf.pr.gov/assets/cu-operating-liquidity-03-31-2018.pdf>.

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