



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

Component Unit Liquidity

FOR THE MONTH OF MAY 2019

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
Abriendo Caminos	A 2018 infrastructure program to repair and maintaining island roads.
ACAA	Automobile Accident Compensation Administration, an agency of the Commonwealth of Puerto Rico.
Act 22	Enacted in 2012 and known to “Promote the Relocation of Individual Investors to Puerto Rico,” Act No. 22 provides tax exemptions for investment income to eligible individuals who become 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 Autobus Authority.
A/P	Accounts payable.
A/R	Accounts receivable.
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.
ASSMCA	Administration of Mental Health and Anti-Addiction Services of Puerto Rico.
ATI	Puerto Rico Integrated Transit Authority.
ATM	Maritime Transportation Authority.
BBA	Bi-Partisan Budget Act of 2018.
BDE	Economic Development Bank of Puerto Rico.
CapEx	Capital expenditures.
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.
CM	Conway MacKenzie, Inc.
CMS	Clinical Medical Services provides an Integrated Home Health Delivery System consisting of Durable Medical Equipment, Respiratory Equipment, Home Health, Orthotics, Prosthetics and Home Infusion Services.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
COR3	Central Office of Recovery and Reconstruction of Puerto Rico.
CRIM	Center for the Collection of Municipal Revenues rendering fiscal services in favor of the Municipalities and has the responsibility to notify, assess, collect, receive and distribute the public funds from the property tax, the state subsidy, funds from the Electronic Lottery, and any other funds that are disposed by law for the benefit of the Municipalities of Puerto Rico.
CU	See ‘Component unit.’
DDEC	Puerto Rico Department of Economic Development and Commerce, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Disaster-Related Disbursements	Expenditures related to the damages caused from hurricanes Irma and Maria.
Disaster-Related Receipts	Federal emergency funds, insurance related to hurricanes Irma and Maria.
DMO	Direct Marketing Organization.
DPO (Intergovernmental)	Days Payable Outstanding [Intergovernmental Payables divided by trailing 12 months PayGo Charges plus Facilities/Rent Payments multiplied by 365].
DPO (Third Party)	Days Payable Outstanding [Third Party Payables divided by trailing 12 months Operating Disbursements, not including Payroll Costs, PayGo, Christmas Bonus, or Facilities/Rent Payments multiplied by 365].

DSO (Intergovernmental)	Days Sales Outstanding [Intergovernmental Receivables divided by trailing 12 months Intergovernmental Receipts multiplied by 365].
DSO (Third Party)	Days Sales Outstanding [Third Party Receivables divided by trailing 12 months Third Party Receipts multiplied by 365].
DTOP	Puerto Rico Department of Transportation and Public Works.
DTPR, Hacienda	Puerto Rico Department of Treasury.
ERS	Employees Retirement System of Puerto Rico.
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.
GDB	Government Development Bank for Puerto Rico, a former government agency currently winding down operations under PROMESA.
General Fund	The Commonwealth's principal operating fund.
HFA	Puerto Rico Housing Finance Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HTA	Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HUD	Department of Housing and Urban Development responsible for national policy and programs that address U.S. housing needs, improve and develop communities, and enforce fair housing laws.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.
Invest Puerto Rico	Nonprofit investment organization created by Act 13-2017 to promote Puerto Rico as a competitive investment jurisdiction to attract new business in order to drive economic development.
IXS	Marketing contract through advertising company KOI IXS for Puerto Rico.
Liquidity Plan (LP)	Projected cash flows for each component unit, based on their respective government FY19 Budget submission on September 7, 2018.
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.
OCFO	The office of the Chief Financial Officer of Puerto Rico.
OECI	Office of Industrial Tax Exemption of Puerto Rico.
OGPE	The Permit Management Office of Puerto Rico, established to facilitate and promote integral, economic, social and physical sustainable development of Puerto Rico through the issuance of permits, licenses, and other necessary authorizations.
Operating Disbursements	Includes payroll and related costs, material and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
Operating Receipts	Revenues collected from operations.
Other Inflows	Sales of toll tags, rental income, and impact fees.
Other Outflows	Payments to suppliers from prior years.
Partial Task Appointees	Fixed-term appointments granted to cover a position, or an unregulated position that entails the provision of services through an irregular schedule, depending on their classification as teaching staff or non-teaching staff. The permanence to the employees of the University of Puerto Rico is guaranteed.

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.
PBM	Pharmacy Benefit Manager in Puerto Rico.
Permanent Appointees	Appointments granted to cover a position, or regular position approved in the budget, after the incumbent has satisfactorily complied the period of probationary work.
PHA	Public Housing Administration, 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.
Probationary Appointees	Appointments initially granted to cover a position, or a position approved in the budget for a fixed duration in accordance with the provisions of the General Rules of UPR. During the appointment period, the appointee will be subjected to evaluation to determine, if at the end of the probationary period, he/she will be retained for a permanent appointment.
PROMESA	The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) is a 2016 US federal law that established an oversight board, a process for restructuring debt, and expedited procedures for approving critical infrastructure projects in order to combat the Puerto Rican government-debt crisis.
Special Appointees	Appointments granted to cover a position, or position paid with funds of extra university origin, whose recurrence is not guaranteed. The University authorities may consider the experience acquired by employees with this type of appointment, if they happen to occupy regular positions.
Substitute Appointees	Appointments granted to university staff for a period not greater than twelve (12) months, to provisionally cover a position or regular position approved in the budget, while the incumbent in ownership thereof is in use of the license. This appointment must not be the prelude to a probationary or permanent appointment, unless this is achieved through the regular procedure that establishes the General Rules of UPR.
Temporary Appointees	Appointments granted to cover a non-regular position or positions, which get approved for a fixed period no longer than twelve (12) months to meet the needs of special services, such as unforeseen and occasional increases in the volume of the work.
Tourism	Tourism Company of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Trust Position	Appointments that extend to university personnel denominated of trust in Chapter VIII, Article 71 of the General Rules of UPR. The positions of trust will be of free selection and removal in regard to the positions or posts thus classified; but will retain the rights acquired by virtue of some previous regular appointment in the System.
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. UPR consists of 11 campuses: Medical Sciences, Aguadilla, Arecibo, Bayamón, Carolina, Cayey, Humacao, Mayagüez, Ponce, Río Piedras, and Utuado.
VTP	Voluntary Transition Program, as established by AAFAF Administrative Orders 2017-05, 2018-03, 2018-04, 2018-05, 2018-06, and 2018-13.

WIOA

The Workforce Innovation and Opportunity Act is a United States public law that replaced the previous Workforce Investment Act of 1998 as the primary federal workforce development legislation to bring about increased coordination among federal workforce development and related programs.

INTRODUCTION

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

This report is for the month of May 2019¹, and presents information with respect to 19 select CUs. 15 of 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”). Three new CUs were added during the third quarter of 2019. Automobile Accident Compensation Administration (“ACAA”) was added as of the January 2019 report, while Public Housing Administration (“PHA”) and Central Recovery and Reconstruction Office (“COR3”) were added as of the February 2019 report. The Liquidity Plans for these CUs have been developed based off of actual information received through January 2019. One new CU, University of Puerto Rico (“UPR”), was added as of this May 2019 report. The Liquidity Plan for UPR was developed based off of actual information received through April 2019. All 19 CUs reevaluated their 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 this document under section “A” for each CU.

The forecasts contain projections of cash receipts, cash disbursements, and CapEx. Cash receipts 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. Cash disbursements 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.

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 variances, 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 (Appendix A) is a cash reconciliation. A bridge is provided between the actual cash data provided by the CUs as of May 31, 2019 and the May 2019 AAFAF reported figures (COB 5/31/2019) represented in the “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities,” which was released on May 31, 2019. The second Appendix (Appendix B) item is a consolidated view of CU headcount and payroll information, which is based on information provided by CU management.

¹ References to May 2019 in this report refer to the period of April 27, 2019 through May 31, 2019, when the CUs performed their monthly cut off for cash flow reporting purposes.

