



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

Component Unit Liquidity

FOR THE MONTH ENDED NOVEMBER 30, 2018

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
Act 22	Act No. 22 of 2012 seeks to attract new residents to Puerto Rico by providing a total exemption from Puerto Rico income taxes on all passive income realized or accrued after such individuals become bona fide residents of Puerto Rico.
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 Autibus 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 (3rd Party)	Days Payable Outstanding [3 rd party payables divided by trailing 12 months operating disbursements, not including payroll costs, PayGo, Christmas bonuses, 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 (3rd Party)	Days Sales Outstanding [3 rd party receivables divided by trailing 12 months 3 rd 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	Puerto Rico 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.
FWHA	The Federal Highway Administration Puerto Rico and US Virgin Islands Division Office provides oversight, guidance, and direction to the Puerto Rico Highway and Transportation Authority and the USVI Department of Public Works in the project development and delivery of transportation projects, ensuring that roads, bridges, and tunnels are safe and continue to support economic growth and environmental sustainability.
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.
IBNR	Incurred But Not Reported – Insurer’s estimate of claims that transpired during period of coverage but which aren’t yet reported.
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	Puerto Rico Industrial Development Company, 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	Tourism Company of Puerto Rico, 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 AAFAP 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 their individual Liquidity Plans at the beginning of the fiscal year, and updated these plans based on actual results as of the end of August 2018. The remaining 10 months of the current fiscal year were projected based on the Government’s budget submission dated September 7, 2018, and are used as the benchmark against which monthly results are measured (the “Liquidity Plans”). The CUs will reevaluate liquidity forecasts after each quarter of the fiscal year in order to assess assumptions made in developing these Liquidity Plans, and to take into account any material changes that may arise as a result of reapportionments in the Commonwealth’s fiscal year 2019 Budget. The liquidity information is presented in the document under section “A” for each CU.

The forecasts contain projections of 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 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 Year FY19 Sources and Uses of Funds 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 conversations 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 November 30, 2018 and the November 2018 AAFAF reported figures represented in the “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities,” which was released on November 30, 2018. The second Appendix item is a consolidated view of CU headcount and payroll information, which is based on information provided by CU Management.

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EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF NOVEMBER 30, 2018

Millions of US Dollar

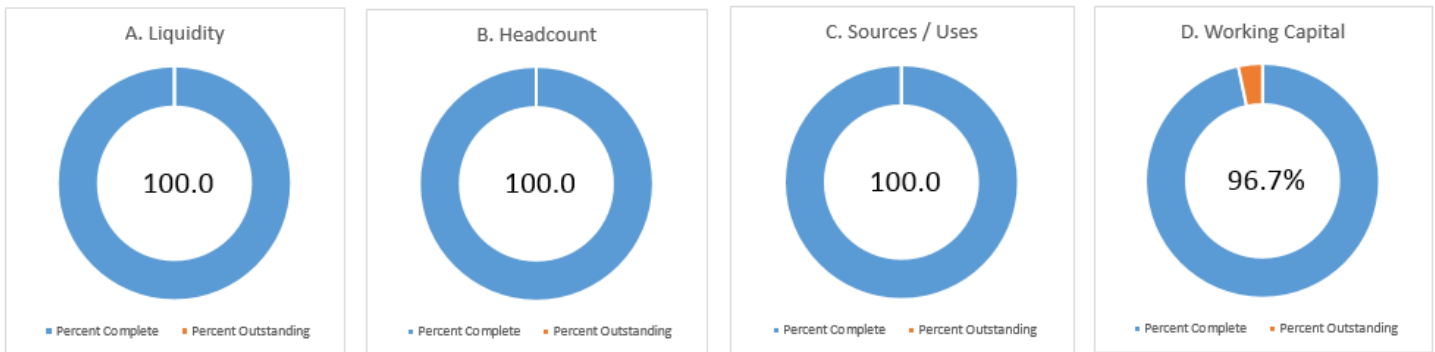
COMPONENT UNIT	HIGHLIGHTS	FY19 BEG. BALANCE	ACTUAL 11/30/18 (a)	FY19 F'CAST Y/E BALANCE
PUERTO RICO PORTS AUTHORITY ("PORTS")	Received \$2.0M (22% of full year amount) in Federal Grants specifically earmarked for CapEx in the month of November. To date, Ports has disbursed \$2.4M towards the Culebra Ferryboat Cargo Ramp project. Full year cash burn attributable primarily to PayGo contributions.	29.0	28.2	9.6
MEDICAL SERVICES ADMINISTRATION ("ASEM")	YTD liquidity has decreased slightly due to offsetting effects of prior years AP paydown and enhanced collections, 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 remaining FY18 liabilities of \$6.5M and deficits from intragovernmental institutions where receipts are below the cost of services.	11.8	11.4	(0.5)
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	YTD liquidity increased primarily due to federal grant receipts and CapEx disbursements, both of which are expected to normalize in line with full year projections in FY19. PRITA has significant risk due to operating receipts being less than operating disbursements. FY19 ending cash deficit primarily due to PayGo contributions.	11.0	23.6	(3.6)
STATE INSURANCE FUND CORPORATION ("FONDO")	YTD liquidity has increased, driven by seasonal timing of collections for premiums - major invoice and collection periods are July/August and January/February. A new e-payment system has accelerated the timing of some of these collections. Cash burn for the remainder of the year will be driven by Fondo catching up on payments for PayGo for which Fondo has not received any formal invoices in FY19. Cash burn will also be driven by intragovernmental payments for legal obligations and claims-related disbursements.	127.2	243.8	204.6
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 November (\$206M). 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' November federal funding variance should reverse, while receipt of June FY19 federal funding is expected to fall into FY20 due to similar timing effects.	54.3	284.4	250.8
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	Through November, HTA received approximately \$47.9M in intergovernmental transfers and CapEx funding as it made up for Transfers/Funding not received in October. YTD, liquidity remains higher than forecast primarily due to lower CapEx spend in comparison to funding through month-end November FY19; spend is expected to increase in Q2 and Q3 of FY19.	252.8	380.8	358.4
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	YTD liquidity remains high due to transfers from Hacienda and 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 hurricane.	44.2	66.2	36.5
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	YTD liquidity has increased marginally due to negative working capital effects of \$7M, offset by higher patient activity levels. Ignoring working capital effects, Cardio's performance has benefited from higher patient activity levels and collections. By year end, the negative working capital effects should reverse and Cardio should be able to fully realize the resulting liquidity benefits. Cardio remains challenged by labor shortages, as headcounts have dropped by 12% 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	9.4	15.7
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	YTD liquidity has decreased due to trustee debt reserves of \$9.1M made in November, which is roughly half of PRIDCO outstanding debt obligations for the year. It should be noted that PRIDCO's cash flow is insufficient to pay both PayGo obligations and trustee debt reserve by end of FY19. As such, if PayGo obligations are not met, PBA will need to find an alternate source for funding these obligations. 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	8.0	(3.4)
HOUSING FINANCE AUTHORITY ("HFA")	YTD reduction in liquidity is attributed primarily to increased balance sheet disbursements related to the maturity of investment holdings and subsequent purchase of T-bills, in addition to debt service requirements.	79.8	64.4	67.0
PUERTO RICO TOURISM COMPANY ("TOURISM")	YTD liquidity has decreased slightly due to disbursements relating to the marketing contract from FY18. If slot machine and room tax collections continue to increase, while Tourism continues to cut costs in purchased and professional services, year-end cash may outperform the current forecast.	40.3	39.0	37.6
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	YTD liquidity has increased due to fewer disbursements than expected for professional service fees, in part due to timing and slow invoice processing.	36.9	42.3	28.6
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	YTD liquidity has decreased, primarily due to lower management fee receipts and higher professional service fees than forecast during the month of November.	14.1	13.5	13.0
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	YTD liquidity has remained approximately even, with the biggest changes to the cash flow forecast representing a higher beginning cash balance by \$7.6M, and an expected decline in FY19 liquidity due to the completion of past due CapEx projects. Details can be found in the Key Takeaways section of CCDA overview.	15.1	15.2	16.0
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 Department of Education to collect on past due balances. At month-end November, receivables relating to School Cafeteria program were at \$16.9M. Cash burn for the balance of FY19 is due to disbursements in Contributions to Non-Gov. Entities and Other Operating Expenses	45.2	63.0	53.7

Notes:

(a) For reporting purposes, November month end actual balances were taken as of the last Friday of the month, or November 30, 2018.

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

Each of the Component Units provided data for the month of November 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:

- ADEA, specifically the accounts receivable and accounts payable details.

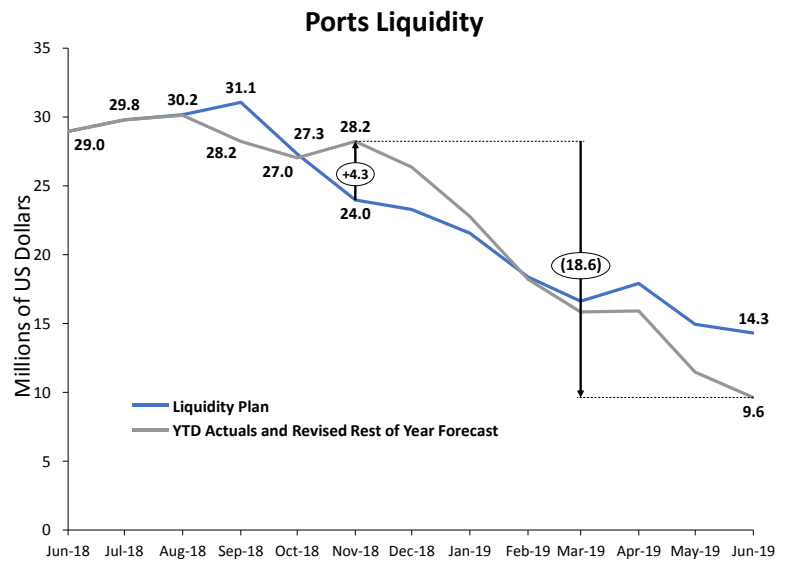
I. PUERTO RICO PORTS AUTHORITY (“Ports”)

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: Through November, Ports received approximately \$2.0M in federal grant money for the Culebra Ferryboat cargo ramp repair project, bringing its YTD federal grant receipts to \$2.2M, with the expectation of receiving another \$7.0M in FY19. These funds will be utilized in conjunction with \$9.6M in earmarked funds that Ports has transferred to their operating cash balance for the completion of the project in FY19.

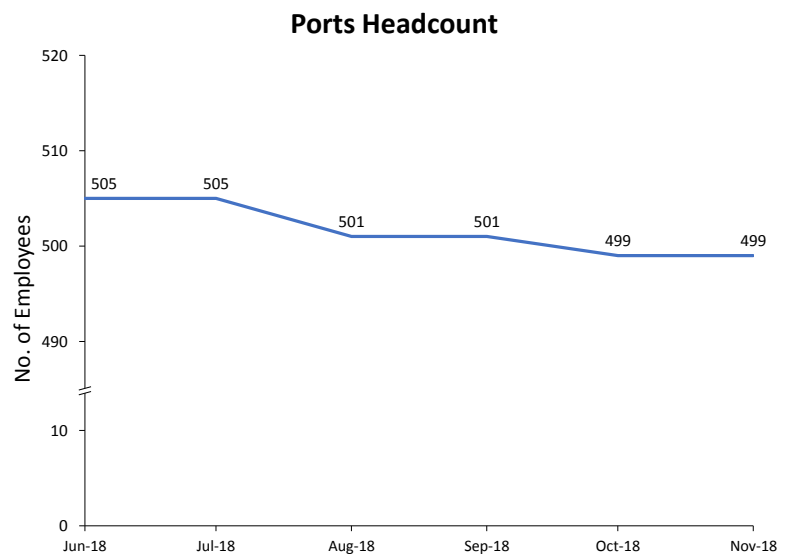
A. FY19 Operating Liquidity – Actuals¹ vs. Forecast

1. \$4.3M YTD actuals vs. Liquidity Plan:
 - a. \$4.7M variance in operating receipts, of which \$1.3M is permanent as Ports has collected on aviation receivables from multiple vendors. The remaining balance of \$3.4M is timing related and expected to reverse in Q2 and Q3 of FY19.
 - b. \$0.2M timing variance in other receipts which is expected to normalize in FY19, though exact timing is unclear.
 - c. (\$2.8M) unbudgeted permanent variance in insurance payments, which increased following claims from 2017 hurricanes.
 - d. (\$1.9M) timing variances in operating disbursements.
 - e. \$4.1M timing variances in CapEx, due to a delay in startup of certain CapEx projects.
2. (\$18.6M) forecast Dec-18 through Jun-19 cash burn, driven by CapEx:
 - a. \$60.1M in forecasted total receipts driven by: \$52.0M in operating receipts, \$7.0M in federal grant receipts and other, and \$1.1M in FEMA receipts.
 - b. (\$78.7M) in forecasted total disbursements driven by: (\$60.8M) in operating disbursements and (\$17.9M) in CapEx.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 505 to 499 from Jun-18 to Nov-18.
 - a. No change from October to November.
2. Payroll: Disbursements are forecast to be \$28.6M for FY19. YTD payroll is \$11.8M.
 - a. YTD payroll spend is in line with the forecast.

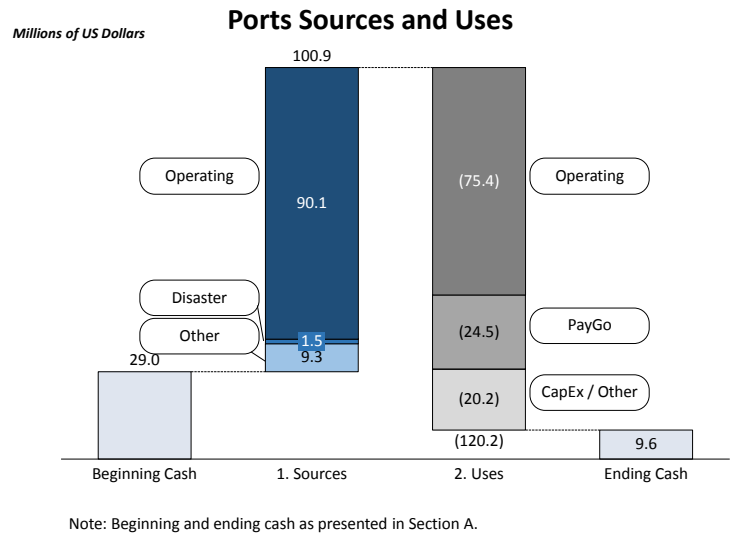


¹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

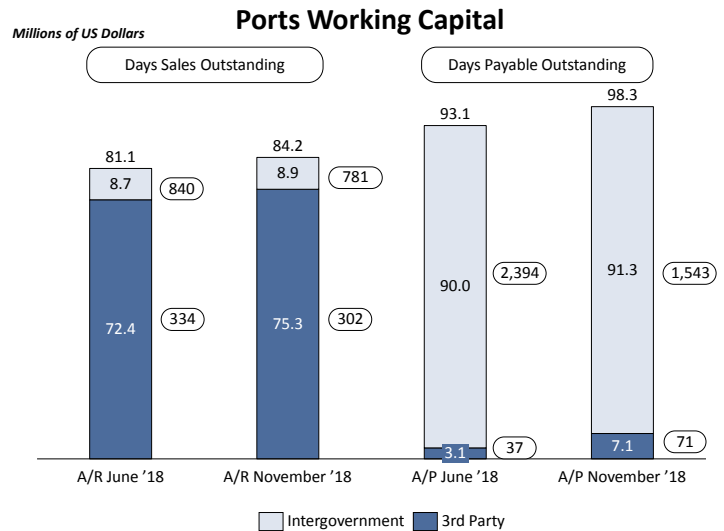
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$100.9M:
 - 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 \$6.2M in FY19 PayGo charges, and is forecast to disburse the remaining FY19 obligation of \$18.3M.
3. Other including CapEx:
 - a. CapEx of (\$20.2M), of which approximately \$2.3M has been disbursed YTD. Ports is expected to fund \$11.0M of CapEx from internal funds, including the \$9.6M earmarked for the ramp repair project, 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. \$3.1M increase from Jun-18 to Nov-18 driven by an increase in 3rd party receivables.
 - b. 3rd party DSO decreased from 334 to 302 in the same time period due to an increase in Ports' 3rd party receipts increasing at a faster rate than A/R increases. DSO is high because it is being driven by an ongoing litigation with Caribbean Airport, which as of end Nov-18, had an AR balance of \$43.3M.
 - c. Intergovernmental receivables remain unchanged.
2. Accounts Payable:
 - a. \$5.2M increase from Jun-18 to Nov-18 largely driven by a \$4.0M increase in 3rd party payables.
 - b. These 3rd party payables over the same time period have grown from 37 days to 71 days, primarily due to payments being withheld to dry dock operators and insurance providers, both of whom are expected to be paid in FY19.
 - c. Intergovernmental accounts payable and DPOs remain high due to the Retirement System Administration balance of \$42.5M and PREPA/PRASA balance of \$36.4M, a collective increase of \$1.3M over last month.
3. Working Capital:
 - a. \$2.1M sources of cash from Jun-18 to Nov-18 as payables grew more than receivables over the same time period.



² Figures are unaudited and subject to change.