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EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF MAY 31, 2019

Millions of US Dollar

COMPONENT UNIT	HIGHLIGHTS	FY19 BEG. BALANCE	ACTUAL 5/31/2019 (a)	FY19 F'CAST Y/E BALANCE
PUERTO RICO PORTS AUTHORITY ("PORTS") (b)	Port's liquidity position increased by \$2.5M fiscal YTD to \$30.0M primarily due to inflows from operations and Capex deferrals related to the Culebra Ferryboat Ramp Repair project. Inflows from operations continue to be above plan due to increased cruise ship and airport traffic. Ports projects a cash balance of \$29.0M at the end of FY19.	27.5	30.0	29.0
MEDICAL SERVICES ADMINISTRATION ("ASEM")	YTD, ASEM has generated a net cash flow of \$8.6M primarily due to prior years' collections from intergovernmental institutions not forecasted in FY19, which are driving a more favorable YTD and projected FY19 cash position compared to the Liquidity Plan. Cash burn for the rest of the year is due to catch-up spend on prior year vendor disbursement and payroll obligations.	11.8	20.4	6.6
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	PRITA's liquidity position increased by \$7.5M fiscal YTD to \$18.5M primarily due to a timing difference related to receipt of \$15.8M in general funds to operate the 'Fast Ferry' early in FY19 and due to receipt of federal funds for work petitioned in FY18. PRITA currently makes \$1.0M in monthly 'Fast Ferry' payments. PRITA continues to have significant risk due to operating receipts being less than operating disbursements, requiring general fund appropriations to support its public transportation services.	11.0	18.5	17.5
STATE INSURANCE FUND CORPORATION ("FONDO")	YTD liquidity has increased, driven by (1) seasonal timing of collections for premiums; major invoice and collection periods are July/August and January; and (2) lower than forecasted spending on medical-related disbursements due to lower claims. In May-19, Fondo made a transfer to an investment account amounting to \$35.0M. Cash burn for the remainder of the year will be driven by disbursements outpacing the slower collections as Fondo awaits the 2nd primary collection period in July when January invoices become due.	127.2	197.4	170.0
HEALTH INSURANCE ADMINISTRATION ("ASES")	YTD liquidity has decreased primarily due to delays in FY19 federal funding of (\$259.1M) as result of delays from recertification of the new healthcare model implemented in Nov-18. This is partially offset by delayed healthcare premiums spending of \$156.9M due to the new healthcare model. The remaining year cash burn is immaterial, and ASES will continue to make disbursements related to prior month healthcare premiums and subsequently catch-up on federal funding receipts for FY19 as reconciliations between contracted MCOs and the Center for Medicare and Medicaid Services ("CMS") continue to finalize.	54.3	249.5	246.9
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	HTA's liquidity position increased by \$71.2M fiscal YTD to \$318.1M driven by the receipt of intergovernmental funding for CapEx, while related CapEx continues to be delayed due to shortage of qualified contractors available to start projects. Projected FY19 ending cash balance is \$320.8M driven primarily due to this delay in CapEx spending.	252.8	318.1	320.8
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	PBA's liquidity position increased by \$23.1M YTD driven by collection of A/R related to prior year's direct rent, release of general fund reserves, and receipt of insurance proceeds related to damage from last year's hurricanes. Projected decrease in FY19 ending cash balance of \$13.3M is driven by operating and disaster-related expenses. Disaster related expenses timing is uncertain and may shift to FY20.	44.2	67.3	54.1
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	YTD liquidity has increased primarily due to favorable patient collections in Feb-19 and Mar-19, which reverses unfavorable variances in prior months from seasonality effects, as ambulatory and elective procedures tend to be lower in November and December. Cardio remains challenged by labor shortages, as headcounts have dropped by 5% since Jun-18. 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	11.0	11.0
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	YTD liquidity has increased through the year, primarily due to PRIDCO's deferring of its PayGo obligations. It should be noted that PRIDCO's cash flow has been insufficient to pay both PayGo and trustee debt reserve by end of FY19 due to lower rental receipts and asset sales. As a result, PRIDCO did meet its full debt reserve obligations which were \$9.1M through Dec-18, but is in the process of developing a payment plan to become current on its outstanding PayGo obligations.	9.4	14.8	(10.0)
HOUSING FINANCE AUTHORITY ("HFA")	HFA began FY19 with \$79.8M in cash, and currently has cash on hand of \$76.6M as of month-end May-19. HFA experienced an increase in cash of \$14.7M from prior month, mainly driven by May net balance sheets receipts of \$17.0M, related to proceeds of redemption of investments, and partially offset by net federal fund disbursements of (\$6.5M) for the month. HFA is expected to remain relatively cash neutral for the balance of FY19.	79.8	76.6	77.5
PUERTO RICO TOURISM COMPANY ("TOURISM")	YTD liquidity has increased primarily due to (1) stronger than forecasted slot machine collections, and (2) less payroll spending compared forecast as this line-item was over budgeted. There is potential upside to the Y/E projection if collections continue to outperform and Tourism continues to make spending cuts in professional services.	40.3	46.9	42.6
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	YTD liquidity has increased due to fewer disbursements than expected for professional service fees, which are being reforecast, in part, into the remainder of FY19 which represents the largest use of cash.	36.9	61.1	41.2
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	YTD liquidity has increased due to greater Management fees and Act 22 receipts, as well as cash transfers from PRIDCO and Hacienda for payroll and operating expenses of consolidating entities for the remainder of FY19.	14.1	23.3	24.2
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	YTD liquidity has decreased due to a \$3.8M insurance payment that was delayed through FY18-19, which is carried through as a permanent variance in the forecast. In addition, further decline in liquidity is due to the completion of past-due and future CapEx projects not included in the original Liquidity Plan.	15.1	9.3	8.1
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	ADEA's liquidity position increased by \$17.8M fiscal YTD driven by its coffee market making operations and due to collections on the past year's receivables from the Department of Education related to the school cafeteria program. Projected decline in FY19 ending cash balance of \$22.5M is driven primarily by \$9.3M in farmer incentive and subsidy payments, as well as \$9.2M in rural infrastructure investments and \$3.0M in PayGo payments.	45.2	63.1	40.6
AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA")	Liquidity has increased primarily due to premiums growing faster than budget, as well as less contracted third party services YTD as a result of timing. For the remainder of FY19, the build in liquidity is expected to reverse, in part, due to the catch up in disbursements.	6.4	13.8	13.1
PUBLIC HOUSING ADMINISTRATION ("PHA")	PHA cash flows and activity are not being reported due to data integrity issues. Management is working to solve these issues and resume monthly reporting. Month-end cash per bank statement balances are of \$483M.	337.8	483.0	N/A
CENTRAL RECOVERY & RECONSTRUCTION OFFICE ("COR3")	Through May month-end of FY19, COR3 has drawn and disbursed FEMA approved funds of \$2.6b to numerous government instrumentalities, municipalities, and component units, including the Commonwealths' Central Government. These funds pertain to FEMA Public Assistance, and mainly related to the two Programs 'A' and 'B'. COR3 is expected to remain relatively cash neutral, as COR3 acts as the pass-through entity receiving FEMA approved funds which are then transferred to the corresponding sub-applicants.	3.7	23.4	N/A
UNIVERSITY OF PUERTO RICO ("UPR")	Through May-19, the UPR generated \$60.3M (after debt) in net cash flow and ended the month with a cash balance of \$312.2M. YTD UPR had a positive net cash flow variance of \$23.1M (before debt) compared to forecast driven by greater than expected federal fund receipts and lower than projected scholarship and donations outflows. The UPR cash balance is expected to decline by \$55.6M to \$256.7M by the end of FY19. This decline will be due to the seasonality of Tuition collections and Campus-related inflows, which are heavily weighted toward Q1 and Q3 (coinciding with UPR semester schedule) and are typically very low in June, while at the same time expense levels (which have consistently exceeded original budgeted amounts each month) are expected to remain high.	251.9	312.2	256.7

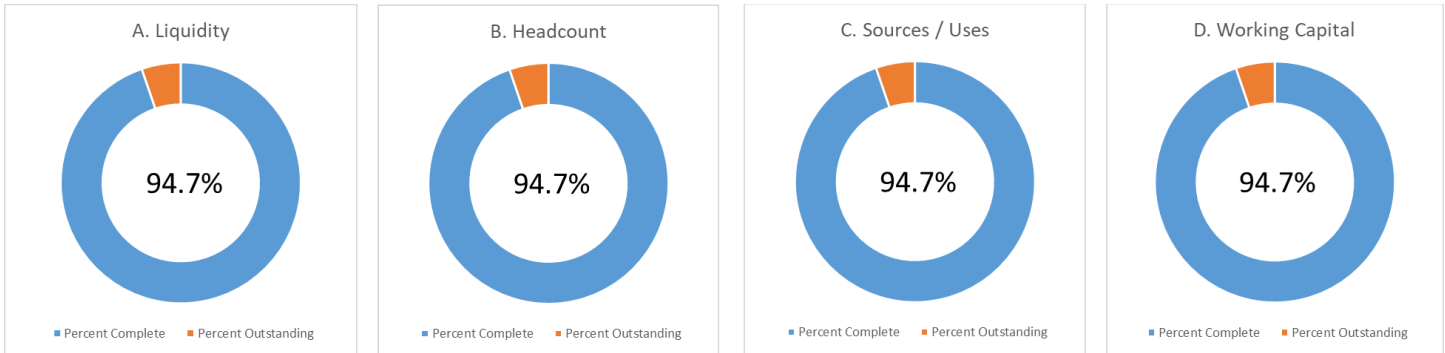
Notes:

(a) For reporting purposes, May month end actual balances were taken as of the last Friday of the month, or May 31, 2019.