II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

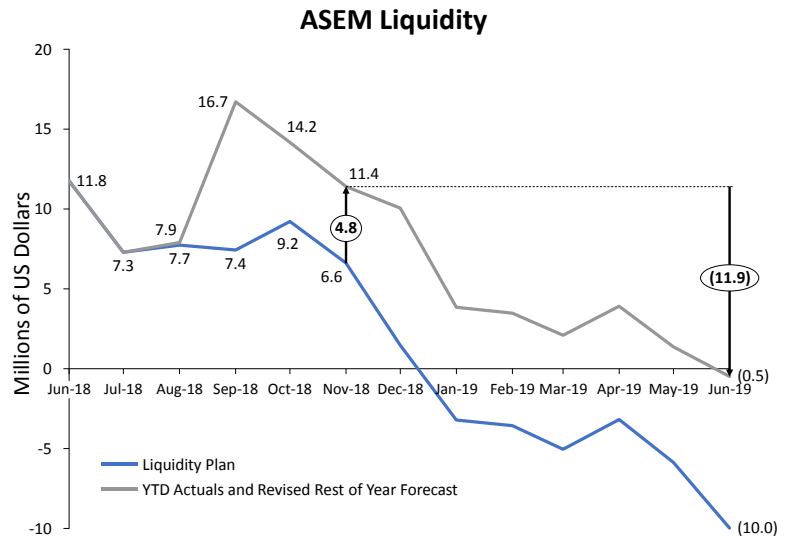
Primary Business Activity: ASEM plans, organizes, operates, and administers centralized health services, provided in support of the hospital and other functions, offered to the member institutions and users of the medical complex known as the Puerto Rico Medical Center.

Key Takeaways: FY19 intergovernmental institutional collections are currently projected at \$45.3M vs. \$53.5M in the prior year. These collections have been challenged historically and contributed to ASEM’s liquidity issues in FY18. 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 (\$0.5M) from (\$10.0M) included in the Liquidity Plan. This outlook is inclusive of a projected paydown of \$16.5M in A/P and FY18 employee withholdings not remitted.

A. FY19 Operating Liquidity – Actuals³ vs. Forecast

1. \$4.8M YTD actuals vs. Liquidity Plan:

- \$9.8M in intergovernmental institution debt repayment. Driving this favorable variance are \$9.8M in collections on FY15 receivables related to UDH and Pediatrico, which are projected to be permanent variances.
- (\$2.3M) in intergovernmental institutions. The majority of this variance is driven by the timing of payments from Pediatrico (\$1.2M), ASSMCA (\$0.7M), and Salud (\$0.7M). ASSMCA and Salud variances are timing related while Pediatrico is expected to become permanent. Pediatrico is cutting its monthly payment from \$350K to \$200K due to certain emergency expenditures required for its NICU department.
- \$1.8M in payroll is favorable due to falling headcounts, and is expected to be a permanent variance.
- (\$4.5M) in vendor disbursements. ASEM has paid down \$7.4M of 3rd party payables related to prior years. This variance should reverse by FY19 end, as the forecast contemplated paydowns of A/P occurring equally in December and June of FY19.



2. (\$11.9M) forecast Dec-18 through Jun-19 cash burn:

- Reduction in liquidity includes paydown of remaining vendor payables (\$0.8M) and payroll liabilities (\$5.7M) relating to FY18 from the \$16.5M included in the Liquidity Plan. The remaining liquidity reduction is due to operating deficits from intergovernmental institutions.

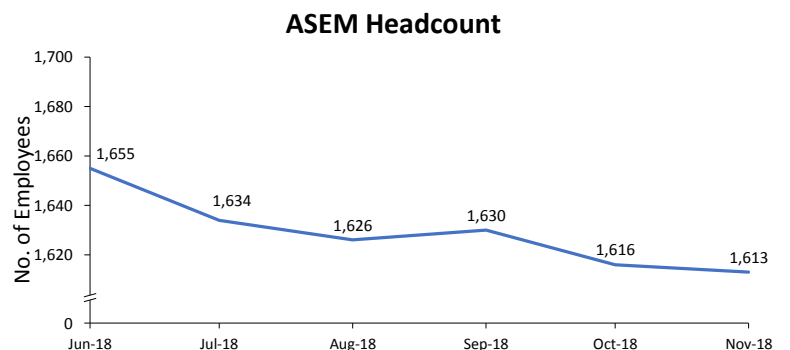
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,655 to 1,613 from Jun-18 to Nov-18.

- Vacancies are not refilled due to a hiring freeze imposed by the government. Professional contract services are used to address vacancies. YTD Professional fees are favorable by \$2.2M due to ASEM’s reduced operating budget in the beginning of the year which was subsequently increased when the budget was certified in October 2018.

2. Payroll: Disbursements are forecast to be \$103.6M for FY19. YTD payroll is \$39.3M.

- Headcount changes do not always correlate to payroll changes due to ASEM’s reliance on a mostly hourly workforce. The YTD positive variance in payroll is primarily due to vacancies not being filled.

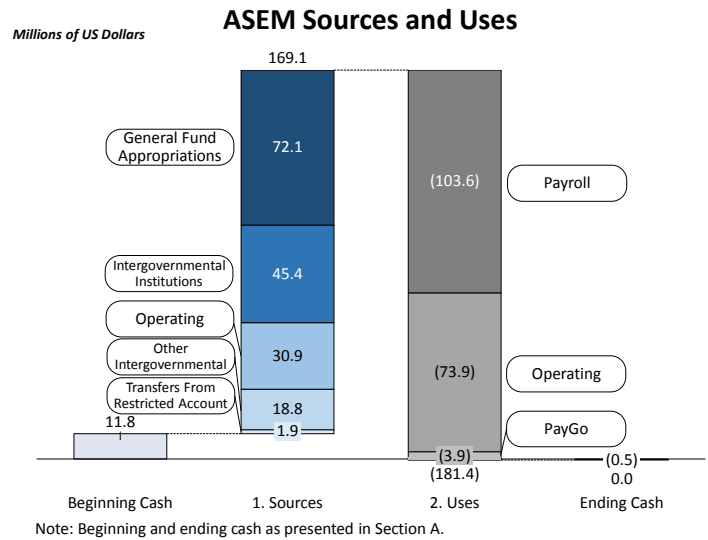


³ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

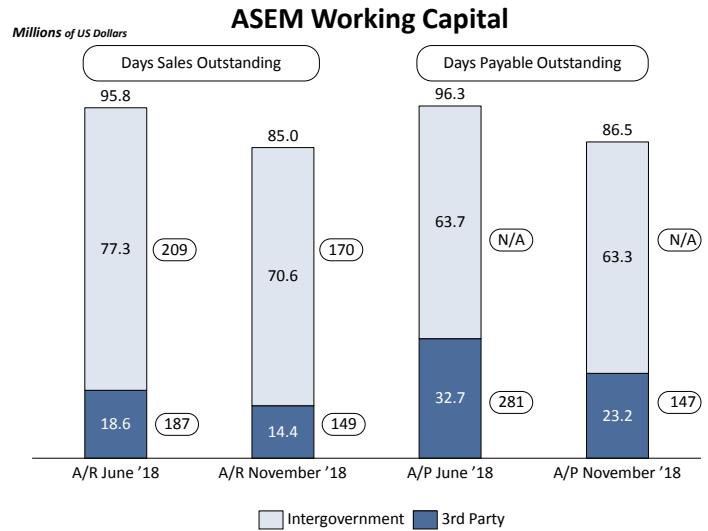
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$169.1M:
 - a. Intergovernmental receipts account for \$136.4M, or 82% of receipts, \$45.4M of which relate to intergovernmental institutions. The remainder includes other intergovernmental 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 \$30.9M, or 18%.
 - c. Transfers from ASEM’s restricted account represent \$1.9M.
2. Uses (\$181.4M):
 - a. (\$178.2M) in operating disbursements for FY19, driven by payroll of (\$103.6M), as well as vendor payments of (\$73.9M), the key components of which are: materials and supplies (\$7.6M), facilities and payments for public service (\$5.5M), professional fees (\$18.5M), purchased services (\$5.6M), and other operating payments (\$36.7M) 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. (\$10.9M) decrease from Jun-18 to Nov-18 driven by a (\$6.7M) decrease in intergovernmental receivables and a (\$4.2M) decrease in third party receivables.
 - b. The (\$6.7M) decrease in intergovernmental receivables is primarily driven by the payments from the Department of Health of \$6.5M, primarily as a result of debt repayment from University Hospital and Pediatric Hospital; the (\$4.2M) decrease in 3rd party receivables is primarily driven by 3rd party physician and medical plans.
2. Accounts Payable:
 - a. (\$9.8M) decrease from Jun-18 to Nov-18 primarily driven by a pay down of 3rd party payables of (\$9.4M) from prior years’ accumulated payables balances.
3. Working Capital:
 - a. Changes are favorable by \$1.1M, representing approximately 0.6% of FY19 sources of cash.



⁴ Figures are unaudited and subject to change.

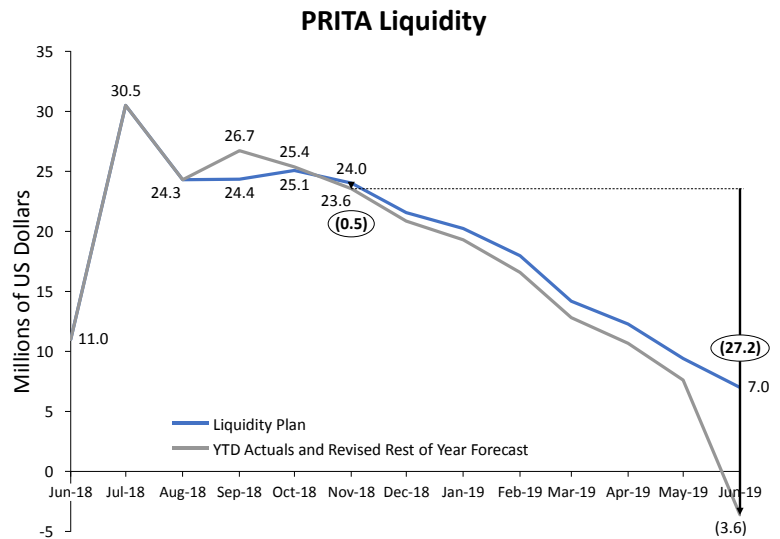
III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”)

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 \$7.6M has been disbursed. PRITA received a General Fund appropriation of \$15.8M in Q1 FY19 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 \$4.0M due to the inclusion of AMA’s PayGo charges of approximately \$11.4M, which the liquidity plan assumed Hacienda would retain.

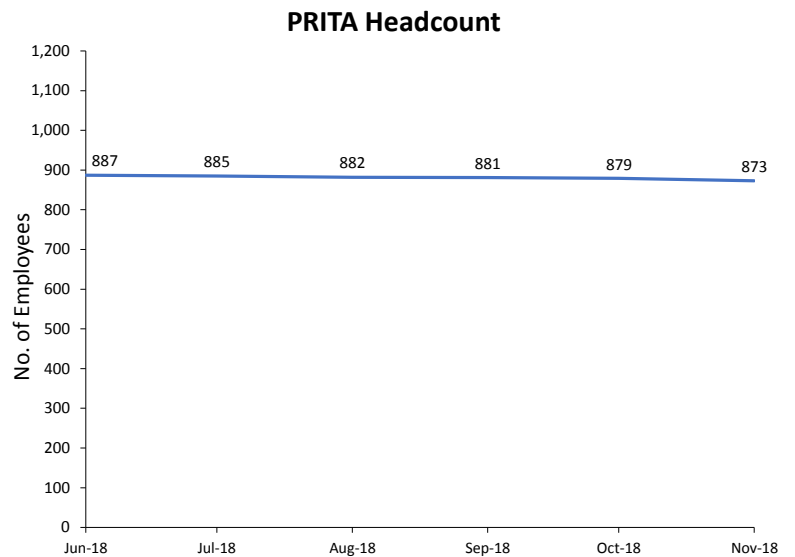
A. FY19 Operating Liquidity – Actuals⁵ vs. Forecast

1. (\$0.5M) YTD actuals vs. Liquidity Plan:
 - a. (\$0.2M) driven by timing variances in operating receipts.
 - b. \$2.0M driven by timing of intergovernmental receipts (cigarette tax receipts).
 - c. \$1.9M driven by timing of FTA in preventative maintenance fund receipts. Reimbursement receipts came sooner than forecast.
 - d. \$1.8M timing variance in operating disbursements, primarily driven by a \$1.6M timing variance in Payroll, as less employees took advantage of the VTP than originally forecasted.
 - e. (\$6.0M) timing variances in CapEx expected to normalize in the second half of FY19.
2. (\$27.6M) forecast Dec-18 through Jun-19 cash burn:
 - a. The decline in cash through year end is due to negative operating cash flow of \$13.4M, which is largely driven by the remainder of PRITA’s PayGo expense.
 - b. The remaining \$14.1M is due to CapEx spend (ATM – ferries), which exceeds expected Federal Grant receipts of \$5.9M.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 887 to 873 from Jun-18 to Nov-18.
2. Payroll: Disbursements are forecast to be \$47.8M for FY19. YTD payroll is \$17.8M.
 - a. YTD payroll actual spend is lower than forecast due to fewer employees enrolling in VTP, lowering AMA’s up-front, one-time expenses related to the program. These variances will normalize in FY19 for reasons not pertaining to VTP, and include drivers’ pay scheduled to increase payroll frequency by switching to bi-weekly in Mar-19. Also, another \$0.9M is expected to be paid out in judgements for wage claims filed on behalf of employees in 2018.

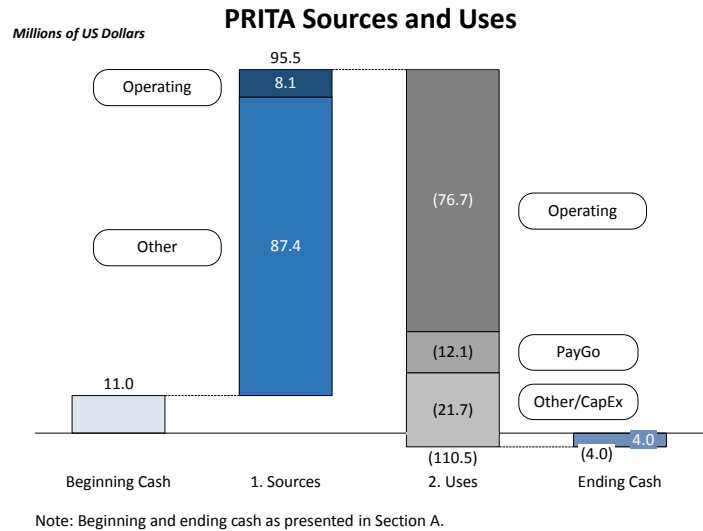


⁵ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

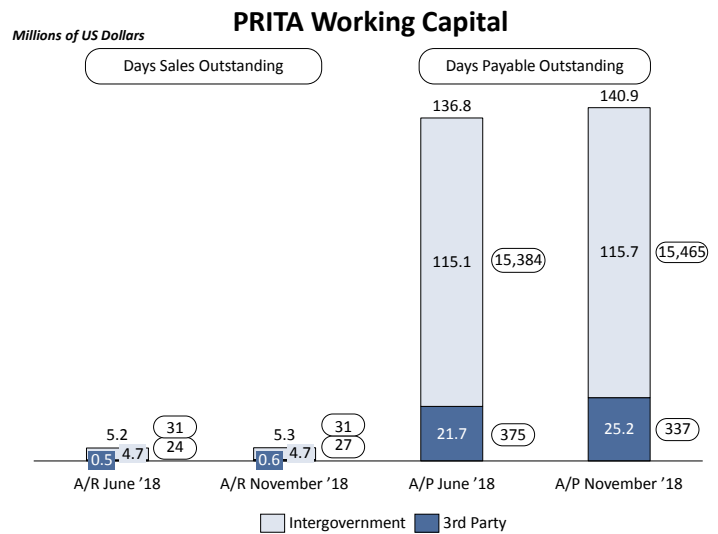
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$95.5M:
 - a. Operating receipts of \$8.1M, composed primarily of ferries/cargo of 59%, bus fares of 38%, and miscellaneous receipts of 3%.
 - b. Intergovernmental receipts of \$71.0M, with 52% coming from cigarette taxes, 26% 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 (\$110.5M):
 - a. Operating disbursements total (\$76.7M), of which payroll is (\$48.2M). Materials and supplies are (\$12.2M), purchased services are (\$6.5M), facilities for public services are (\$3.1M), professional services are (\$2.8M), and all other operating disbursements are (\$3.9M).
 - b. PayGo is (\$12.1M).
 - c. CapEx is projected to be (\$21.7M).



D. Accounts Receivable / Accounts Payable⁶

1. Accounts Receivable:
 - a. \$0.1M increase from Jun-18 to Nov-18 driven by 3rd party receivables. DSO in same time period also increased slightly from 24 to 27 days.
2. Accounts Payable:
 - a. \$4.1M increase from Jun-18 to Nov-18 mainly resulting from an increase in 3rd party payables of \$3.5M; DPO decreased from 375 to 337 in the same time period due to an increase in PRITA's 3rd party expense base, primarily driven in materials and supplies and purchased services.
 - b. Intergovernmental DPO are very high due to multiyear accruals of retirement system obligations.
3. Working Capital:
 - a. \$4.0M sources of cash since Jun-18 as PRITA stretched payables by \$4.1M; slightly offset by a \$0.1M increase in receivables.



Note: Prior to FY19, DPO figures include forecasted PayGo amounts as expense in the DPO calculations, which drove a lower DPO number. In FY19, these numbers now represent actual disbursements.

⁶ Figures are unaudited and subject to change.

IV. PUERTO RICO 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 Nov-18, Fondo has generated \$116.6M in cash, and ended Nov-18 with \$243.8M 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.

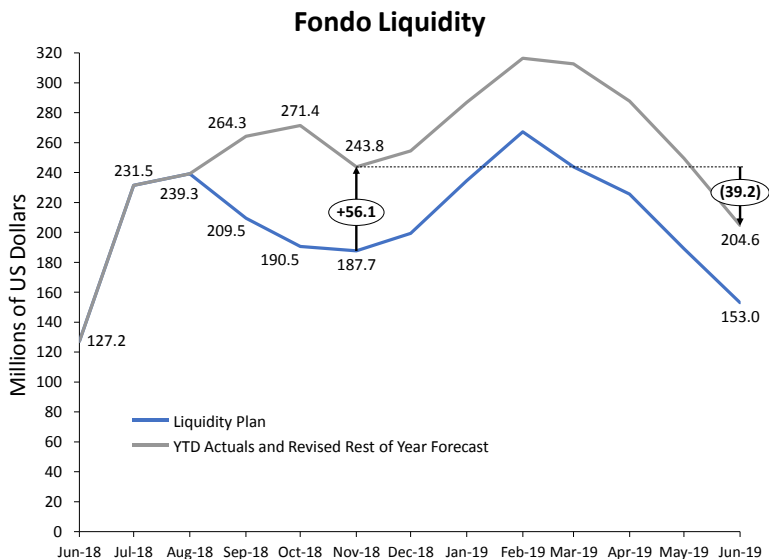
A. FY19 Operating Liquidity – Actuals⁷ vs. Forecast

1. \$56.1M YTD actuals vs. Liquidity Plan:

- a. Considered to be partially due to timing and partially permanent.
- b. \$38.7M favorable variance in premiums collections due to: new online advance payment system driving accelerated collections from employers in FY19, and federal funding and construction project increases driving a higher demand for workers’ compensation insurance.
- c. \$9.4M favorable timing variance in PayGo charges, which is expected to reverse; Fondo has still not received any FY19 invoices, but has begun making monthly payments.
- d. \$4.8M favorable variance in claims-related disbursements is expected to reverse.
- e. \$4.4M favorable timing variance in purchased services and medical supplies, 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.
- f. \$2.0M favorable timing variance in CapEx spending is expected to reverse in Feb-19 or Mar-19 when Fondo makes final payment related to the building of the Industrial Hospital.
- g. \$1.8M favorable timing variance in Christmas bonuses is expected to reverse as these payments occurred in December.
- h. (\$4.7M) unfavorable timing variance in intergovernmental disbursements is expected to reverse as Fondo makes these payments in accordance with various legislation.
- i. (\$2.3M) 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.
- j. \$1.2M variance in other disbursement items, which is mostly timing related.

2. (\$39.2M) forecast Dec-18 through Jun-19 cash burn:

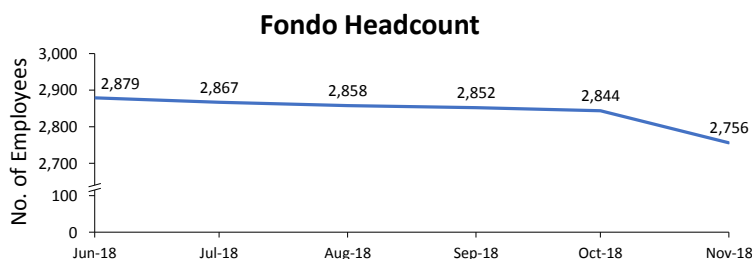
- a. Fondo’s liquidity position is typically impacted by the seasonal insurance premium invoicing, which occurs only twice per year, typically in July and January. Subsequently, after January and February, normal operating expenses will outpace collections, which are expected to be minimal given the seasonal trend. For the full FY19, cash is projected to be well above forecast due mostly to initial premium collections estimates not accounting for the full impact of construction/rebuild efforts driving demand for workers’ comp.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 2,879 to 2,756 from Jun-18 to Nov-18.

- a. A large amount of employees have entered the Voluntary Transition Program and are no longer part of Fondo’s recorded headcount total.
- ##### 2. Payroll: Disbursements are forecast to be (\$215.6M) for FY19. YTD payroll is (\$88.5M).
- a. YTD payroll is currently below forecast due to the favorable timing variance of the Christmas bonuses payment.

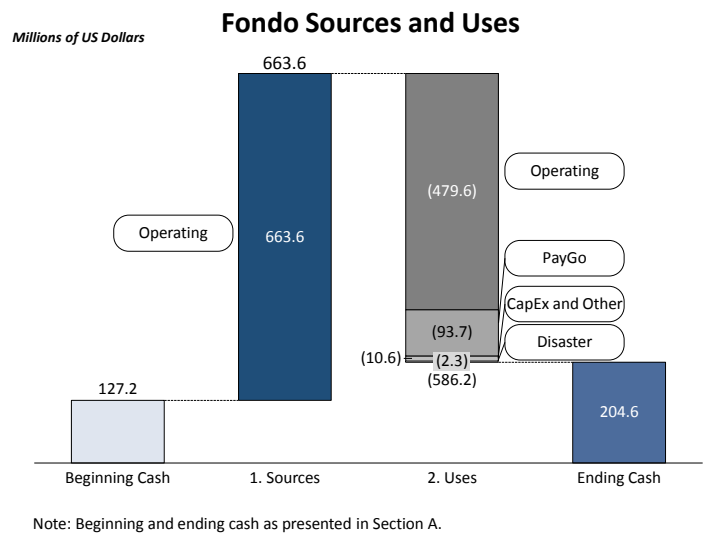


⁷ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

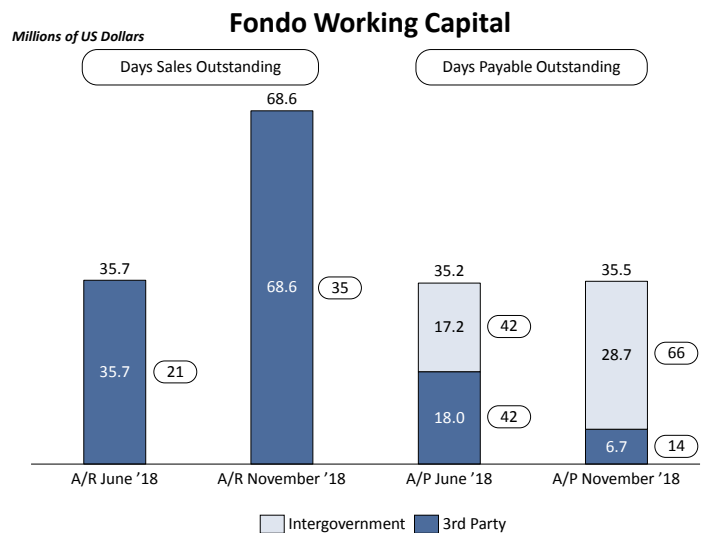
C. Full Year FY19 Sources and Uses of Funds

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 (\$586.2M):
 - 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: payments made to other government entities as determined by laws, and purchased services and material and 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 and two payments totaling (\$14.0M) for FY19, despite having not formally received any FY19 invoices. 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 (\$10.6M).
 - d. Disaster-related spend is (\$2.3M) YTD related to building repair work after the hurricanes.



D. Accounts Receivable / Accounts Payable⁸

1. Accounts Receivable:
 - a. \$32.9M increase from Jun-18 to Nov-18 driven by 3rd party A/R increases due to the July premiums invoicing period for which payment is due in Jan-19 and Feb-19.
2. Accounts Payable:
 - a. \$0.3M increase from Jun-18 to Nov-18 driven by an \$11.6M increase in intergovernmental A/P from Jun-18 to Nov-18, consisting mostly of accrued payables pertaining to PayGo. Fondo has not formally received any PayGo invoices for FY19.
 - b. These increases in intergovernmental A/P are partially offset by paydowns to vendors (\$11.2M) for medical services and other operating costs.
3. Working Capital:
 - a. Working capital is unfavorable (\$32.6M) as increases in accounts receivable pertaining to premiums collections have outpaced the accrued amounts owed to intergovernmental entities, particularly PayGo payments owed to Hacienda for which Fondo is still awaiting invoices for FY19.



⁸ Figures are unaudited and subject to change.

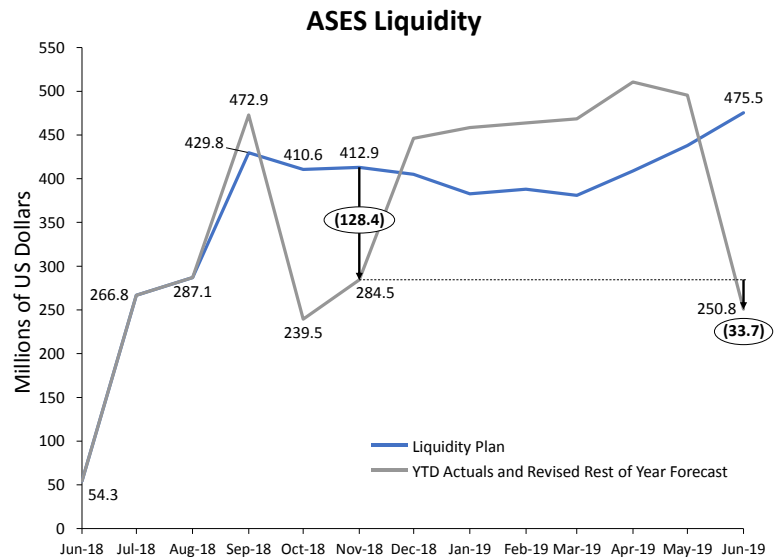
V. HEALTH INSURANCE ADMINISTRATION (“ASES”)

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 (\$128.4M) cash position at the end of November 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.

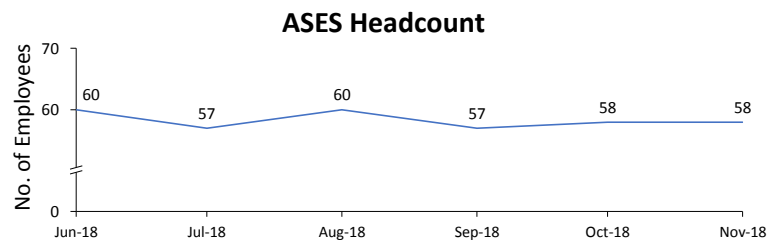
A. FY19 Operating Liquidity – Actuals¹⁰ vs. Forecast

1. (\$128.4M) YTD actuals vs. Liquidity Plan:
 - a. (\$174.2M) federal funding variance is timing related and reverses in Dec-18.
 - b. (\$37.1M) other intergovernmental funding: (\$32.1M) 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.
 - c. \$81.7M MCO Premiums: this variance is related to the timing of IBNR¹¹ and payments for the quality improvement program¹² which reverses in December.
2. (\$33.7M) forecast Dec-18 through Jun-19 cash burn:
 - a. ASES’ cash position is influenced by significant inflows and outflows from federal funding and premium expenditures, despite the fact that the organization is designed to be cash neutral. Accordingly, any significant change in cash tends to reverse in short order.
 - b. ASES’ remaining (Dec-18 through Jun-19) municipality and employer revenues of \$76.4M are at risk pending potential changes to Puerto Rico law.
 - c. 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 which began Nov-18.
 - d. The \$224.7M unfavorable cash balance at year end is due to revisions in the estimate by ASES related to timing of the June FY18 federal funding receipt, which is expected to fall into the following month, July FY19.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 60 to 58 from Jun-18 to Nov-18.
 - a. Payroll: 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 \$1.5M.
 - a. Payroll: 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 FTEs can be hired
 - b. 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 MMIS¹³ 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.

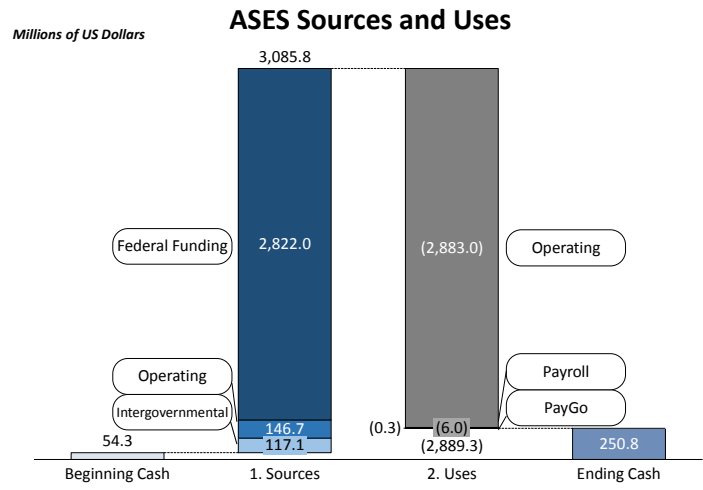
¹¹ Incurred But Not Reported – Insurer’s estimate of claims that transpired during period of coverage but which aren’t yet reported.

¹² Quality Improvement Program – Payments withheld from MCO premiums which are periodically remitted back to MCOs based on attainment of healthcare quality metrics.

V. HEALTH INSURANCE ADMINISTRATION (“ASES”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

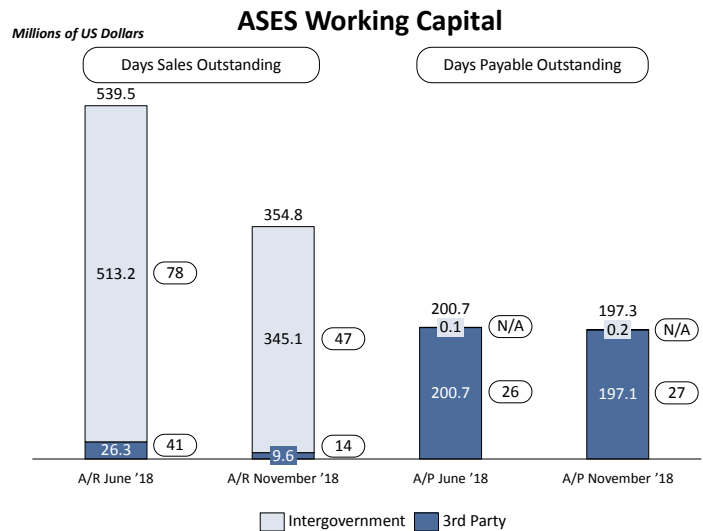
1. Sources \$3,085.8M:
 - a. Federal funding makes up \$2,822.0M of receipts. 3rd party operating receipts consist of drug rebates of \$135.9M and other income of \$10.5M. The intergovernmental receipts of \$117.1M are primarily payments from municipalities.
2. Uses (\$2,889.3M):
 - a. Operating disbursements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



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

D. Accounts Receivable / Accounts Payable¹⁴

1. Accounts Receivable:
 - a. (\$184.8M) decrease from Jun-18 to Nov-18 driven by primarily by intergovernmental A/R decreases of (\$174.2M), a majority of which is related to CMS receivables of (\$202.7M). 3rd party A/R declined by (\$10.6M).
2. Accounts Payable:
 - a. (\$3.4M) decrease from Jun-18 to Nov-18, driven primarily by 3rd Party A/P decreases of (\$3.5M).
3. Working Capital:
 - a. Changes are favorable by \$181.3M, representing approximately 6% of FY19 sources of cash.



¹³ Medicaid Management Information System

¹⁴ Figures are unaudited and subject to change.

VI. HIGHWAYS AND TRANSPORTATION AUTHORITY (“HTA”)

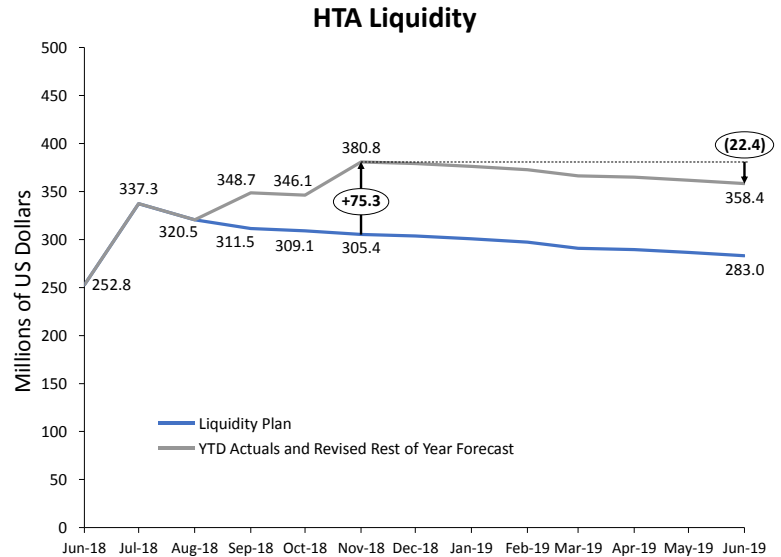
Primary Business Activity: HTA controls and supervises highway facilities, sets tolls, issues bonds, and manages the construction of all major projects relating to the Commonwealth’s toll highway system.