(b) FY19 beginning balance adjusted from \$29.0M to \$27.5M due to the FY18 transfer from BDE account to a CapEx account related to Culebra Ferryboat.

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

Each of the Component Units provided data for the month of May 2019. 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 19 CUs included in this report were overall 94.7% compliant in providing data for: A. Liquidity, B. Headcount, C. Sources / Uses, and D. Working Capital. CUs that provided insufficient information for reporting are mentioned in note (a) below.



Notes:

(a) Liquidity, Headcount, Sources/Uses, and Working Capital data is missing for the following CU:

- PHA.

I. PUERTO RICO PORTS AUTHORITY (“Ports”)

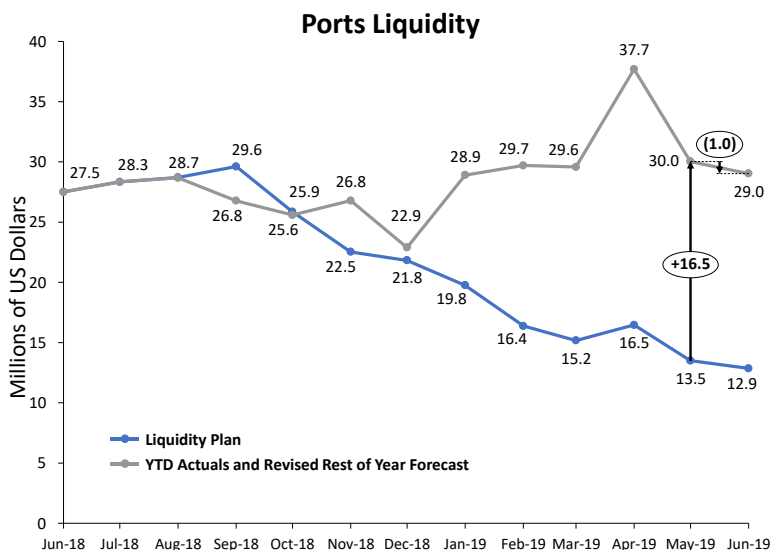
Primary Business Activity: The Puerto Rico Ports Authority is responsible for developing, improving, and administering all types of transportation facilities and air and sea services, as well as establishing and managing maritime collective transportation systems in, from, and to Puerto Rico.

Key Takeaways: Through May-19, Ports generated \$2.5M in net cash flow and ended the month with a cash balance of \$30.0M. YTD Ports had a positive net cash flow variance of \$16.5M compared to Liquidity Plan driven by improved operating receipts, collections of prior A/R, and deferred CapEx, partially offset by delays in federal receipts for the Culebra ferryboat ramp repair project.

A. FY19 Operating Liquidity – Actuals² vs. Forecast

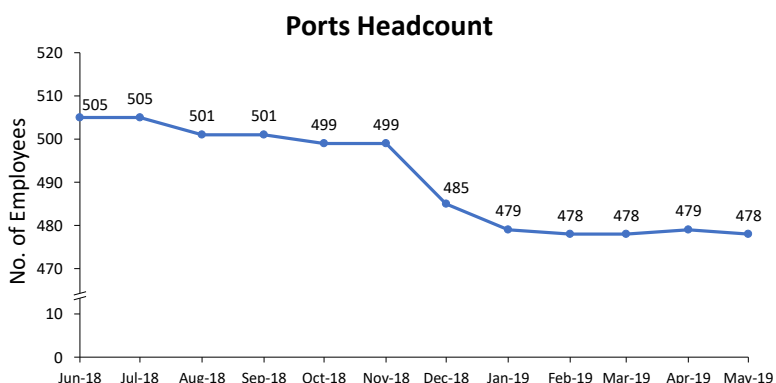
1. \$16.5M YTD actuals vs. Liquidity Plan:

- a. \$16.6M variance in operating receipts, of which \$3.4M is related to collection on prior-year maritime and aviation receivables from multiple vendors. Maritime revenues are \$9.3M ahead of the liquidity plan due to improved cruise ship and cargo traffic, while aviation operations and other receipts are \$7.3M ahead due to improved traffic and collection of prior year receivables.
 - b. (\$3.1M) permanent variance in other receipts primarily related to federal funds, which are tied to the Culebra ferryboat ramp repair project.
 - c. (\$6.7M) permanent variance in operating disbursements, led by other operating expenses and payments for facilities, which were partially offset by favorable variance in PayGo payments.
 - d. Variances in other inflow and outflow concepts were offsetting. They primarily consisted of delays in receipts and disbursements related to capital projects that will be pushed into FY20.
2. (\$1.0M) cash reduction for the balance of FY19:
- a. \$8.6M in forecast total receipts driven by \$6.9M maritime operations, \$0.6M airport operations, and \$1.1M in federal grant receipts.
 - b. (\$9.6M) in forecast total disbursements driven by (\$7.7M) in operating disbursements, (\$1.3M) in PayGo, and (\$0.6M) in CapEx.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 505 to 478 from Jun-18 to May-19.
 - a. Decrease in headcount is primarily due to the Voluntary Transition Program (“VTP”). These positions are not expected to be replaced.
2. Payroll: Disbursements are forecast to be \$28.4M for FY19. YTD payroll is \$26.4M, \$1.1M lower than the liquidity plan.

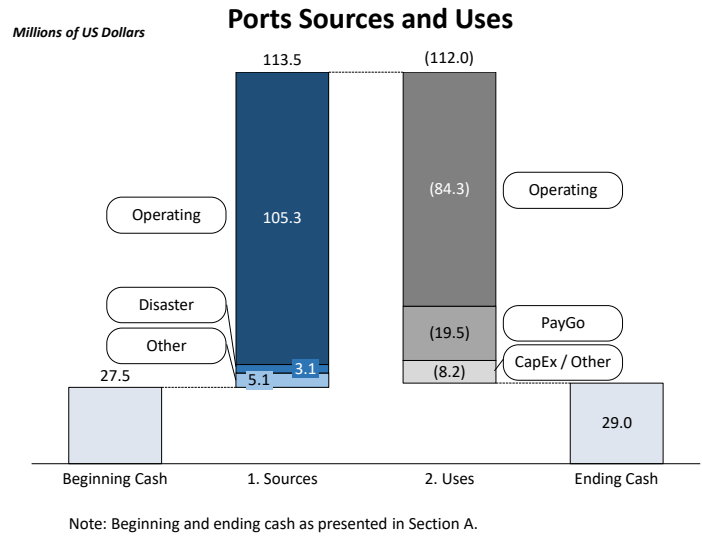


² Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

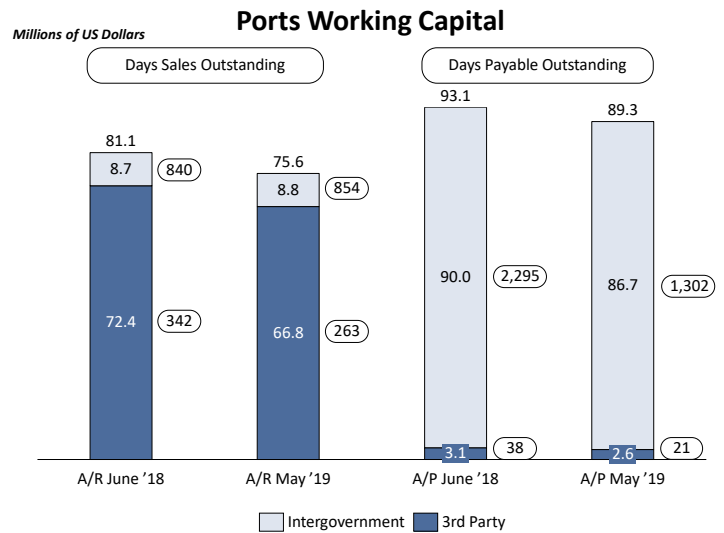
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$113.5M:
 - a. Operating receipts total \$105.3M, comprised of \$85.7M in maritime receipts, \$19.2M in airport receipts, and \$0.4M in other receipts.
 - b. Disaster-related receipts of \$3.1M are a result of FEMA funds which are a pass through and therefore have no impact on forecasted cash.
 - c. Federal and other funds total \$5.1M.
2. Uses (\$112.0M):
 - a. Operating disbursements total (\$84.3M), driven by payroll of (\$28.4M), professional services (\$20.6M), PREPA/PRASA (\$11.6M), other operating payments of (\$12.3M), other retirement contributions of (\$3.3M), materials and supplies of (\$0.7M), purchased services of (\$6.7M), transportation and media ads of (\$0.7M).
 - b. PayGo contributions are forecast to total (\$19.5M). YTD, Ports has contributed (\$18.2M).
 - c. CapEx forecast is projected to be (\$8.2M). YTD spend is (\$7.6M).