Key Takeaways: In November, HTA received approximately \$47.9M in intergovernmental transfers and CapEx funding as it made up for Transfers/Funding not received in October. The forecast for YTD ending cash balance is \$358.4M; current cash on hand is \$380.8M. To date in FY19, HTA has disbursed \$75.7M in CapEx, and for the remainder of FY19, forecasts to disburse another \$558.7M. Operating revenues were higher than forecast due to permanent variances in toll fares, toll fines, and other income.

A. FY19 Operating Liquidity – Actuals¹⁵ vs. Forecast

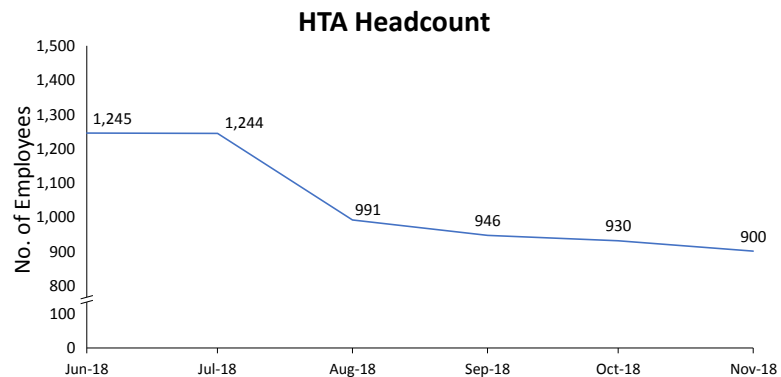
1. \$75.3M YTD actuals vs. Liquidity Plan:

- a. \$1.1M permanent variances in operating receipts.
 - b. \$51.9M timing variance in intergovernmental receipts as HTA collected on prior month transfers/CapEx funding.
 - c. (\$140.1M) in federal grants receipts which are expected to normalize in FY19.
 - d. \$6.1M variances in operating disbursements driven by:
 1. \$2.9M timing variance in payroll.
 2. (\$1.3M) permanent variance in facilities and payment to public services as HTA has paid down A/P to PREPA/PRASA.
 3. (\$2.8M) variance in purchased services where (\$0.5M) is permanent and (\$2.3M) is timing as HTA paid a supplier in advance.
 4. \$5.6M timing variance in professional services which is expected to normalize in Q3.
 5. \$1.9M timing variance in other operating expenses which is expected to normalize in Q3.
 6. (\$0.2M) timing variances in PayGo, donations, and transportation expenses.
 - e. \$156.8M timing variances in CapEx where projects have been delayed due to availability of approved contractors. Funds are expected to be disbursed in FY19.
 - f. (\$0.5M) timing in other inflows/outflows.
2. (\$22.4M) forecast Dec-18 through Jun-19 cash burn:
- a. \$88.9M in operating receipts.
 - b. \$104.6M in Puerto Rico government infrastructure funding and transfers from the Puerto Rico government.
 - c. \$502.2M in federal funding through FHWA, FTA, and FEMA.
 - d. Operating disbursements of (\$159.4M), including certain disbursements and payroll related to CapEx projects.
 - e. CapEx disbursements of (\$558.7M), as delayed projects commence in FY19.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,245 to 900 from Jun-18 to Nov-18.
 - a. Large drop in headcount over the course of FY19 is due to the voluntary retirement program, and it is not expected that these positions will be replaced.
2. Payroll: Disbursements are forecast to be \$94.1M for FY19. YTD payroll is \$41.4M.
 - a. YTD Payroll represents approximately 44% of total forecasted FY19 spend and is \$2.8M below our forecast.
 - b. FY19 payroll of \$94.1M is slightly higher than FY18 primarily due to the voluntary retirement program one-time severance costs.

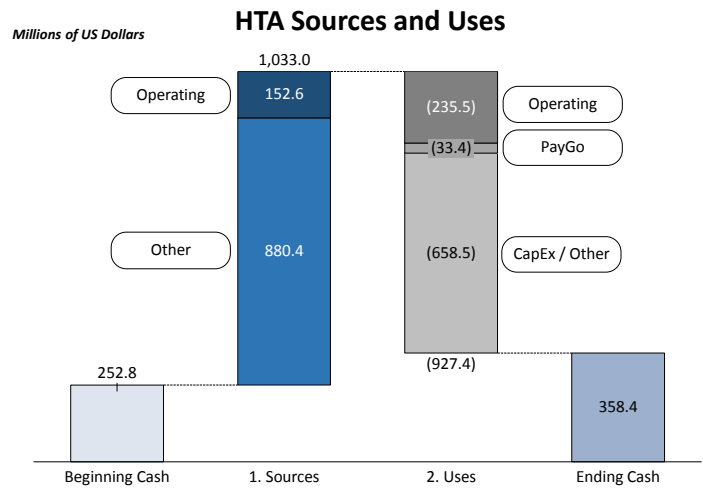


¹⁵ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

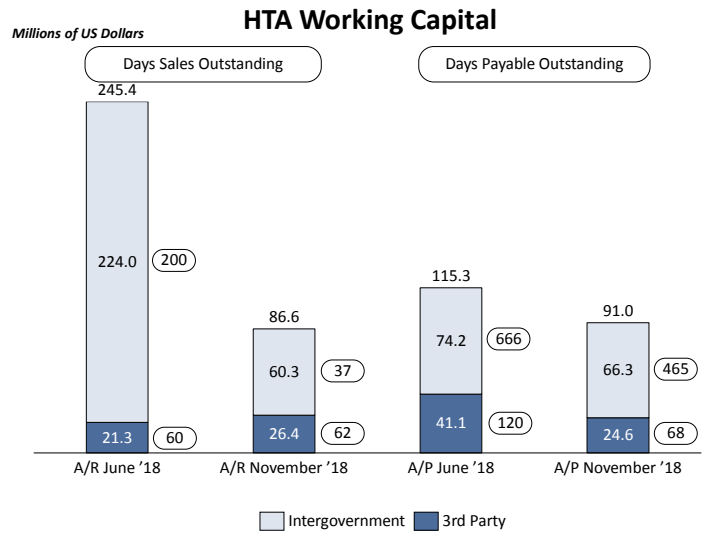
1. Sources \$1,033.0M:
 - a. \$152.5M operating receipts, with 78% coming from toll fares and 22% from toll fines and other income.
 - b. \$880.5M in other sources come from \$290.9M petrol tax, \$566.7M from other federal highway authority and federal transportation authority receipts, along with \$22.9M in other inflows.
2. Uses (\$927.4M):
 - a. CapEx and Other total (\$658.4M), consisting of CapEx (\$392.1M), emergency reconstruction (\$242.4M), and other outflows (\$24.0M).
 - b. Operating disbursement totals (\$235.5M), with payroll at 35% and purchased services at 34% being the largest components.
 - c. PayGo totals (\$33.4M), slightly above last year’s contributions of (\$30.7M).



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

D. Accounts Receivable / Accounts Payable¹⁶

1. Accounts Receivable:
 - a. (\$158.7M) decrease from Jun-18 to Nov-18 driven by an audit adjustment to write off retained revenue with the Department of Treasury (Hacienda).
2. Accounts Payable:
 - a. (\$24.3M) decrease from Jun-18 to Nov-18 mainly resulting from a decrease in 3rd party payables of (\$16.4M), along with a decrease in intergovernmental payables (\$7.8M) due to paydown of the Retirement Administration System and PREPA.
3. Working Capital:
 - a. Total change in net working capital is heavily influenced by a decrease in receivables due to a write off with the Department of Treasury. 3rd party working capital decreased by \$21.5M since Jun-18, as receivables increased by \$5.0M and payables decreased by \$16.4M.



¹⁶ Figures are unaudited and subject to change.

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

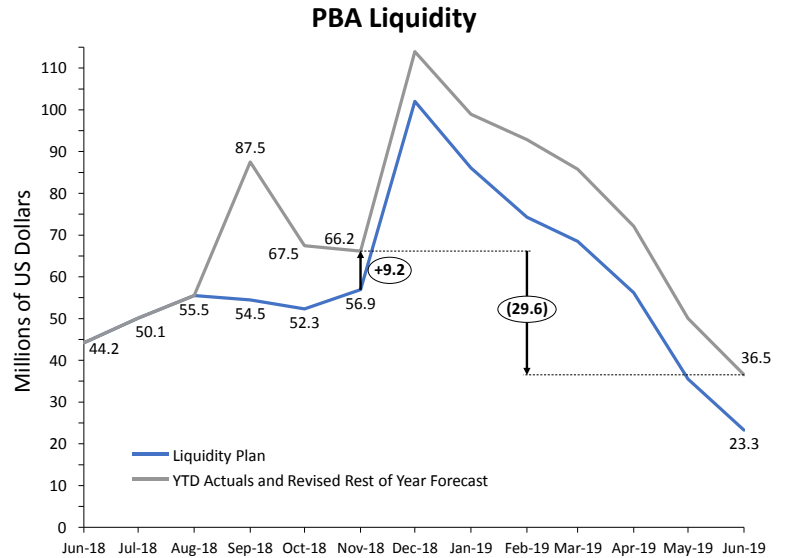
Primary Business Activity: PBA constructs, purchases, or leases office, school, health, correctional, social welfare, and other facilities for lease to certain Commonwealth departments, component units, and instrumentalities.

Key Takeaways: YTD disaster-related receipts funding was forecast to be \$9.5M; however, PBA to date has not received any funds due to a delay in the insurance claim process. The temporary variance is expected to reverse in Q3. Partially offsetting the lack of disaster-related receipts is a temporary delay in PayGo funding, whereby PBA has yet to receive any invoices. YTD forecasted ending cash balance is \$36.5M; current cash on hand is \$66.2M.

A. FY19 Operating Liquidity – Actuals¹⁷ vs. Forecast

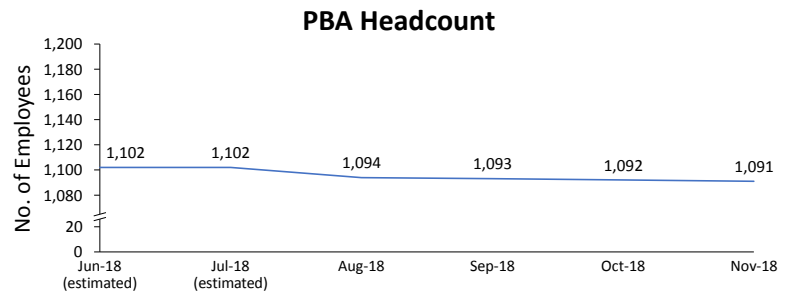
1. \$9.2M YTD actuals vs. Liquidity Plan:

- a. \$1.3M in operating receipts primarily driven by a \$1.0M permanent variance in which PBA received an insurance settlement not pertaining to disaster-related receipts that was not forecasted.
 - b. \$22.3M in direct rent and rent transfers from Hacienda of which \$13.7M is permanent due to aged A/R collections included in Direct Rent and higher rent transfers received from Hacienda versus what was forecast.
 - c. (\$9.5M) in disaster-related receipts attributable to a timing variance where FEMA funds have not come in yet.
 - d. (\$2.6M) variance in operating disbursements:
 1. \$2.8M variance in payroll of which, \$0.6M is permanent as PBA realizes savings in employee benefits.
 2. \$6.7M timing variance in PayGo as PBA has yet to receive invoices.
 3. (\$6.6M) timing variance in purchased services driven by an insurance payment that occurred earlier than forecast.
 4. \$2.4M timing variance in disbursements to PREPA/PRASA.
 5. (\$7.8M) variance in Transfers to Restricted Accounts whereby \$3.8M is permanent as PBA received more rent earmarked for debt servicing than forecast.
 - e. (\$2.3M) timing variance in Disaster-related spend where funding for projects has occurred ahead of schedule.
2. (\$29.6M) forecast Dec-18 through Jun-19 cash burn:
- a. \$133.6M in forecasted total receipts driven by: \$0.5M in operating receipts, \$68.7M in intergovernmental receipts, and \$64.4M in disaster-related receipts.
 - b. (\$163.2M) in forecasted total disbursements driven by: (\$86.5M) in operating disbursements and (\$76.7M) 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 from received 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 1,091 from Jun-18 to Nov-18.
2. Payroll: Disbursements, including Christmas Bonuses, are forecast to be \$60.1M for FY19. YTD payroll is \$23.4M.
 - a. FY19 payroll is expected to be \$2.4M favorable to forecast as PBA expects to realize savings in its reduced employee benefit costs.



¹⁷ 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:

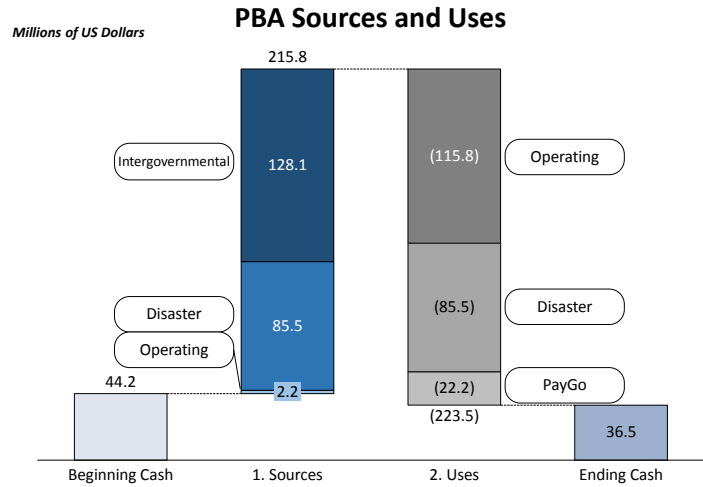
- a. PBA’s FY19 receipts consist of intergovernmental receipts of \$128.1M; disaster-related receipts of \$85.5M that include insurance receipts of \$75.0M and FEMA funding of \$10.5M; and other operating receipts of \$2.2M.

2. Uses (\$223.5M):

- a. Operating disbursements total (\$115.8M), consisting of payroll (\$60.1M), purchased services (\$22.5M), facilities and payments for public services (\$20.7M), professional services (\$0.9M), a one-time transfer to a restricted account (\$7.8M) 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 \$8.8M. 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 Payable¹⁸

1. Accounts Receivable:

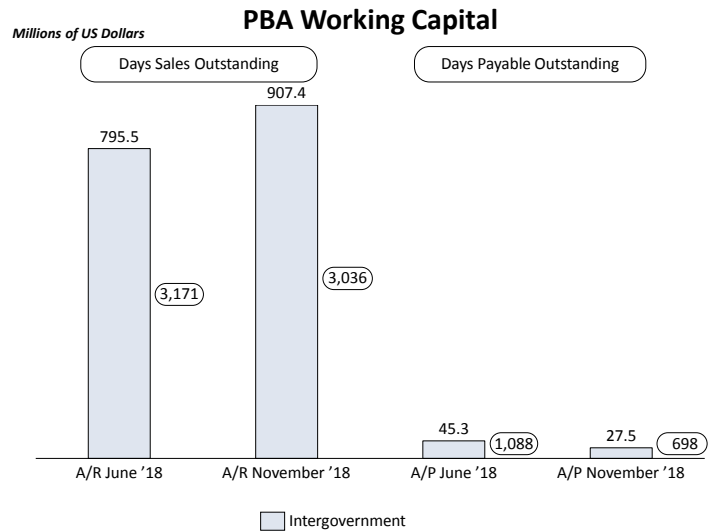
- a. \$111.9M increase from Jun-18 to Nov-18 driven by intergovernmental receivables, including accrued rent and debt service.

2. Accounts Payable:

- a. (\$17.7M) decrease from Jun-18 to Nov-18 driven by intergovernmental payables, primarily due to payments for facilities and public services and a Hacienda write-down in PayGo charges.

3. Working Capital:

- a. (\$129.6M) uses of cash for the five months ended Nov-18, largely due to an increase in intragovernmental receivables.



¹⁸ Figures are unaudited and subject to change.

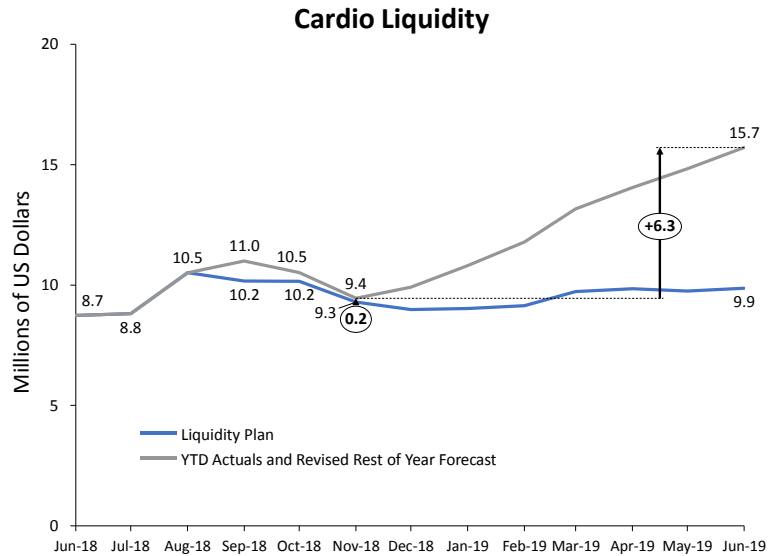
VIII. CARDIOVASCULAR CENTER FOR PUERTO RICO AND THE CARIBBEAN (“Cardio”)

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 five months of FY19, with Cardio generating patient collections at an \$81.7M annualized rate while increasing A/R by \$3.3M, indicating a higher activity level. However, Cardio remains challenged by labor shortages, as headcounts have dropped by 12% since Jul-17. This risk is mitigated by Cardio’s policy to actively replace any vacancies occurring during the current year.

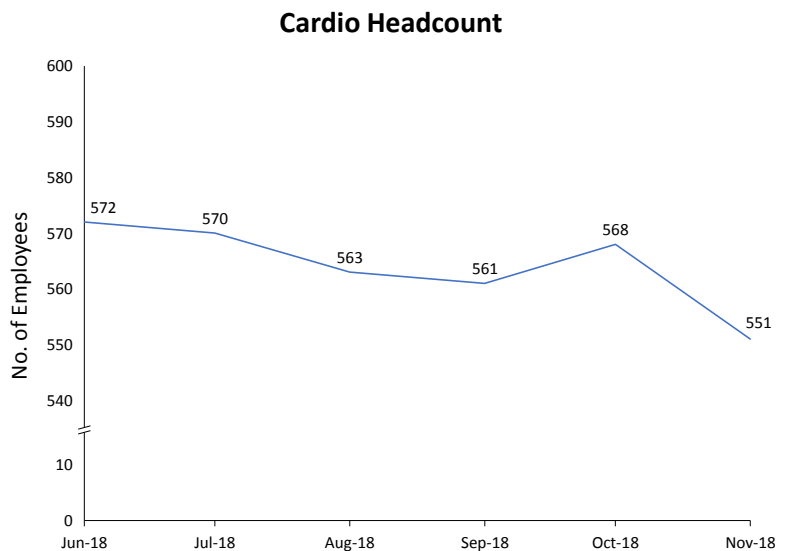
A. FY19 Operating Liquidity – Actuals¹⁹ vs. Forecast

1. \$0.2M YTD actuals vs. Liquidity Plan:
 - a. \$0.7M in Receipts: Mainly driven by higher patient collections of \$0.5M and rental receipts of \$0.2M.
 - b. \$2.0M Payroll permanent variance: favorability is impacted by falling headcounts.
 - c. \$0.1M in PayGo
 - d. (\$3.2M) in operating disbursements are impacted by a 3rd party A/P paydown of \$3.8M, and therefore timing related.
 - e. \$0.6M favorable CapEx variance is timing related.
2. \$6.3M forecast Dec-18 through Jun-19 cash build:
 - a. Cardio’s cash build through year end is related to higher patient activity levels at the hospital. Cardio has unfavorable working capital changes affecting its YTD cash position, which include \$3.3M YTD increase in A/R and a \$3.8M decrease in A/P. As these trends reverse course during the year, Cardio should realize its forecasted cash build. Cardio additionally benefits from payroll favorability due to declining headcounts, which is not expected to reverse by year end. This is due to the fact that Cardio has already benefitted from periods of reduced payroll, and any reversion in headcounts would be gradual and thus would benefit future periods to the extent that headcounts were still below budget.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 572 to 551 from Jun-18 to Nov-18.
 - a. 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.
 - b. 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.
2. Payroll: Disbursements are forecast to be \$28.6M for FY19. YTD payroll is \$10.9M.
 - a. YTD payroll is behind forecast due to headcount losses occurring during the year.

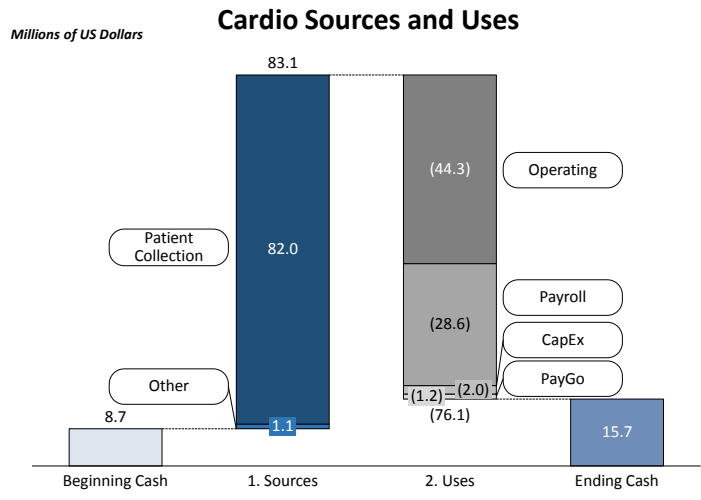


¹⁹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

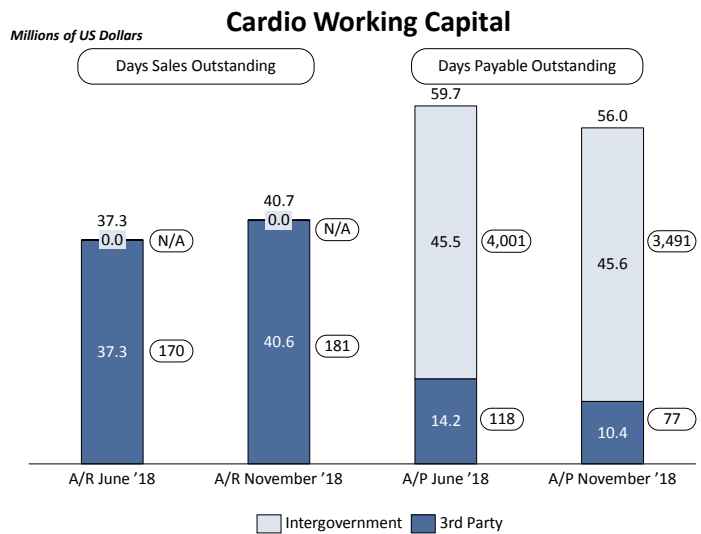
1. Sources \$83.1M:
 - a. \$82.0M, or 99% of sources of funds, is related to patient service collections. The balance of other sources is \$1.1M, 1%, which is primarily rent paid by physicians for office space inside the hospital.
2. Uses (\$76.1M):
 - a. Operating disbursements total (\$72.9M), with Payroll representing (\$28.6M), purchased services representing (\$25.7M), professional fees of (\$7.5M), materials and supplies of (\$5.5M), facilities and payments for public services of (\$5.1M), and other operating expenses of (\$0.5M).
 - b. CapEx is expected to reach (\$2.0M) by the end of FY19.
 - c. PayGo disbursements of (\$1.2M).



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

D. Accounts Receivable / Accounts Payable²⁰

1. Accounts Receivable:
 - a. \$3.3M increase from Jun-18 to Nov-18 driven by mostly 3rd party receivables.
2. Accounts Payable:
 - a. \$3.7M decrease from Jun-18 to Nov-18 driven by a \$3.8M decrease to 3rd party payables.
3. Working Capital:
 - a. Changes were unfavorable by (\$7.0M), representing 9% of FY19 uses of cash.



²⁰ 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, and 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. In the month of November, the first installment for trustee debt reserve was made for \$9.1M.

A. FY19 Operating Liquidity – Actuals²¹ vs. Forecast

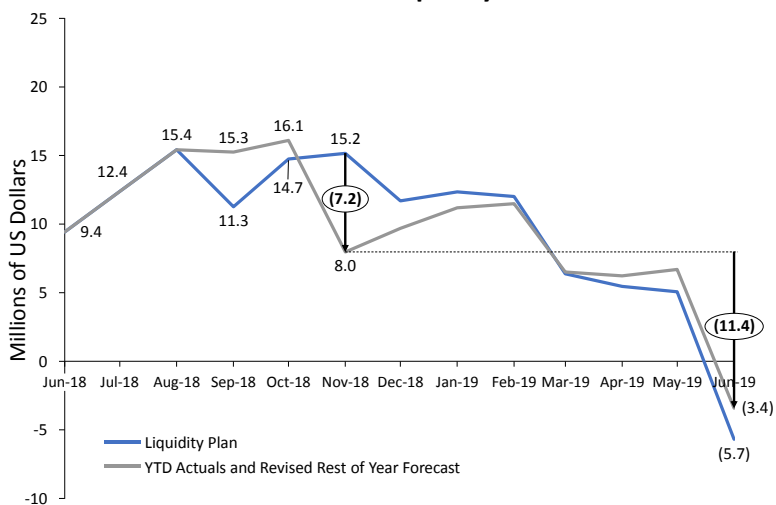
1. (\$7.2M) YTD actuals vs. Liquidity Plan:

- (\$4.1M) in receipts are unfavorable primarily due to the impact of asset sales of (\$4.7M).
- (\$4.5M) Trustee Debt Reserve: PRIDCO management made its 1st semester reserve requirement for PRIDCO trustee debt of \$9.1M during Nov-18. The current variance is timing and expected to reverse in Dec-18 as the original forecast assumed this disbursement would occur quarterly.
- \$2.7M in PayGo charges: Favorable PayGo results YTD are expected to be permanent. PRIDCO is cash constrained to meet both PayGo and trustee debt reserve requirements, thus currently PRIDCO management is meeting 50% of the outstanding obligation.
- (\$0.9M) Disaster Spend: Management has \$23.0M in outstanding insurance claims related to Hurricane Maria which were not included in PRIDCO’s budget. Accordingly, the disbursement 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 this outflow’s impact of through a permanent insurance-related receipt variance.
- (\$0.3M) in vendor disbursements is timing related.

2. (\$11.4M) forecast Dec-18 through Jun-19 cash burn:

- Decline in liquidity is driven by PRIDCO trustee debt payments (\$18.1M) and PayGo (\$15.6M). YTD payments for these obligations total \$10.3M, comprised of \$1.2M in PayGo and \$9.1M in trustee debt.

PRIDCO Liquidity



B. Headcount / Payroll

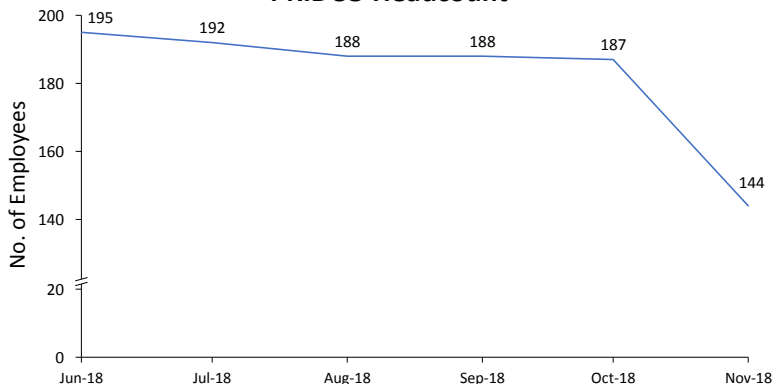
1. Headcount FTEs: Decreased from 195 to 144 from Jun-18 to Nov-18.

- The large decline in headcounts is related to the transfer of 43 employees from PRIDCO’s business development department to DDEC, a related entity providing management services to PRIDCO.

2. Payroll: Disbursements are forecast to be \$14.7M for FY19. YTD payroll is \$6.8M, and expected to be in line with the forecast.

- Despite the loss of FTEs, PRIDCO will retain responsibility for its payroll through at least Q2 FY19. In addition, payroll was tracking at a higher run rate than forecast and was (\$0.6M) unfavorable November YTD. Accordingly, payroll is expected to remain in line with the original forecast, despite these changes.

PRIDCO Headcount

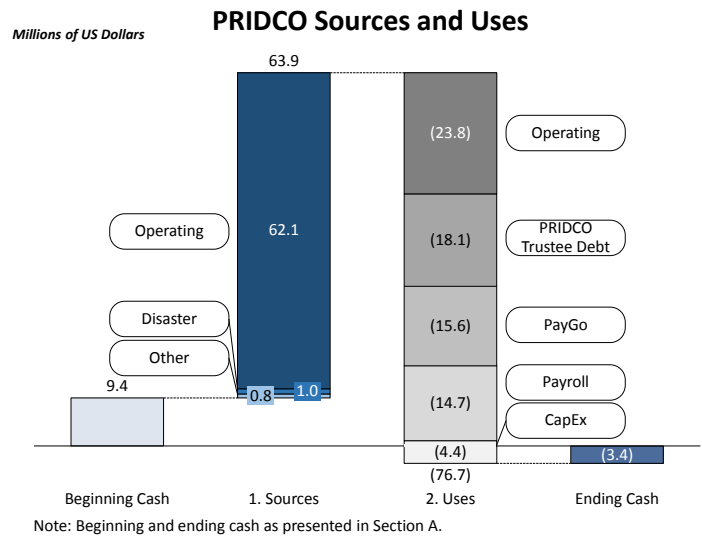


²¹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

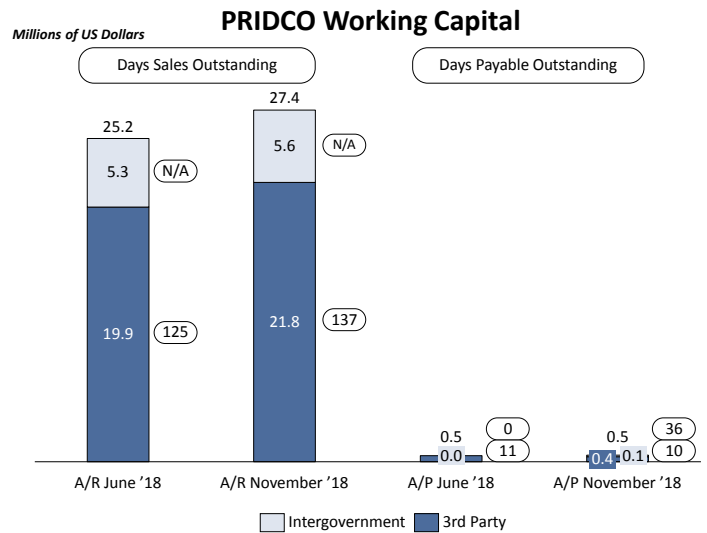
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$63.9M:
 - a. Primary sources of cash are operating receipts of \$62.1M consisting of: rental receipts for \$46.7M, asset sales for \$10.7M, and other receipts for \$4.7M. In addition, there are \$1.0M in net insurance-related disaster proceeds and \$0.8M in other related to net transfers in/(out).
2. Uses (\$76.7M):
 - a. Primary uses of cash are operating expenditures of (\$23.8M), PRIDCO trustee debt of (\$18.1M), PayGo of (\$15.6M), payroll and related expenses of (\$14.7M), and CapEx of (\$4.4M).



D. Accounts Receivable / Accounts Payable²²

1. Accounts Receivable:
 - a. \$2.2M increase from Jun-18 to Nov-18 driven by a \$1.9M increase in 3rd party A/R.
 - b. As a result, total DSO increased from 125 to 137 days over the period.
2. Accounts Payable:
 - a. \$0.1M increase from Jun-18 to Nov-18, which was relatively flat.
 - b. Total DPO decreased from 11 to 10 days.
3. Working Capital:
 - a. Changes are unfavorable by (\$2.2M), representing 2.8% of FY19 uses of cash.



²² Figures are unaudited and subject to change.

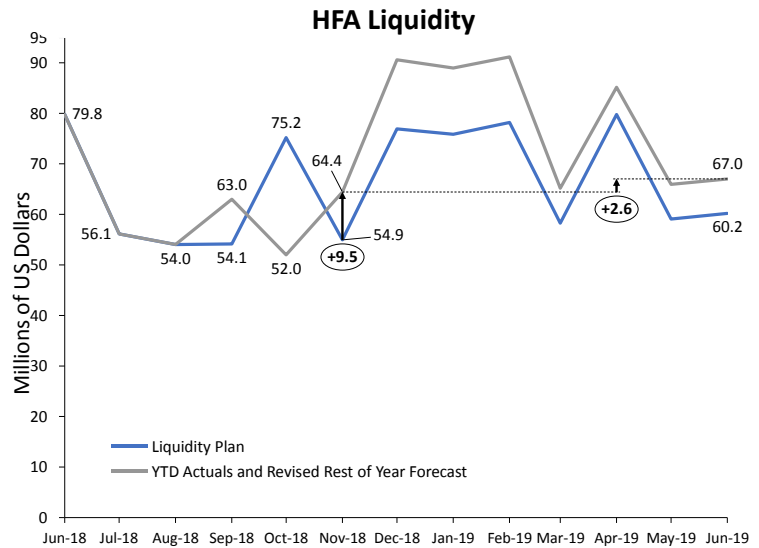
X. PUERTO RICO HOUSING FINANCE AUTHORITY (“HFA”)

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 Nov-18 cash balance was \$64.4M, while projected cash balance was \$54.9M. The \$9.5M favorable variance was driven primarily by favorable balance sheet activity. 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. 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. Month-to-month timing of HFA cash flows is inherently lumpy due to uncertain timing of balance sheet (i.e., asset/liability)-related cash flows.