D. Accounts Receivable / Accounts Payable³

1. Accounts Receivable:
 - a. \$5.5M decrease from Jun-18 to May-19 driven by \$5.5M collection of third party receivables.
2. Accounts Payable:
 - a. \$3.8M decrease from Jun-18 to May-19 driven by (\$3.3M) in intergovernmental and (\$0.5M) in third party payables.
3. Working Capital:
 - a. The change in net working capital through May-19 was a \$1.7M source of cash due to the above changes.



³ Figures are unaudited and subject to change.

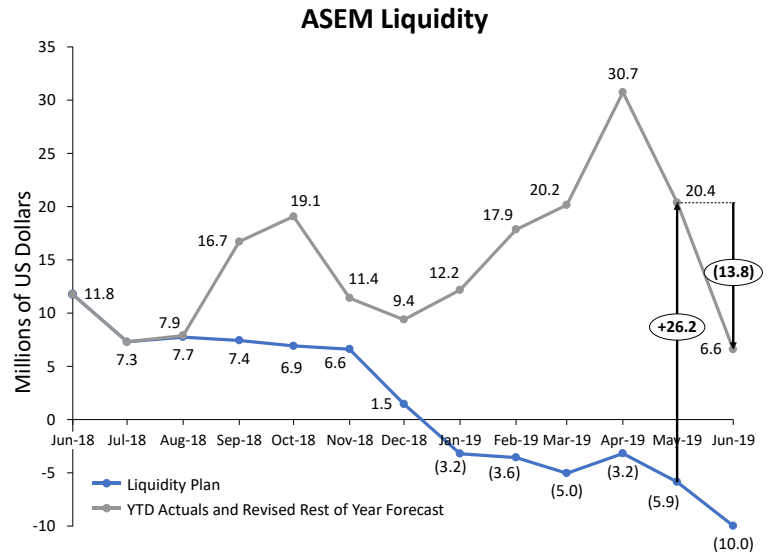
II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

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

Key Takeaways: Year to date, ASEM has collected \$17.4M in prior years’ receivables from UDH and Pediatrico, its largest institutional debtors, which was not anticipated in the Liquidity Plan. These receipts have contributed to a net cash flow increase of \$8.6M, improving the year-end outlook of ASEM’s cash position to \$6.6M from (\$10.0M) as per the Liquidity Plan. This is inclusive of a projected paydown of \$13.4M in payables from prior years, consisting of \$8.2M in supplier payables and \$5.2M in employee withholdings not remitted.

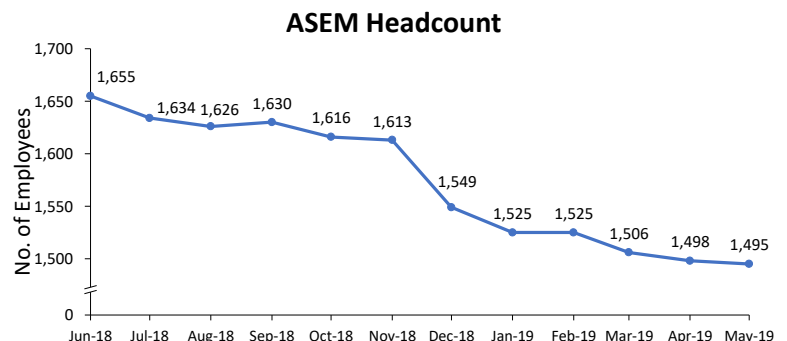
A. FY19 Operating Liquidity – Actuals⁴ vs. Forecast

1. \$26.2M YTD actuals vs. Liquidity Plan:
 - a. \$16.8M in intergovernmental institution receipts, driven by collections on FY15 and other prior year receivables related to UDH and Pediatrico, projected to be permanent favorable variances.
 - b. \$5.8M temporary variance in intergovernmental institutional revenues primarily due to Q4-19 advances from UDH received in Apr-19.
 - c. \$2.3M in General Fund appropriations, which is timing related.
 - d. (\$1.8M) in unfavorable third party receipts, primarily from third party medical and physician plans. YTD activity slowed due to ASES health plan changes, causing some insurers to stop making advances to ASEM due to insufficient data on covered lives.
 - e. (\$6.4M) unfavorable variance relating to transfers to restricted account for PayGo funds received in excess last year that will be applied to FY20 obligations.
 - f. \$7.1M in favorable variances from payroll. This favorability is due to \$3.0M in prior year payroll liabilities that were forecast to be paid in Dec-18, the majority of which is now projected to be disbursed in Jun-19. The remaining favorability stems from declining headcounts YTD which is expected to be permanent for FY19.
 - g. \$2.4M in favorable variances from operating disbursements, the majority of which are projected to be permanent for FY19.
2. (\$13.8M) cash reduction for the balance of FY19:
 - a. Remaining year cash reduction is primarily due to ASEM making continued paydowns on prior year vendor liabilities (\$7.8M) and payroll liabilities (\$2.4M). ASEM is currently negotiating with suppliers on amounts owed, and there is upside to FY19 liquidity if these amounts are reduced and/or delayed until FY20.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,655 to 1,495 from Jun-18 to May-19.
 - a. Per management, 62 FTEs have departed due to VTP participation; the remainder of the decrease in headcount is due to normal attrition. Vacancies are not addressed due to a government-imposed hiring freeze, which explains the large headcount decline.
 - b. Professional contract services address vacancies, but YTD professional fees are favorable by \$6.0M due to \$2.1M in A/P growth from UPR for physician services provided to ASEM, and due to ASEM’s reduced spending on professional fees in the beginning of the year as the result of a reduced operating budget which was subsequently increased.
2. Payroll: Disbursements are forecast to be \$99.9M for FY19. YTD payroll is \$89.0M.
 - a. YTD payroll run rate is not in line with the full year forecast due to falling headcounts at ASEM, and prior year payroll liabilities of \$2.4M, which are expected to be disbursed in Jun-19 despite an original forecast for Dec-18.

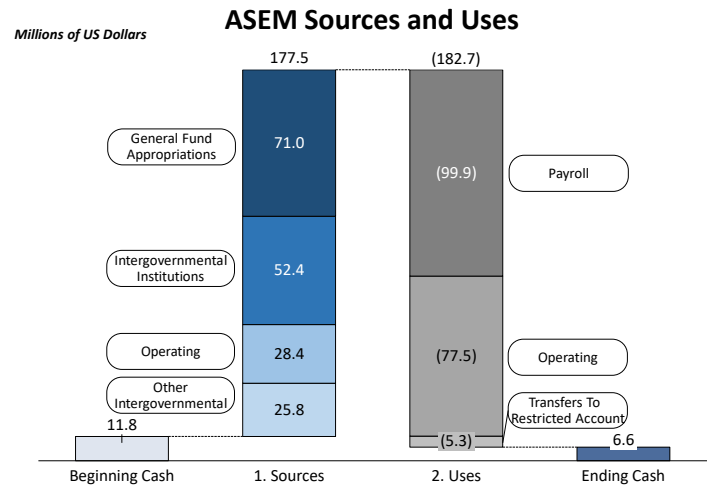


⁴ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

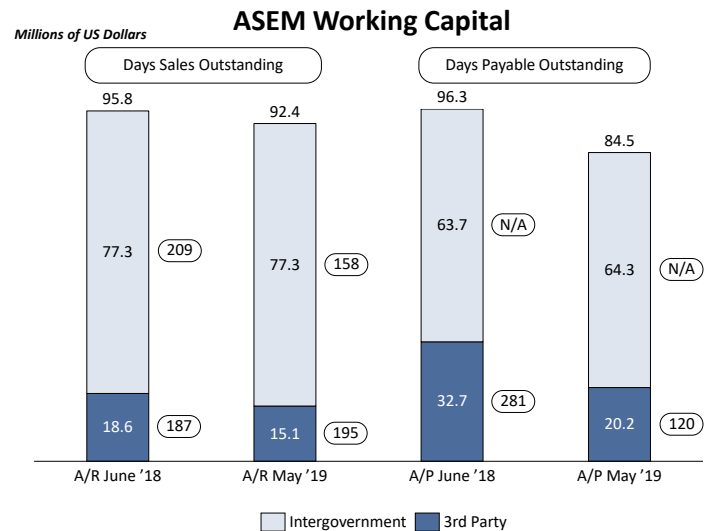
1. Sources \$177.5M:
 - a. Intergovernmental receipts account for \$149.1M, or 84% of receipts, \$52.4M of which relate to intergovernmental institutions. The remainder includes other intergovernmental revenue consisting of physician, medical plans, and institutional debt repayment from prior years totaling \$25.8M, and the next appropriation from the General Fund of \$71.0M.
 - b. Operating receipts including third party payors and other income represent \$28.4M, or 16%.
2. Uses (\$182.7M):
 - a. (\$177.4M) in operating disbursements for FY19, driven by payroll of (\$99.9M), as well as vendor payments of (\$77.5M), the key components of which are: materials and supplies (\$7.5M), facilities and payments for public service (\$4.9M), professional fees (\$11.0M), purchased services (\$5.7M), and other operating payments (\$48.5M) comprised of donations and subsidies, prior years’ accounts payable, interest and banking fees, and other expenses.
 - b. PayGo is (\$0.0M) 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. The remaining \$3.9M originally budgeted is no longer forecast to occur, as recent reconciliations done by ERS show no current debts for ASEM.
 - c. Transfers to ASEM’s restricted account represent (\$5.3M), or 1%. The majority of these transfers relate to PayGo funds paid in excess that will be applied to pension obligations in FY20 to ERS.



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

D. Accounts Receivable / Accounts Payable⁵

1. Accounts Receivable:
 - a. \$3.5M decrease from Jun-18 to May-19 driven by a decrease in third party receivable. Compared to FY18, ASEM has been more able to collect on outstanding debts from institutional payors.
2. Accounts Payable:
 - a. \$11.9M decrease from Jun-18 to May-19 driven by a pay down of third party payables of \$12.5M primarily related to prior years’ accumulated vendor payables.
3. Working Capital:
 - a. Changes are unfavorable by \$8.4M, representing approximately 4.7% of FY19 use of cash.



⁵ Figures are unaudited and subject to change.

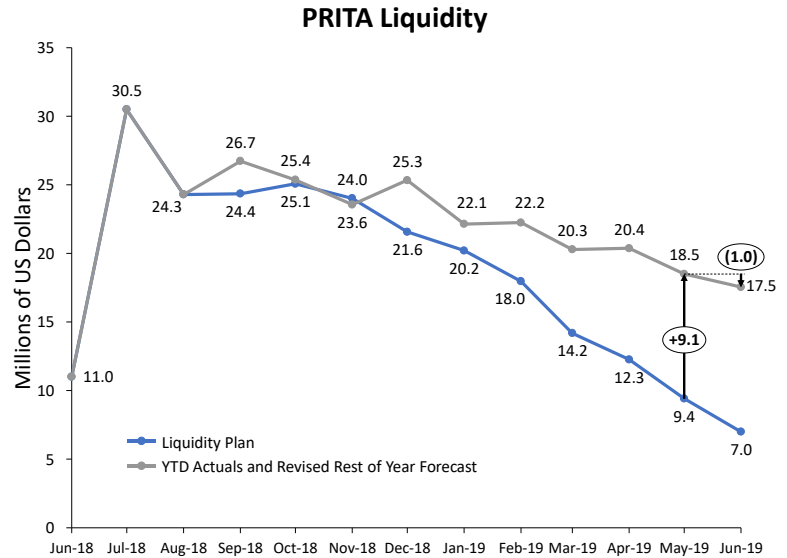
III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”)

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: Through May-19, PRITA has generated \$7.5M in net cash flow and ended the period with a cash balance of \$18.5M. Excluding a one-time insurance receipt of \$3.7M at ATM in Dec-18, total operating receipts continue to be in line with plan.

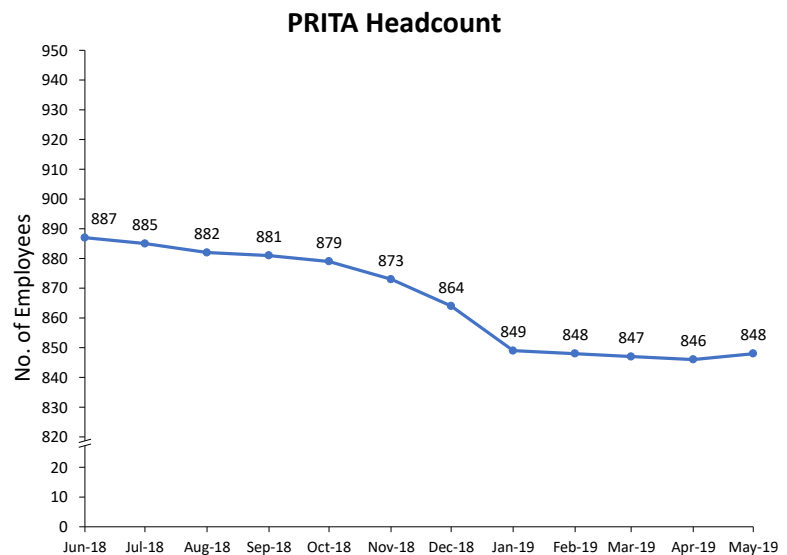
A. FY19 Operating Liquidity – Actuals⁶ vs. Forecast

1. \$9.1M YTD actuals vs. Liquidity Plan:
 - a. \$3.7M positive variance in operating receipts due to an unexpected insurance payment received for damage to a ferry from hurricane Maria, which is permanent.
 - b. \$3.3M in intergovernmental collections. This variance is permanent.
 - c. \$3.6M variance is in federal grant receipts for preventive maintenance, which is permanent as it relates to reimbursements from prior years.
 - d. (\$0.6M) variance is in operating disbursements, which is timing related and expected to reverse in FY19.
 - e. (\$0.9M) is a permanent variance in CapEx related to facility improvements at AMA (\$1.1M), partially offset by favorable variance in Fast Ferry operations capex spending at ATM of \$0.2M.
2. (\$1.0M) cash reduction for the balance of FY19:
 - a. \$7.1M in operating receipts driven by: \$0.6M in operating revenues from Bus and ferry operations, \$4.4M in intergovernmental collections, and \$2.1M in federal grant receipts for preventive maintenance.
 - b. (\$6.1M) in operating disbursements led by (\$4.1M) in payroll, (\$1.2M) in materials and supplies, (\$0.4M) in professional services, and (\$0.4M) in other expenses.
 - c. (\$2.0M) is in CapEx related to ferry service expenses at ATM (\$1.0M) and bus operations at AMA (\$1.1M).



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 887 to 848 from Jun-18 to May-19.
2. Payroll: Disbursements are forecast to be \$43.4M for FY19. YTD payroll is \$39.3M.
 - a. YTD payroll expenses are \$4.7M favorable to forecast as a result of lower headcounts and fewer employees enrolling in VTP, thereby lowering one-time, up-front expenses related to the program.

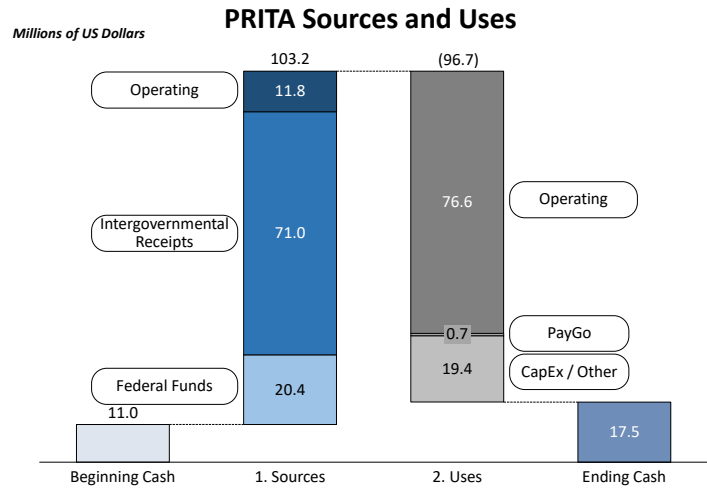


⁶ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

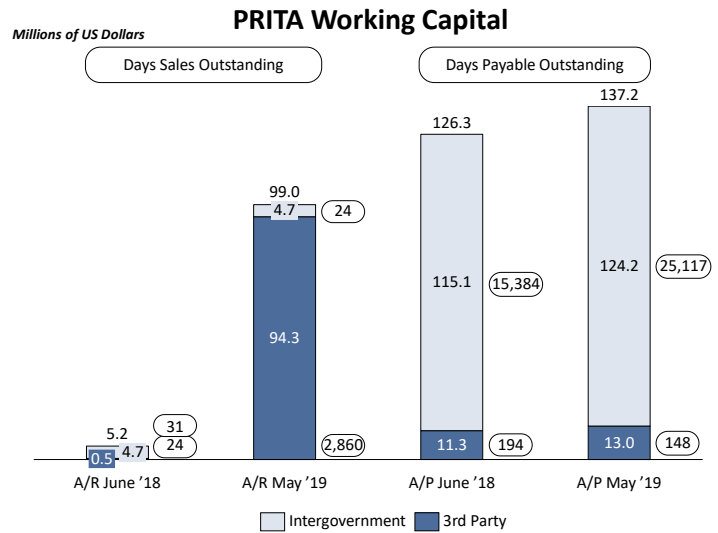
1. Sources \$103.2M:
 - a. Operating receipts of \$11.8M, composed primarily of \$4.5M for ferries/cargo, \$3.2M in bus fares, and \$4.1M in miscellaneous receipts, which includes a one-time insurance receipt for Hurricane Maria damages of \$3.7M.
 - b. Intergovernmental receipts of \$71.0M, with \$34.2M in appropriations based on the amount of cigarette taxes, \$21.0M from General Fund appropriations, and \$15.8M from a special government appropriation earmarked for CapEx and the Fast Ferry service at ATM.
 - c. FTA federal fund grants of \$20.4M.
2. Uses (\$96.7M):
 - a. Operating disbursements total (\$76.6M), of which payroll is (\$43.4M), materials and supplies are (\$21.4M), purchased services are (\$7.4M), facilities for payments to public services are (\$1.0M), and professional services are (\$3.4M).
 - b. PayGo is (\$0.7M). YTD spend is \$0.7M.
 - c. CapEx is projected to be (\$19.4M). YTD spend is \$17.3M, of which \$13.5M is attributed to the Fast Ferry at ATM.