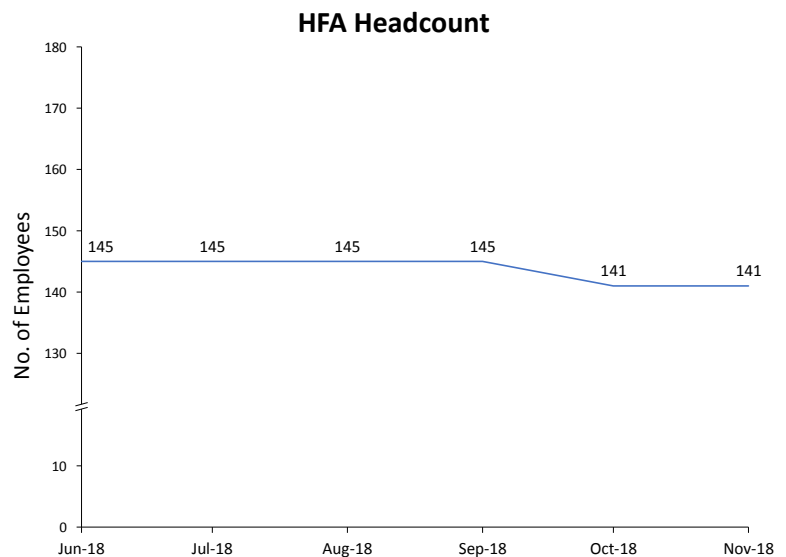
A. FY19 Operating Liquidity – Actuals²³ vs. Forecast

1. \$9.5M YTD actuals vs. Liquidity Plan:
 - a. \$2.0M in net federal fund positive variance relative to the forecast.
 - b. \$1.9M positive variance in net operating disbursements, primarily due to lower-than-forecast spend of intergovernmental receipts and other operating expenses.
 - c. \$5.4M improvement in net balance sheet disbursements, driven by lower cash disbursements for mortgage and construction loans, in addition to lower investment purchases.
 - d. \$0.2M positive variance in debt-related disbursements, as principal payments were slightly less than forecast.
2. \$2.6M forecast Dec-18 through Jun-19 cash build:
 - a. HFA is expected to generate cash throughout the remainder of FY19, driven primarily by balance sheet cash flow of \$16.2M, and federal fund and intergovernmental cash flow of \$8.6M, offset by \$5.9M in operating disbursements and \$16.3M in debt-related payments.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 145 to 141 from Jun-18 to Nov-18.
 - a. 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 \$3.0M.
 - a. Payroll has been reforecast from \$11.3M in the Liquidity Plan to better represent expected FY19 cash disbursements.

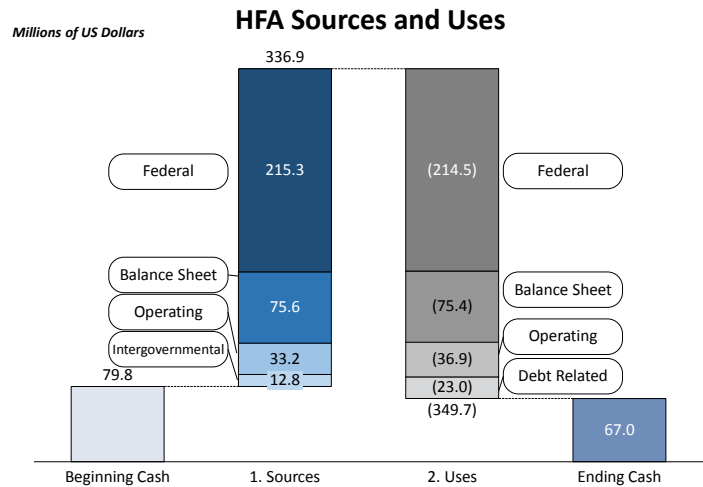


²³ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

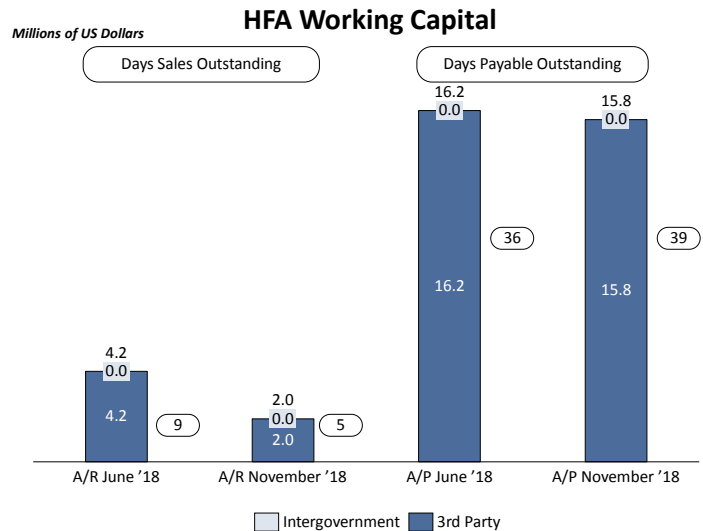
1. Sources \$336.9M:
 - a. Federal fund receipts of \$215.3M: funds from HUD will be used to help low-income home buyers either purchase a home or subsidize their rent, and funds from the CDBG program will be used to underwrite mortgages for qualifying low-income home buyers.
 - b. Other receipts include: balance sheet receipts of \$75.6M; operating receipts of \$33.2M, consisting primarily of interest income on loans, deposits, and investments; and intergovernmental receipts of \$12.8M.
2. Uses (\$349.7M):
 - a. Total disbursements consist of \$214.5M pass through of federal fund appropriations; balance sheet disbursements of \$75.4M, the majority of which is used to originate mortgage and construction loans; operating disbursements of \$36.9M, comprised primarily of payroll, professional services, and federal funds used to fund operations; and debt-related disbursements of \$23.0M, which consist of \$20.4M of principal payments and \$2.6M of interest payments.
 - b. The bulk of HFA disbursements reflect the pass through of receipts for federal fund programs such as HUD, HOME, and CDBG.



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

D. Accounts Receivable / Accounts Payable²⁴

1. Accounts Receivable:
 - a. (\$2.2M) decrease from Jun-18 to Nov-18 driven by a continued improvement in the collection of 3rd party receivables.
2. Accounts Payable:
 - a. (\$0.4M) decrease from Jun-18 to Nov-18 driven by a reduction in 3rd party payables.
3. Working Capital:
 - a. 3rd Party working capital has been a source of cash, totaling \$1.8M.



²⁴ Figures are unaudited and subject to change.

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

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

Key Takeaways: Month end cash balance at Nov-18 is \$38.9M. 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.

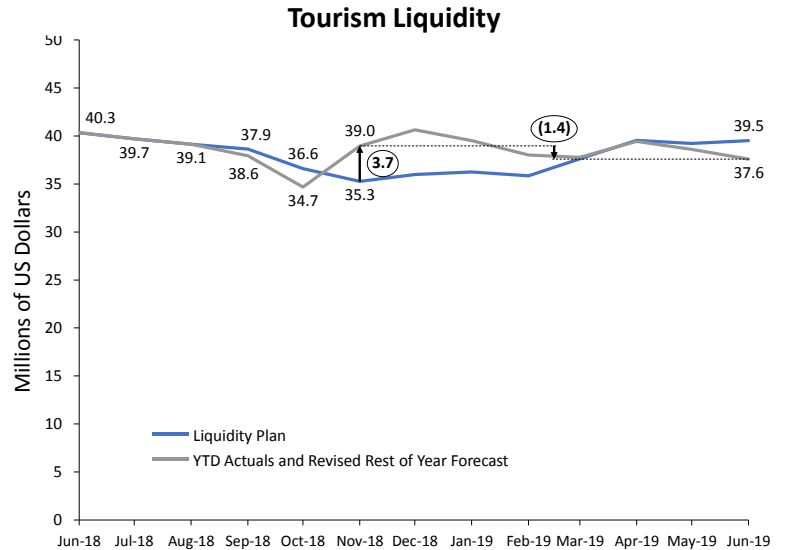
A. FY19 Operating Liquidity – Actuals²⁵ vs. Forecast

1. \$3.7M YTD actuals vs. Liquidity Plan:

- Favorable permanent variance in slot machine collections of \$14.6M due to: increasing play from various contractors and tourists; increase in the average hold rate, or casino gains from slot machine play, from 2017 to 2018 from 8.5% to 10.3% driving more casino profits per machine; and increased enforcement on illegal slot machine operations, which is driving local players into more legitimate venues.
- Unfavorable variance in slot machine waterfall disbursements of (\$13.9M) 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 (\$2.7M) driven primarily by rollover payments on Tourism’s FY18 Marketing Contract (“IXS”).
- Favorable permanent variance in room tax collections of \$1.1M, which is now expected to exceed forecast as the busy season progresses.
- Favorable permanent variance in payroll and other disbursements of \$1.0M – further detail is provided below.
- Favorable variance in purchased services \$1.0M and professional services \$0.8M due to Tourism making conservative financial decisions and reducing and/or delaying spend as a result of uncertainty surrounding the certified budget and the approval process of purchase orders with OMB.
- Favorable timing variances of other operating expenses of \$1.8M.

2. (\$1.4M) forecast Dec-18 through Jun-19 cash burn:

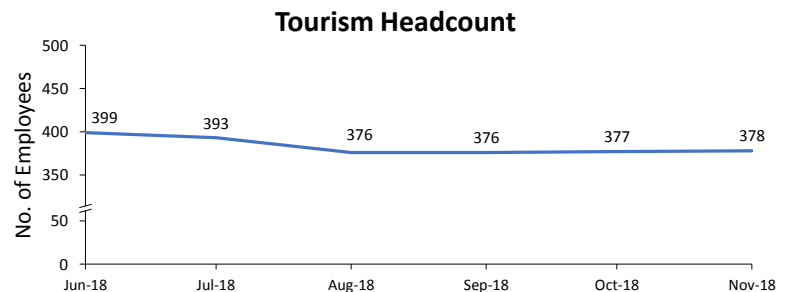
- Tourism expects to disburse an additional (\$4.5M) pertaining to the FY18 marketing contract – spend previously deferred in FY18 due to hurricanes and was under budgeted in Q1 FY19. This spend may offset by favorable collection trends with regard to slot machine and room tax collections, which may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



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 399 to 378 from Jun-18 to Nov-18.

- Reduction in headcount driven by employees participating in the Voluntary Transition Program officially being excluded from the headcount effective Aug-18.
- Headcount has remained relatively unchanged since Aug-18.



2. Payroll: Disbursements are forecast to be (\$22.2M) for FY19. YTD payroll is (\$8.2M).

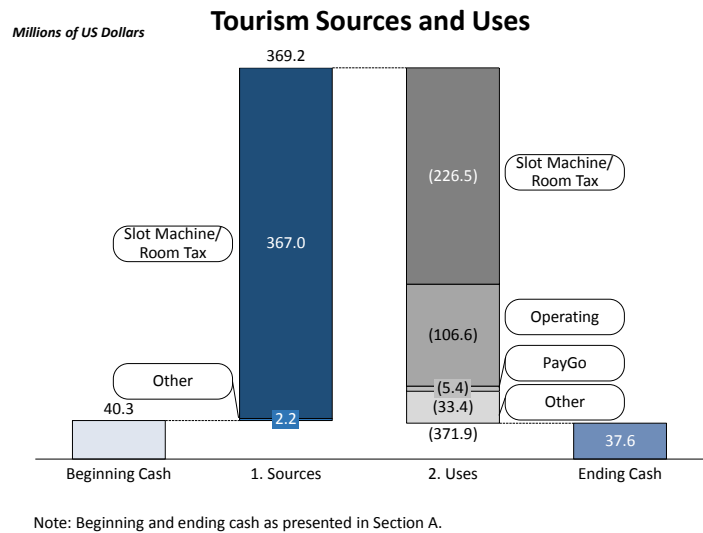
- Based on a five-month run rate, payroll and related costs have been approximately (\$1.6M) per month. Using this run rate, the annualized amount for FY19 should be (~\$20.0M), including Christmas bonuses, which is below the initial FY19 projection.

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

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

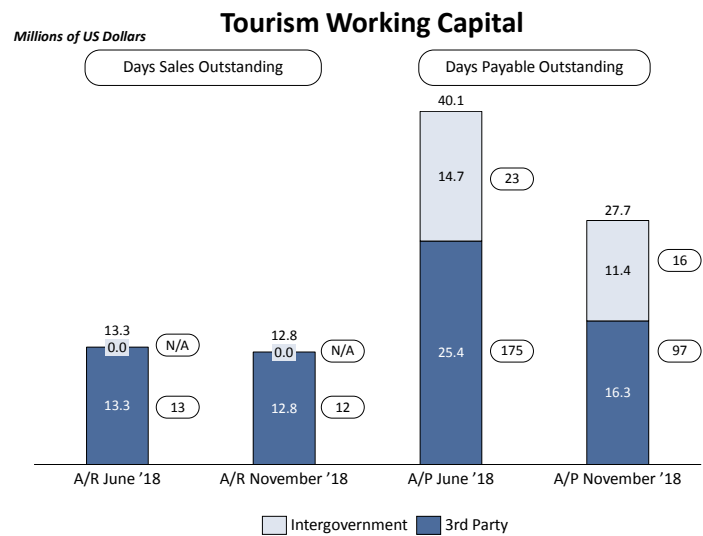
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$369.2M:
 - a. Primary Tourism sources of funds are slot machine revenues of \$295.0M, or 80%, and room taxes revenues of \$72.0M, or 19%. 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 (\$371.9M):
 - 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 intercompany marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements of (\$220.7M) and (\$5.8M) are made.
 - b. Operating expenses are projected to be (\$106.6M), built from payroll at (\$22.2M), subsidies/incentives at (\$16.9M), media/ads at (\$12.9M), purchased services at (\$10.3M), and other operating and DMO expenses of (\$44.2M).
 - 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 four payments totaling (\$1.9M) related to PayGo contributions, which is in line with forecast. FY19 PayGo contributions are expected to total (\$5.4M).



D. Accounts Receivable / Accounts Payable²⁶

1. Accounts Receivable:
 - a. (\$0.6M) decrease from Jun-18 to Nov-18 driven entirely by 3rd party A/R decreases which are primarily driven by timing of invoicing and collections pertaining to room tax and slot machine collections.
2. Accounts Payable:
 - a. (\$12.4M) decrease from June-18 to Nov-18, driven primarily by 3rd party A/P decreases of (\$9.1M) due to pay downs on the FY18 marketing contract ("IXS") and amounts owed to cruise lines incurred in FY18. There was also a decrease in intergovernmental A/P (\$3.3M) related to payments made to CCDA for amounts owed per room tax waterfall legislation for FY19, as well as prior years.



²⁶ Figures are unaudited and subject to change.

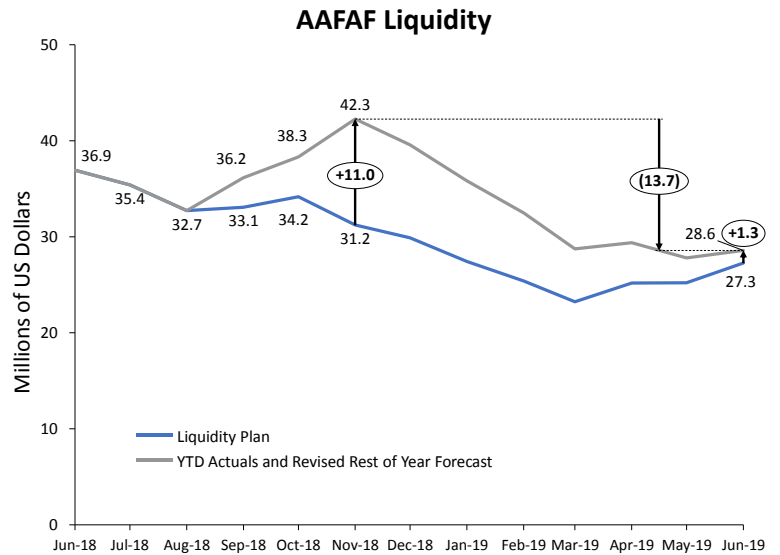
XII. FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (“AAFAF”)

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 \$1.3M higher than expected, as collections were strong in September of FY19, with AAFAF receiving a reimbursement of \$1.3M for an excess payment made in FY18, which is being carried forward as a permanent variance.

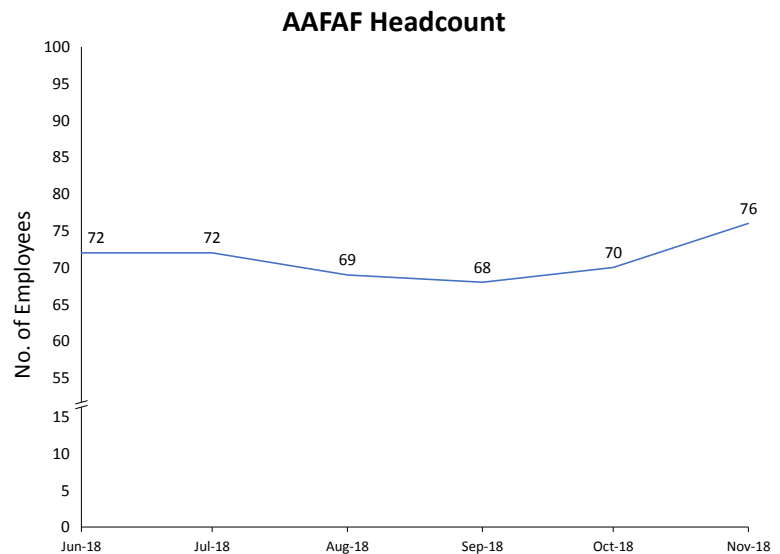
A. FY19 Operating Liquidity – Actuals²⁷ vs. Forecast

1. \$11.0M YTD actuals vs. Liquidity Plan:
 - a. \$9.9M professional services variance is due to AAFAF paying less-than-expected professional service fees as a result of timing and delayed invoice processing.
 - b. \$1.4M other receipts are related to reimbursement of invoices paid to GDB.
 - c. (\$0.3M) in payroll and related costs from Jun-18 to Nov-18 are a result of increasing headcount.
2. (\$13.7M) forecast Dec-18 through Jun-19 cash burn:
 - a. Liquidity decline due to reversal of positive timing variance related to professional service fees and expected increases in payroll and related costs.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 72 to 76 from Jun-18 to Nov-18.
 - a. Increase in headcount during November is a result of prior months’ decline in headcount.
2. Payroll: Disbursements are forecast to be \$7.9M for FY19. YTD payroll is \$2.8M.
 - a. The yearly run rate is currently below FY19 projection due to decreasing the headcount from Jun-18 to Oct-18; however, with new headcount additions, yearly run rate is expected to increase toward original projections.

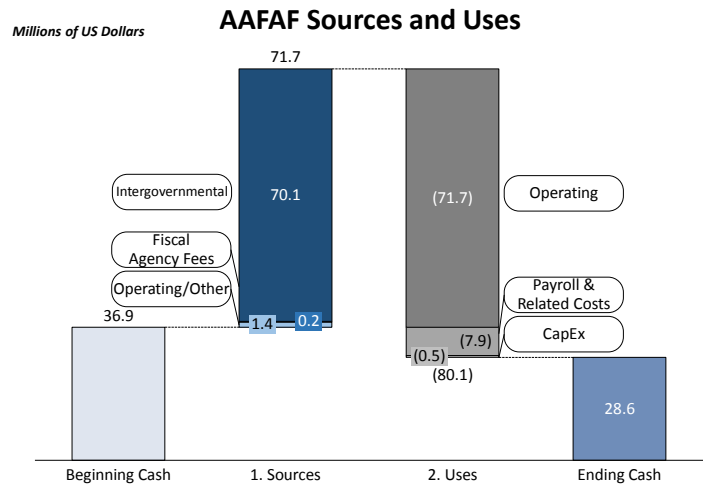


²⁷ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

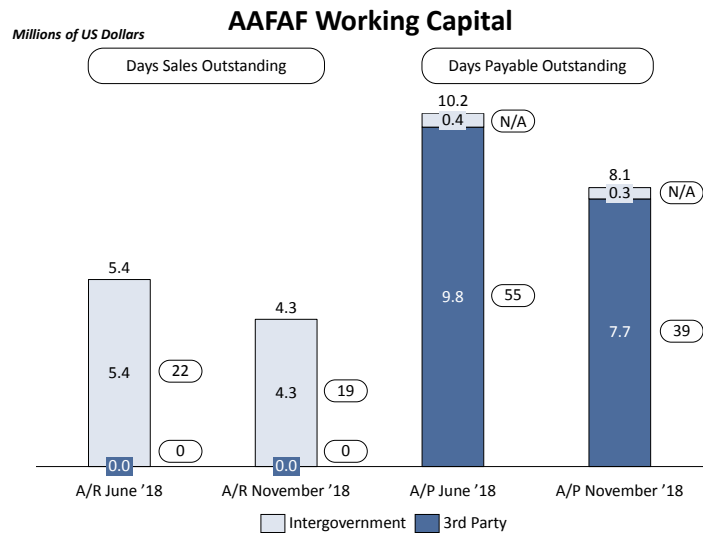
1. Sources \$71.7M:
 - a. \$70.1M General Fund appropriations from the central government are largely being used to administer restructuring efforts and provide financial reporting on behalf of the government.
 - b. \$1.4M in other receipts are due to the aforementioned reimbursement from GDB for an excess payment to a 3rd party vendor.
 - c. \$0.2M in Fiscal Agency Fees.
2. Uses (\$80.1M):
 - a. (\$71.7M) in operating disbursements, with professional services (\$68.3M) largely comprised of attorneys, accountants, restructuring advisors, etc., purchased services totaling (\$2.3M), facilities payments totaling (\$0.9M), and transportation expenses of (\$0.2M).
 - b. (\$7.9M) in payroll and related costs for FY19.
 - c. (\$0.5M) in CapEx for FY19.



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

D. Accounts Receivable / Accounts Payable²⁸

1. Accounts Receivable:
 - a. (\$1.1M) decrease from Jun-18 to Nov-18 driven by increased collections from intergovernmental entities.
 - b. DSO has decreased from 22 to 19 from Jun-18 to Nov-18 due to greater collections than receipts on account.
2. Accounts Payable:
 - a. (\$2.1M) decrease from Jun-18 to Nov-18 driven by the pay down of accrued professional service fees.
 - b. DPO has decreased from 55 to 39 from Jun-18 to Nov-18 due to disbursements outweighing purchases.
3. Working Capital:
 - a. (\$1.0M) use of cash from Jun-18 to Nov-18 driven by the working capital changes listed above.



²⁸ 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 favorable \$1.5M cash position to forecast, primarily due to unexpected Film Program receipts of \$1.4M in Sep-18, and an increasing Act 22 fee, in tandem with a favorable variance related to Donations, Subsidies, and Distributions, which is expected to maintain a positive variance for FY19. Material changes month over month are due to the ongoing consolidation and organizational restructuring taking place, with a primary impact on headcount. Cash flow is expected to be impacted by the consolidation beginning in Q3 FY19.

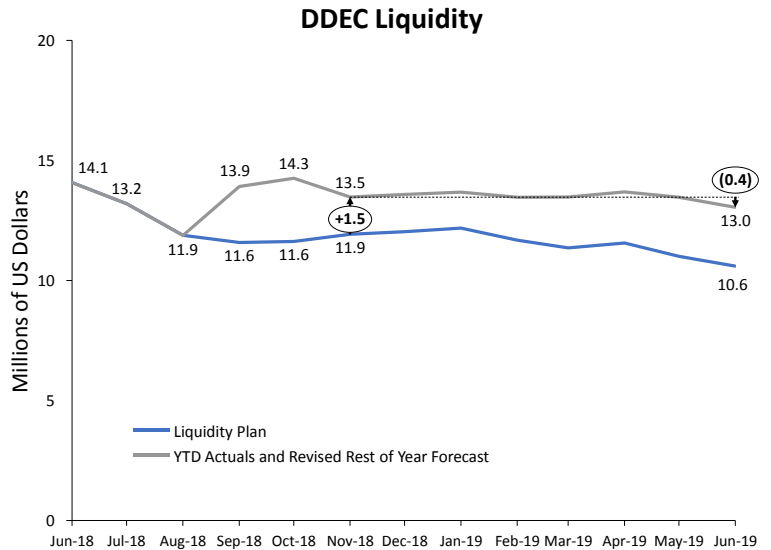
A. FY19 Operating Liquidity – Actuals²⁹ vs. Forecast

1. \$1.5M YTD actuals vs. Liquidity Plan:

- a. \$1.0M in higher operating receipts due to \$1.4M in Film Program Receipts and \$0.8M in Act 22 and management fees, offset by less-than-expected cash from general fund appropriations (\$0.3M) and management fees (\$0.7M).
- b. (\$3.4M) in lower receipts due to lower federal grants received; however, this is an expense-driven activity for DDEC.
- c. \$4.1M in lower operating disbursements primarily driven by \$3.5M favorability in donations, subsidies and distributions, which includes WIOA, as well as decreases in purchased services and contributions to nongovernment entities.
- d. (\$0.2M) in greater disbursements relating to federally supported projects, reflecting a permanent variance from the Liquidity Plan.

2. (\$0.4M) forecast Dec-18 through Jun-19 cash burn:

- a. DDEC’s decline in liquidity has slowed; however, it still remains negative due to donations and investments expected during FY19 to promote development on the island.



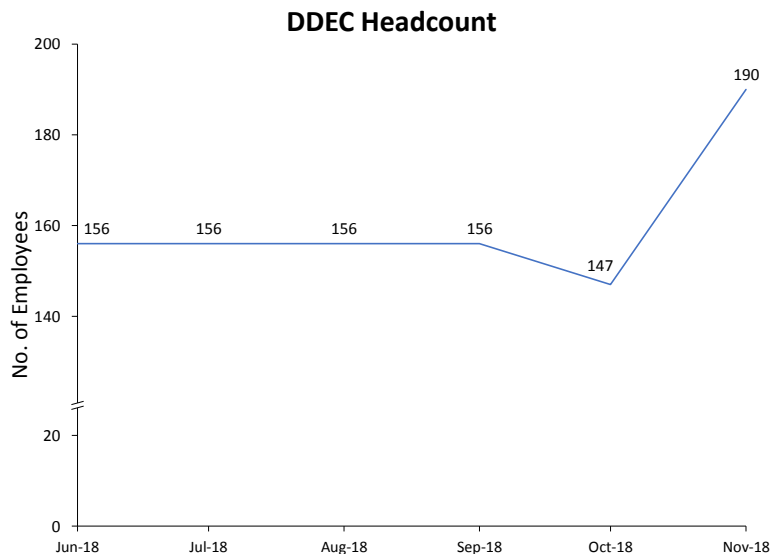
B. Headcount / Payroll

1. Headcount FTEs: Increased from 147 to 190 from Jun-18 to Nov-18.

- a. Large increase in headcount is due to the transfer of 43 employees from PRIDCO as a result of consolidation. Over the next few months headcount is expected to increase as new entities begin reporting under DDEC.

2. Payroll: Disbursements are forecast to be \$9.7M for FY19. YTD payroll is \$5.5M.

- a. The current payroll run rate exceeds FY19 projections, and is expected to increase as new entities begin reporting under DDEC.
- b. DDEC has not yet assumed payroll responsibilities for the additional 43 FTEs added in the month of November.

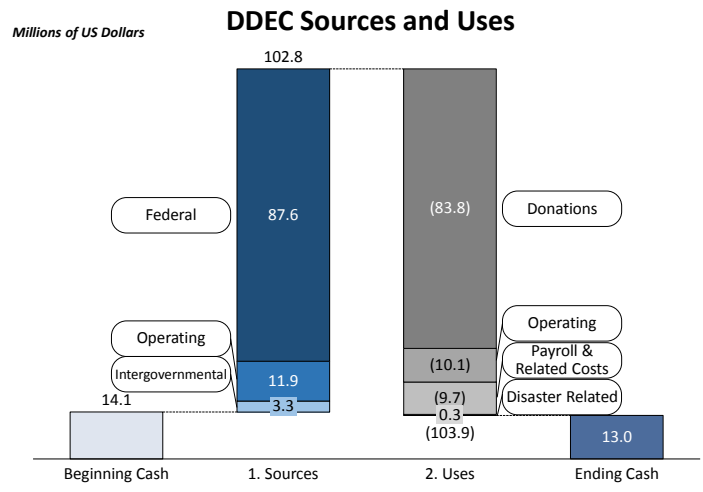


²⁹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

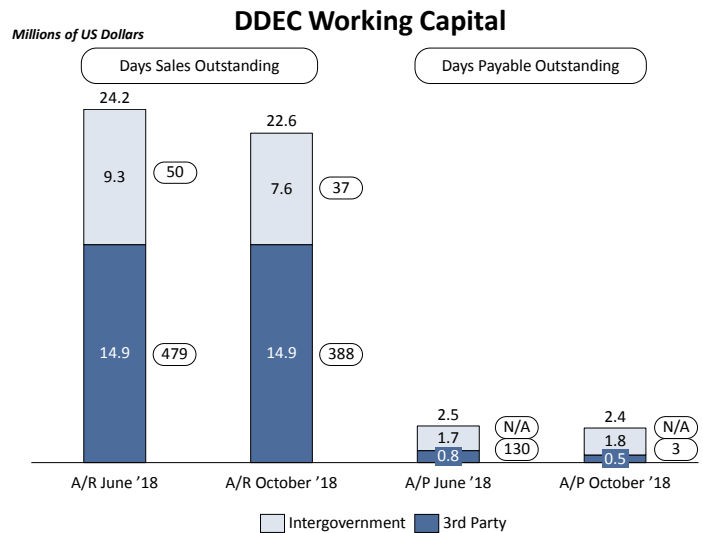
1. Sources \$102.8M:
 - a. Federal grants represent \$87.6M, or 85%, of total receipts, which are used for redevelopment efforts on the island.
 - b. Operating receipts are \$11.9M, or 12% of total receipts, with yearly run rate lower than FY19 projections due to no increases in the management fee, which were expected by DDEC management.
 - c. Intergovernmental receipts are \$3.3M, or 3% of total receipts.
2. Uses (\$103.9M):
 - a. Donations, subsidies, and distributions represent (\$83.8M), or 81%, of total disbursements, which are provided to local areas for redevelopment and to the people through the WIOA.
 - b. Operating Expenses of (\$19.8M) primarily consisting of payroll and related costs of (\$9.7M), professional and purchased services combining to (\$6.0M), equipment costs of (\$1.0M), and (\$3.1M) of additional operating expenses.
 - c. Disaster-related disbursements of (\$0.3M) have been incurred during FY19.
 - d. Forecast has not been adjusted to reflect the addition of 43 new employees during November.



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

D. Accounts Receivable / Accounts Payable³⁰

1. Accounts Receivable:
 - a. \$1.6M decrease from Jun-18 to Nov-18 driven by increased collections from operating activities, primarily Film Program Receipts and Act 22 fees.
2. Accounts Payable:
 - a. \$0.1M decrease from Jun-18 to Nov-18 driven by an increase of payments to 3rd parties, offsetting the increase in purchases towards intergovernmental entities.
3. Working Capital:
 - a. \$1.5M source of cash as a result of the decrease in accounts receivable outweighing the minor decrease in accounts payable.



³⁰ Figures are unaudited and subject to change.

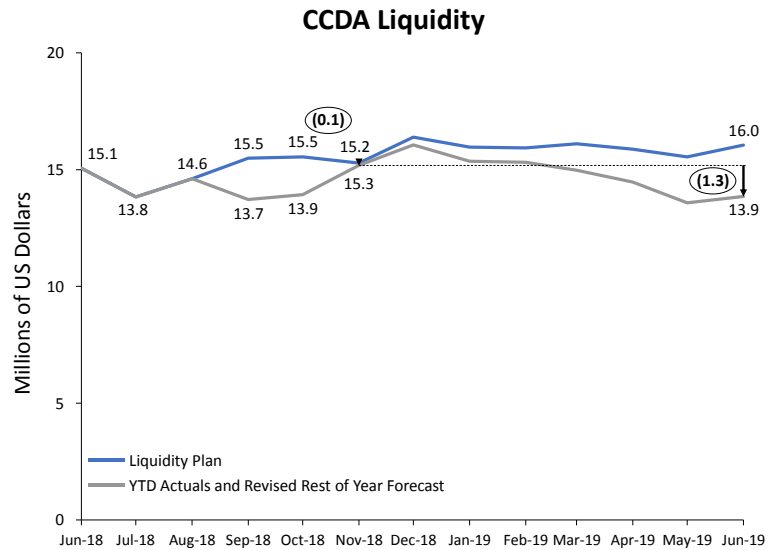
XIV. PUERTO RICO CONVENTION CENTER DISTRICT AUTHORITY (“CCDA”)

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 \$15.1M in cash after adjusting for previously categorized non-operating bank accounts, whereas prior month’s liquidity report began with \$7.6M in cash. Projected decline in liquidity for the remainder of the year is primarily related to deferred CapEx from FY18 and additional CapEx projects for FY19.

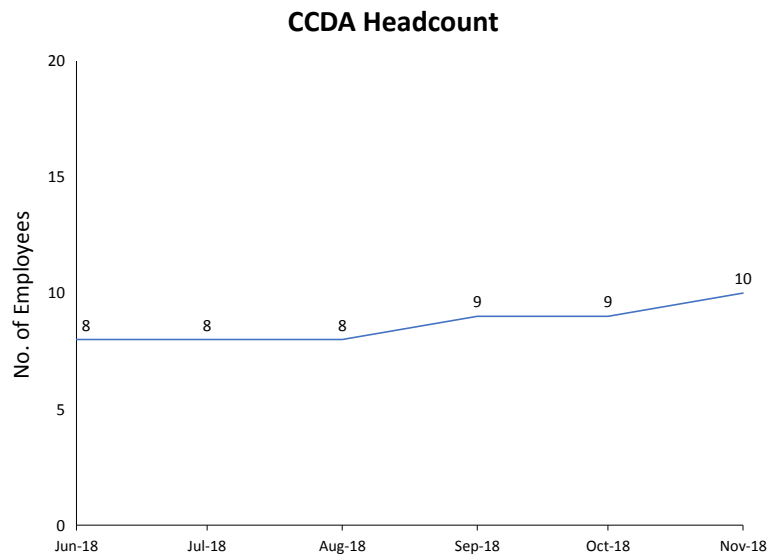
A. FY19 Operating Liquidity – Actuals³¹ vs. Forecast

1. (\$0.1M) YTD actuals vs. Liquidity Plan:
 - a. \$0.9M in operating receipts, \$0.3M in permanent effects due to revised collections from hotels, and \$0.6M is timing related due to cash receipts for future convention center events.
 - b. (\$0.5M) relating to PR Room Taxes, which is due to timing of payments made by Tourism.
 - c. \$1.0M in Disaster-related receipts for redevelopment efforts, which is a permanent variance to the cash flow forecast.
 - d. (\$0.4M) in operating disbursements due to an unfavorable purchased services variance with an offsetting favorable facilities variance.
 - e. (\$1.9M) in CapEx due to completion of projects from both FY 18 and FY19 in the cash flow forecast.
 - f. \$0.8M source of cash due to inflows from restricted accounts to fund a portion of CapEx payments.
2. (\$1.3M) forecast Dec-18 through Jun-19 cash burn:
 - a. Expected reduction in liquidity is due to completion of past-due and future CapEx projects.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 8 to 10 from Jun-18 to Nov-18.
 - a. Forecast to increase by three in FY19, which will consist of one post in accounting and two posts in operations.
2. Payroll: Disbursements are forecast to be \$1.0M for FY19. YTD payroll is \$0.3M.
 - a. The yearly run rate is slightly behind FY19 projection; however, it is expected to increase as additional FTEs are added.