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

D. Accounts Receivable / Accounts Payable⁷

1. Accounts Receivable:
 - a. \$0.1M decreased from Jun-18 to May-19 driven by third party receivables.
 - b. Third party DSO in the same time period fell by 14 days, from 24 to 10, due to an increase in PRITA’s third party receipts base.
2. Accounts Payable:
 - a. \$10.9M increase from Jun-18 to May-19 driven by \$12.1M increase in intergovernmental payables from AMA and \$2.2M increase in third party payables at ATM, offset by a \$0.4 reduction in third party payables at AMA and a \$3.0M reduction in intergovernmental payables at ATM.
3. Working Capital:
 - a. Total change in net working capital from Jun-18 to May-19 is \$11.0M as PRITA continues to stretch government payables, primarily at AMA.



⁷ Figures are unaudited and subject to change.

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

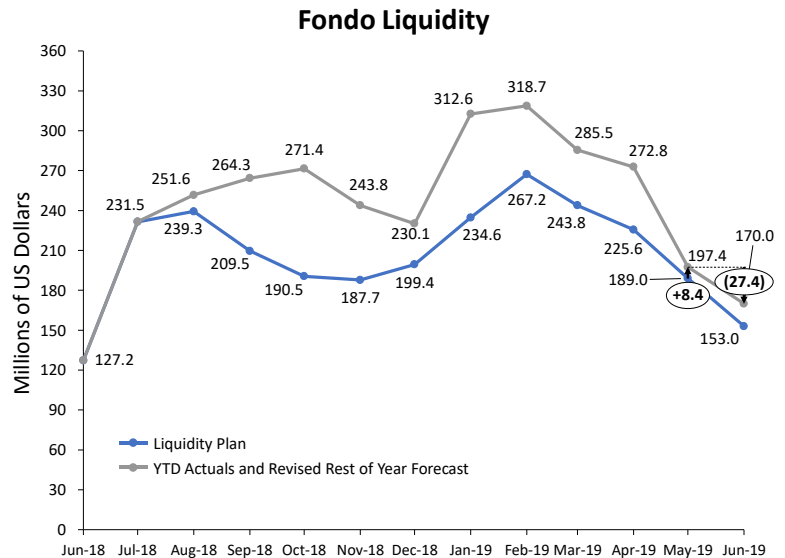
Primary Business Activity: Fondo provides workers’ compensation and disability insurance to public and private employees. Fondo is the only authorized workers’ compensation insurance company on the Island. Both public and private companies must obtain this security for their workforces by law.

Key Takeaways: Year to date, Fondo has generated \$70.2M in cash – the net of a \$105.2M cash build less a \$35.0M transfer to an investment account made in May-19. Ending cash at May-19 was \$197.4M. The liquidity position is favorable to forecast, driven primarily by Fondo’s deferral of payments related to prior years’ special retirement laws. There are also lower-than-expected claims-related disbursements and payments made for medical services, drugs, and supplies. The Liquidity Plan assumed that higher Commonwealth economic activity as a result of increased federal funding would drive more workers’ comp enrollment and subsequently increased premiums collections and medical-related costs over FY18. However, delays in federal funding have led to fewer enrollments and less medical-related costs than originally anticipated.

A. FY19 Operating Liquidity – Actuals⁸ vs. Forecast

1. \$8.4M YTD actuals vs. Liquidity Plan:

- a. (\$35.0M) unfavorable variance in transfers to restricted/investment account not considered in the Liquidity Plan.
- b. (\$16.0M) unfavorable variance in premiums collections, which is mostly permanent. FY19 collections are expected to be \$621.7M per updated projections from the planning area compared to \$635.2M in the Liquidity Plan. Therefore it is expected that there will be a (\$13.5M) unfavorable permanent variance at FY19 end.
- c. \$24.7M favorable permanent variance in payments related to Law 32-2013 for prior year debts owed to the retirement system (pre-PayGo). These payments are not expected to be made in FY19 or in future years.
- d. \$13.6M favorable variance in claims-related disbursements, which is projected to be permanent.

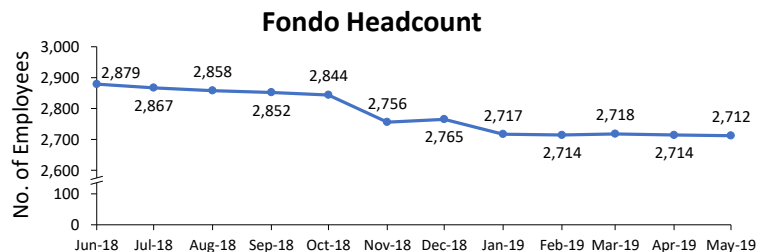


Current run rate projects these disbursements to be approximately (\$71.1M) vs. (\$86.1M) in the Liquidity Plan.

- e. \$12.3M favorable variance in medical-related disbursements for services and supplies. It is expected that most of this favorable variance will be permanent in FY19 due to: lower claims and delays caused by implementation of the new billing system pushing out payments to FY20.
 - f. \$8.8M variance in other disbursements due to: \$2.3M favorable timing variance in payroll and related costs; \$2.7M lower intergovernmental disbursements due to new amendments; CapEx spend on the Industrial Hospital being overbudgeted by \$1.8M; and favorable timing variances in other expenses. These favorable variances are partially offset by an unfavorable timing variance in PayGo disbursements and disaster-related spend for building repairs, the latter of which was not forecast in the Liquidity Plan.
- ##### 2. (\$27.4M) cash reduction for the balance of FY19:
- a. Since Mar-19, the planning area has reduced the projected premiums collections for FY19 by (\$13.5M) compared to the Liquidity Plan, citing that delays in federal funds and Commonwealth construction initiatives have not increased workers’ comp enrollment to the extent previously anticipated.
 - b. Remaining cash reduction for FY19 driven primarily by normal operating disbursements outpacing premiums collections due to seasonality.

B. Headcount / Payroll

1. Headcount FTEs: Decreased from 2,869 to 2,712 from Jun-18 to May-19.
 - a. 127 employees entered the VTP Phases II and III and are no longer part of Fondo’s recorded headcount total beginning in Feb-19.
2. Payroll: Disbursements are forecast to be (\$215.5M) for FY19. YTD payroll is (\$195.3M).
 - a. YTD favorable variance of \$2.3M is mostly timing related.

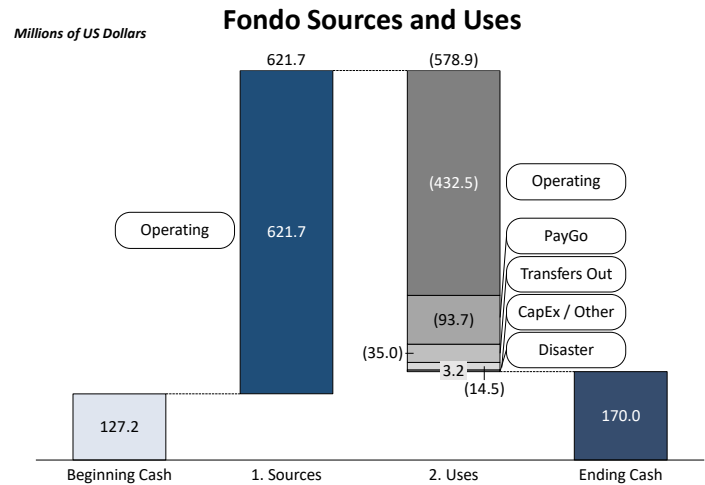


⁸ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

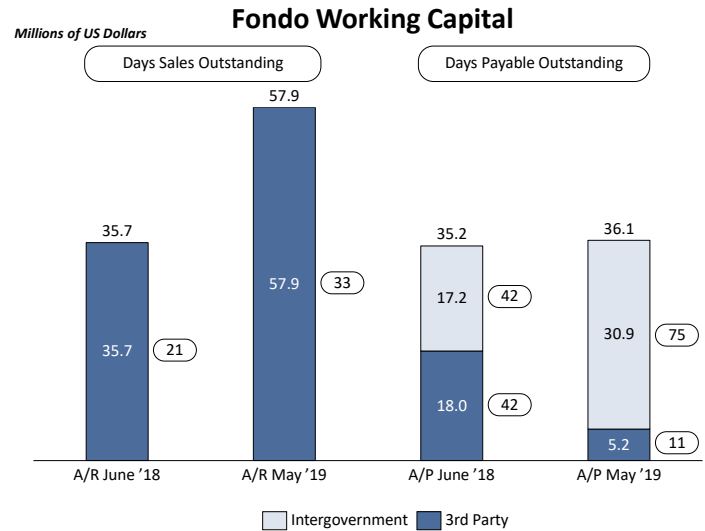
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$621.7M:
 - a. Premium collections account for 100% of operating receipts.
2. Uses (\$578.9M):
 - a. Operating expenses total (\$432.5M), of which payroll is (\$215.5M) and claims-related disbursements are (\$71.1M). Excluding these two expenses, the majority of Fondo’s operating expenses consist of: payments made to other government entities as determined by laws, 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.
 - b. PayGo disbursements are projected to amount to (\$93.7M) in FY19.
 - c. Transfers (out) to restricted/investment account amount to (\$35.0M).
 - d. CapEx/other will amount to (\$14.5M) for FY19.
 - e. Disaster-related spend is (\$3.2M) YTD related to building repair work after the hurricanes.



D. Accounts Receivable / Accounts Payable⁹

1. Accounts Receivable:
 - a. \$22.2M increase from Jun-18 to May-19 driven by premiums invoicing outpacing collections. Receivables are expected to decline in July when collections are made on Jan-19 invoices.
2. Accounts Payable:
 - a. \$0.9M increase from Jun-18 to May-19. Intragovernmental payables increased by \$13.7M related to PayGo invoicing, which is mostly offset by a \$12.8M decrease in 3rd Party payables due to recent paydowns to vendors.
3. Working Capital:
 - a. Working capital is unfavorable by \$21.2M driven by increases in accounts receivable pertaining to premiums collections. Payables have remained relatively unchanged in FY19.



⁹ Figures are unaudited and subject to change.

V. HEALTH INSURANCE ADMINISTRATION (“ASES”)

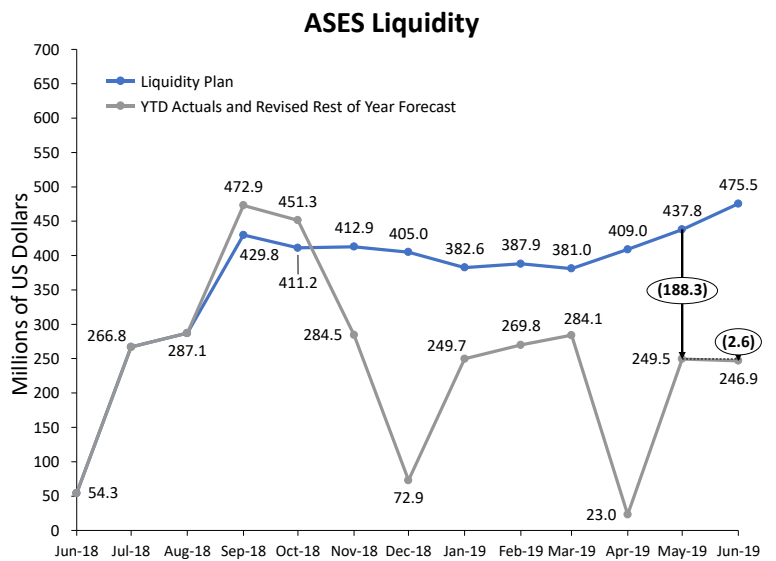
Primary Business Activity: ASES implements, administers, and negotiates the Medicaid Health Insurance System in Puerto Rico through contracts with third party insurance underwriters to provide quality medical and hospital care to the Puerto Rico Medicaid and Platino (Medicaid + Medicare dual-eligible)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

Key Takeaways: Compared to Apr-19, net cash flow increased by \$226.5M due to ASES receiving \$479.8M in federal funding reimbursement in May-19 related to prior months catch up. Due to changes brought about by BBA 2018¹⁰, 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. Year to date, cash has increased by \$195.2M compared to \$383.5M anticipated in the Liquidity Plan. The decreased cash build compared to forecast is mainly due to timing delays in obtaining federal funding adjustments due to changes brought about by the new health plan model, and significant reductions and/or eliminations in state and CRIM funding. These items are to an extent offset by favorability from MCO premiums due to a lower-than-expected enrolled membership beginning in Nov-18 as a result of implementation of the new health plan model.

A. FY19 Operating Liquidity – Actuals¹¹ vs. Forecast

1. (\$188.3M) YTD actuals vs. Liquidity Plan:

- (\$259.1M) Federal funds: unfavorable variance due to timing in obtaining federal funding adjustments for Nov-18 through May-19 and a decrease in enrolled population at the beginning of the new health plan model. \$95.4M of this variance is expected to rollover into FY20, and will therefore be permanent in FY19. Beginning in Nov-18, the new health plan model has required ASES to reassess its enrolled population leading to delays in timing of federal share reimbursement.
- (\$98.3M) Other intergovernmental funding: (\$84.7M) relates to receipts from municipalities and employers which is expected to be permanently unfavorable. Per recent Puerto Rico legislation, CRIM receipts have been suspended through Sep-19.
- \$156.9M Health insurance premiums: timing-related favorable variance expected to reverse by year end. The variance is due to lower-than-expected enrolled membership and subsequently lower spend as a result of the new health plan model.
- \$9.0M Prescription drug rebates: rebates are performing slightly above forecast. Rebate income is influenced by drug utilization on the island and is managed by a third party contractor.

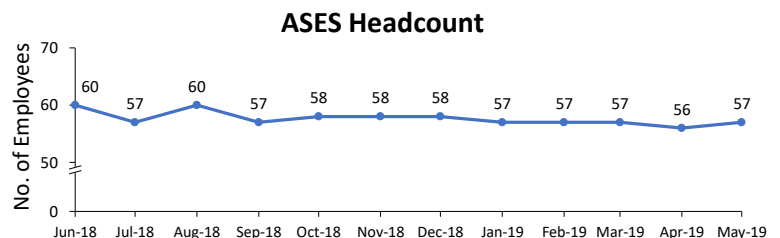


2. (\$2.6M) cash reduction for the balance of FY19:

- ASES projects to disburse (\$384.5M) in healthcare premiums and related-expenses in Jun-19, which will be mostly offset by a projected \$378.6M in federal share reimbursement. ASES is still catching up from lower reimbursement levels experienced since the onset of the new health plan model.

B. Headcount / Payroll

- Headcount FTEs: Decreased from 60 to 57 from Jun-18 to May-19.
- Payroll: Disbursements are forecast to be (\$4.6M) for FY19. YTD payroll is (\$3.3M).
 - Payroll: YTD payroll run rate is below annual forecast due to 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.
 - ASES downgraded its estimate of year-end payroll to \$4.6M from \$7.0M included in the Liquidity Plan due to delays in the hiring process of MMIS and Fraud Detection. There is potential for continued payroll favorability pending the outcome of these hires.



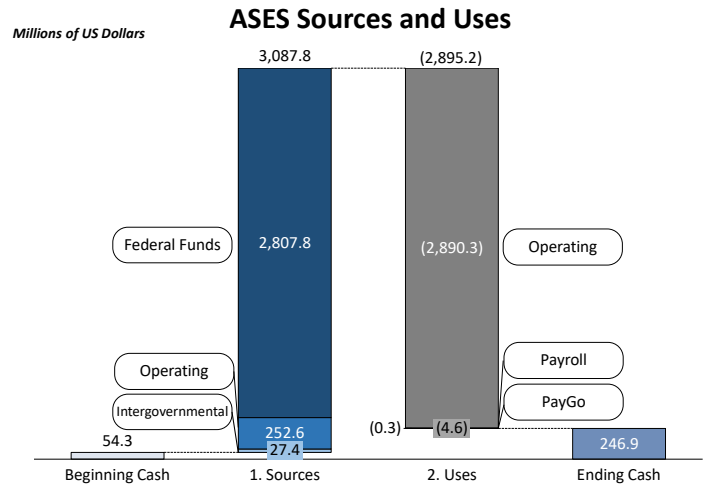
¹⁰ Bi-Partisan Budget Act of 2018.