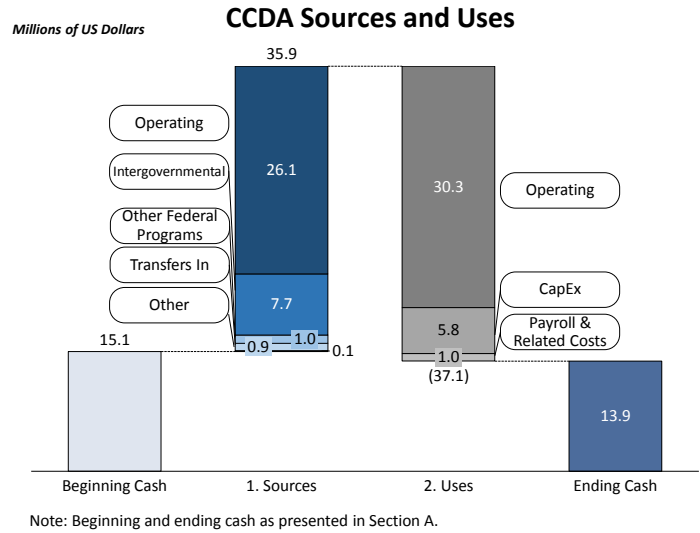


³¹ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

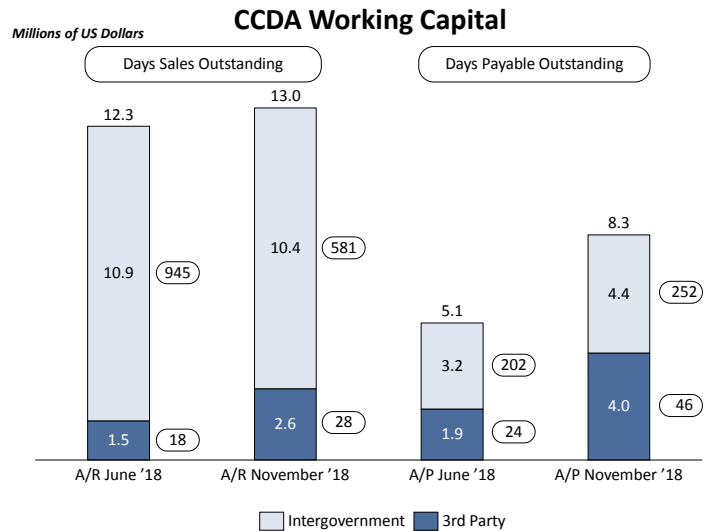
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$35.9M:
 - a. Operating receipts total \$26.1M, consisting of income from the PR Coliseum, the Convention Center, and other rental income.
 - b. Intergovernmental receipts make up \$7.7M of total sources of funds, which relates to Room Tax payments made to CCDA by the Tourism Company of Puerto Rico.
 - c. Transfers from restricted accounts to fund CapEx has provided a net source of cash totaling \$0.9M.
 - d. Disaster-related and other receipts account for \$1.0M and \$0.1M of total receipts, respectively.
2. Uses (\$37.1M):
 - a. Operating expenses combine to (\$30.3M), with purchased services and facilities payments accounting for (\$29.2M) of total operating expenditures.
 - b. Payroll and related costs for FY19 is (\$1.0M).
 - c. CapEx is a (\$5.8M) use of cash, and is utilized for maintaining the quality of owned assets on the island.



D. Accounts Receivable / Accounts Payable³²

1. Accounts Receivable:
 - a. \$0.7M increase from Jun-18 to Nov-18 driven by greater 3rd party receipts, offsetting a decrease in intergovernmental accounts receivables.
2. Accounts Payable:
 - a. \$3.2M increase from Jun-18 to Nov-18 driven by additional invoices relating to CapEx and purchased services.
3. Working Capital:
 - a. \$2.5M source of cash as a result of the accounts receivable and accounts payable changes listed above.



³² Figures are unaudited and subject to change.

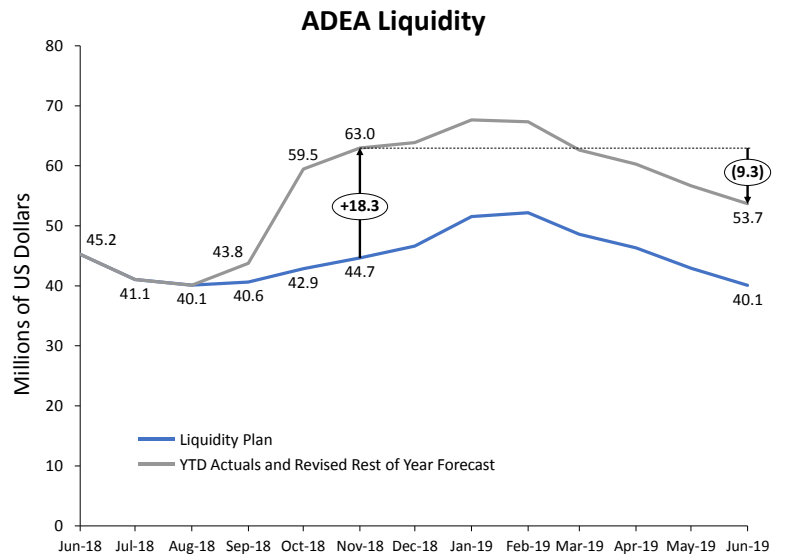
XV. PUERTO RICO ADMINISTRATION FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES (“ADEA”)

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’s net cash flow through Nov-18 was \$3.5M, primarily driven by timing variances in other operating expenses and contributions to nongovernmental entities, whereby ADEA provides subsidies and incentives for the municipalities of Puerto Rico and their respective farming/agricultural initiatives. At month end Nov-18, ADEA’s cash position is \$62.9M, which is roughly equivalent to 21 weeks of operating disbursements. ADEA did not make any PayGo payments in November, but is forecast to pay another \$9.0M in PayGo for the remainder of FY19.

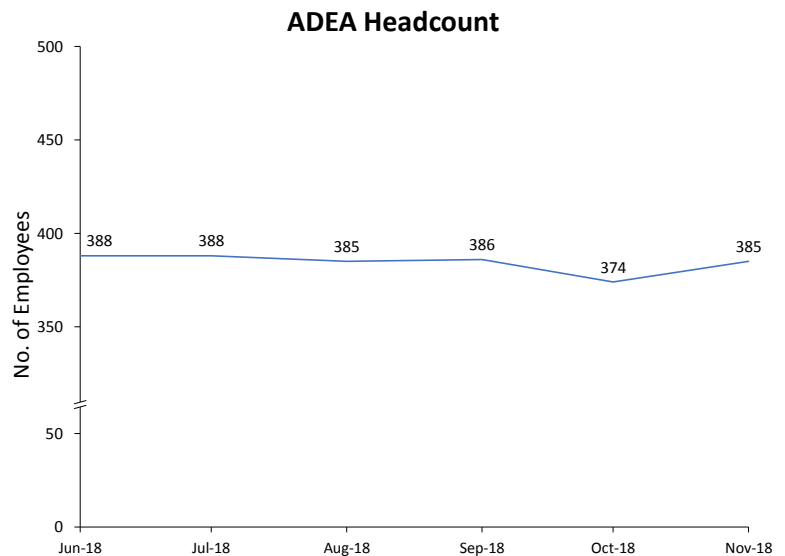
A. FY19 Operating Liquidity – Actuals³³ vs. Forecast

1. \$18.3M YTD actuals vs. Liquidity Plan:
 - a. \$20.2M in operating receipts of which \$16.2M is permanent as ADEA has collected on prior year receivables from the Department of Education.
 - b. (\$1.9M) timing variances in operating disbursements which are expected to normalize in FY19. Variances are primarily driven by (\$2.7M) in PayGo and (\$3.9M) in other vendors, where disbursements have occurred earlier than forecast. Partially offsetting this is a \$3.3M favorable timing variance in contributions to nongovernmental entities where ADEA has yet to make disbursement.
2. (\$9.2M) forecast Dec-18 through Jun-19 cash burn:
 - a. \$85.8M in forecast total receipts driven by: \$46.8M in operating receipts and \$39.0M in intergovernmental receipts.
 - b. (\$95.1M) in forecast total disbursements, driven primarily by its (\$30.4M) in contributions to nongovernmental entities and (\$41.2M) in other operating expenses. Other expense concepts driving cash reduction include: payroll at (\$9.0M), PayGo at (\$8.3M), and other vendors at (\$3.4M).



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 388 to 385 from Jun-18 to Nov-18.
 - a. FTEs increased by 11 during the month of November.
2. Payroll: Disbursements are forecast to be \$15.0M for FY19. YTD payroll is \$6.0M.
 - a. Payroll has remained largely in line with Liquidity Plan.

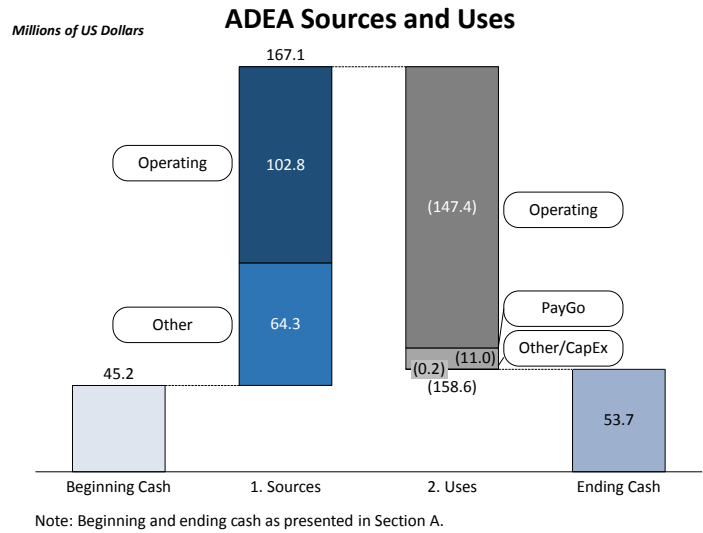


³³ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XV. PUERTO RICO ADMINISTRATION FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES (“ADEA”) (Continued)

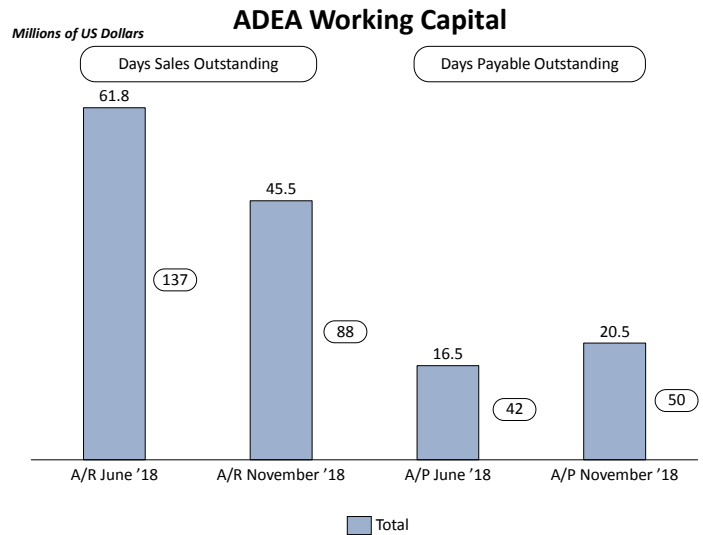
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$167.1M:
 - a. Operating receipts of \$102.8M include: coffee market making, school cafeteria receipts, and seed distribution, including pass through of government programs of \$2.9M. Intergovernmental receipts of \$64.3M are General Fund appropriations.
2. Uses (\$158.6M):
 - a. Operating disbursements are forecast to be (\$158.4M), including: (\$65.8M) of other operating expenses, such as coffee, food purchases, and seed production; payroll, including Christmas bonuses, of (\$15.1M); contributions to nongovernmental agencies for (\$47.9M); facilities and payments to public services of (\$1.1M); and (\$17.5M) in other expenses; and PayGo disbursements are forecast to total (\$11.0M).
 - b. CapEx disbursements of (\$0.2M).



D. Accounts Receivable / Accounts Payable³⁴

1. Accounts Receivable:
 - a. \$16.3M decrease from Jun-18 to Nov-18 largely driven by the collection of prior year(s) receivables from the Department of Education.
 - b. DSO decreased from 137 in Jun-18 to 88 in Nov-18.
2. Accounts Payable:
 - a. \$3.9M increase from Jun-18 to Nov-18.
 - b. DPO increased in the same time period from 42 to 50 days.
3. Working Capital:
 - a. The change in net working capital in Nov-18 increased cash by \$20.3M since Jun-18, as it collected on receivables and have stretched payables.



³⁴ Figures are unaudited and subject to change.

APPENDIX A: RECONCILIATION BETWEEN NOVEMBER 2018 AAFAF REPORTED FIGURES³⁵ AND THE FIGURES IN THIS REPORT³⁶

Millions of US Dollars

COMPONENT UNIT	AAFAF Reported Balance	Actual Balance 11/30/2018	Variance	Variance due to:	
				Timing	Nonoperational Accounts+16
PUERTO RICO PORTS AUTHORITY ("PORTS") (a)	32.0	28.2	3.8	(1.5)	5.2
MEDICAL SERVICES ADMINISTRATION ("ASEM") (b) (c)	33.7	11.4	22.3	5.6	16.7
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	23.3	23.6	(0.2)	(0.2)	-
STATE INSURANCE FUND CORPORATION ("FONDO") (b)	244.2	243.8	0.4	0.0	0.4
HEALTH INSURANCE ADMINISTRATION ("ASES") (b) (d)	284.7	284.5	0.2	0.2	-
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA") (e)	395.9	380.8	15.2	0.4	14.8
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (f)	87.7	66.2	21.5	(0.0)	21.5
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio") (g)	10.3	9.4	0.8	-	0.8
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (h)	-	-	-	-	-
HOUSING FINANCE AUTHORITY ("HFA") (b)	65.1	64.4	0.7	0.7	-
PUERTO RICO TOURISM COMPANY ("TOURISM") (i)	104.4	39.0	65.5	0.0	65.5
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	41.7	42.3	(0.6)	(0.5)	(0.0)
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	13.8	13.5	0.3	0.0	0.3
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA") (j)	32.6	15.2	17.4	-	17.4
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	61.5	63.0	(1.5)	(1.5)	-

Notes (11/30/18):

(a) \$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 \$16.7M of AAFAF cash, distributed as follows: CapEx \$13.6M; Medical Records Project \$0.3M; Malpractice Insurance Reserve \$2.1M; FEMA Funding \$0.6M, other (not significant <\$.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, 2 days prior.

(e) \$14.8M 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: \$57.8M in restricted account; \$7.4M in Tourism subsidiary accounts not included in Tourism operating cash; and \$0.2M in restricted account earmarked for disaster-spend.

(j) Non-operational accounts include: \$14.1M in special purpose funds from ticket sales that do not belong to CCDA; \$2.5M restricted cash for individual local areas and venues; and \$0.8M other.

³⁵ AAFAF reported figures as per "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities" report dated November 30, 2018.

³⁶ This report is prepared based on reported operational cash balances as of November 30, 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	M/E Nov-18
PUERTO RICO PORTS AUTHORITY ("PORTS")	505	505	501	501	499	499
MEDICAL SERVICES ADMINISTRATION ("ASEM")	1,655	1,634	1,626	1,630	1,616	1,613
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA") (a)	887	887	876	881	879	873
STATE INSURANCE FUND CORPORATION ("FONDO")	2,879	2,867	2,858	2,852	2,844	2,756
HEALTH INSURANCE ADMINISTRATION ("ASES")	60	57	60	57	58	58
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	1,245	1,244	991	946	930	900
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (a)	1,102	1,102	1,094	1,093	1,092	1,091
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	572	570	563	561	568	551
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (b)	N/A	192	188	188	187	144
HOUSING FINANCE AUTHORITY ("HFA")	145	145	145	145	141	141
PUERTO RICO TOURISM COMPANY ("TOURISM")	399	393	376	376	377	378
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	72	72	69	68	70	76
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	156	156	156	156	147	190
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	8	8	8	9	9	10
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	388	388	385	386	374	385
TOTAL	10,073	10,220	9,896	9,849	9,791	9,665

Notes:

(a) Estimate for June and July Month End.

(b) PRIDCO not a CU tracked in FY18.