¹¹ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

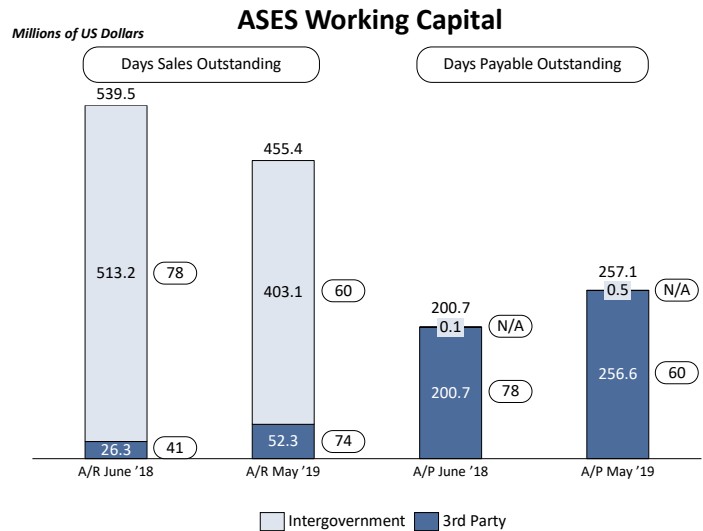
1. Sources \$3,087.8M:
 - a. Federal funding makes up \$2,807.8M of receipts. Third party operating receipts consist of drug rebates of \$241.8M and other income of \$10.8M. The intergovernmental receipts of \$27.4M are related to state funding of \$0.4M and \$27.1M of municipality and employer receipts.
2. Uses (\$2,895.2M):
 - a. Operating disbursements are primarily related to healthcare premiums and related costs (\$2,869.8M), with the largest components being MCO premiums of (\$2,767.2M), followed by the PBM administrator and HIV program of (\$75.2M) and Platino premiums of (\$27.4M).
 - b. The remaining disbursements include other operating payments of (\$20.5M) which relate to ASES’ administrative costs and overhead expenses, payroll of (\$4.6M), and PayGo of (\$0.3M).



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

D. Accounts Receivable / Accounts Payable¹²

1. Accounts Receivable:
 - a. \$84.1M decrease from Jun-18 to May-19 driven by a \$110.1M decrease in third party receivables, primarily related to federal reimbursement share from the Center for Medicare and Medicaid Services (“CMS”).
2. Accounts Payable:
 - a. \$56.4M increase from Jun-18 to May-19 driven by third party payables increases of \$56.0M. The primary component of third party payables increases are obligations to one particular MCO.
3. Working Capital:
 - a. Changes are favorable by \$140.5M, representing approximately 4.9% of FY19 sources of cash.



¹² Figures are unaudited and subject to change.

VI. HIGHWAYS AND TRANSPORTATION AUTHORITY (“HTA”)

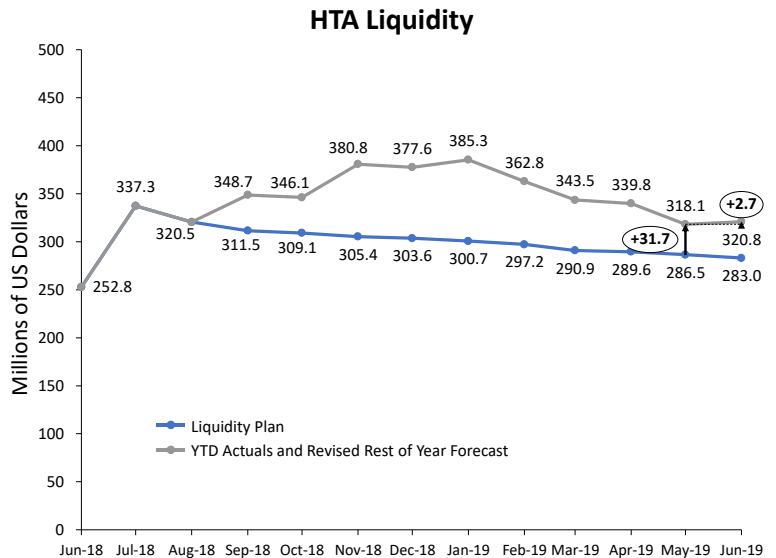
Primary Business Activity: HTA controls and supervises highway facilities, sets tolls, issues bonds, and manages the construction of all major projects relating to the Commonwealth’s toll highway system.

Key Takeaways: YTD operating revenues of \$126.5M are \$12.4M below plan, driven primarily by lower electronic toll fines, partially offset by interest and other income. YTD central government receipts for infrastructure projects of \$244.5M are \$20.5M ahead of schedule, primarily due to a state grant related to a special government project (“Abriendo Caminos” / “Opening Roads”). The application for federal grants for CapEx has been slower than anticipated due to a shortage of qualified contractors available to start projects, which has delayed both the receipt and spending of federal funds. The current cash balance is \$318.1M, of which \$306.7M consists of restricted/reserved funds for operational and construction contracts. The cash balance at the end of FY19 is projected to be \$320.8M.

A. FY19 Operating Liquidity – Actuals¹³ vs. Forecast

1. \$31.7M YTD actuals vs. Liquidity Plan:

- a. (\$435.4M) in total receipts driven by:
 1. (\$17.5M) lower collections in electronic toll fines, which is permanent. Of these, \$4.7M are related to a government forgiveness program for post-hurricane fines prior to Oct-18. Additionally, fines after Oct-18 are not being invoiced to customers pending potential additional government leniency.
 2. \$5.1M permanent variance in other income, including interest income.
 3. \$20.5M variance in intergovernmental receipts as HTA has collected on CapEx funding earlier than forecast primarily related to the Abriendo Caminos spending is in progress.
 4. (\$443.5M) variance in federal grant receipts were driven by a shortage of qualified contractors available to start projects, which delayed request of federal funds. The majority of these inflows will be pushed into FY20. Receipt of these grants is tied to CapEx projects.



b. \$467.1M in total disbursements driven by:

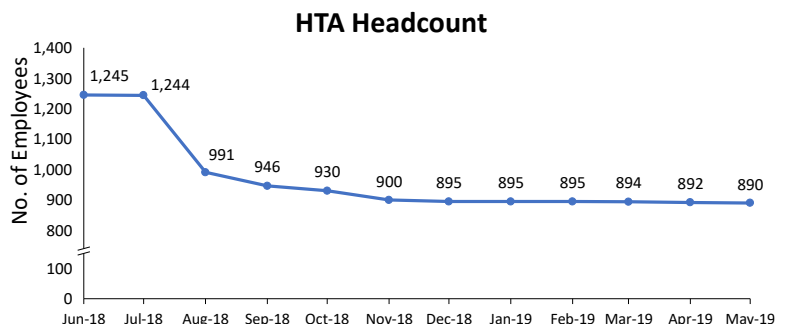
1. \$21.8M permanent variance in operating disbursements, led by a \$18.8M permanent variance in Payroll due to lower headcount, \$5.6M in permanent variance in PayGo due to credits received for overpayments in prior years, and \$13.7M in variance in Professional Services due to timing delays. These were offset by other operating expenses of (\$16.3M), primarily consisting of (\$14.0M) in Title III expenses.
2. \$450.5M in permanent variance in CapEx given projects have been delayed due to limited availability of contractors. A significant portion of these expenses are expected to rollover into FY20.
3. (\$5.2M) permanent variance in other inflows/outflows

2. \$2.7 cash build for the balance of FY19:

- a. \$49.8M in receipts driven by: \$30.6M in federal grants for infrastructure projects; \$8.1M in receipts from the Puerto Rico government for infrastructure projects; and \$11.1M in operating receipts from toll collections and electronic fines.
- b. (\$47.1M) in disbursements driven by (\$28.0M) in CapEx disbursements for both federal and locally funded projects and (\$19.1M) in operating disbursements.

B. Headcount / Payroll

1. Headcount FTEs: decreased from 1,245 to 890 from Jun-18 to May-19.
 - a. FY19 headcount decrease is due to the VTP. These positions are not expected to be replaced.
2. Payroll: Disbursements are forecast to be \$75.0M for FY19. YTD payroll is \$70.6M.
 - a. YTD Payroll expenses are \$18.8M lower than original LP forecast primarily due to VTP and the resulting lower headcount.

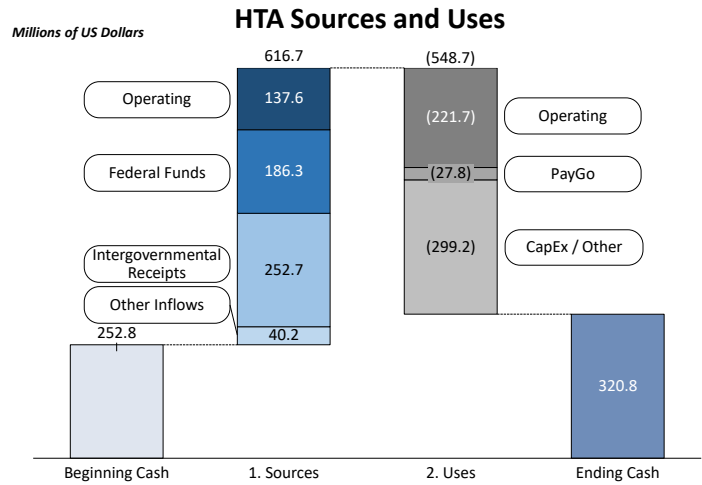


¹³ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

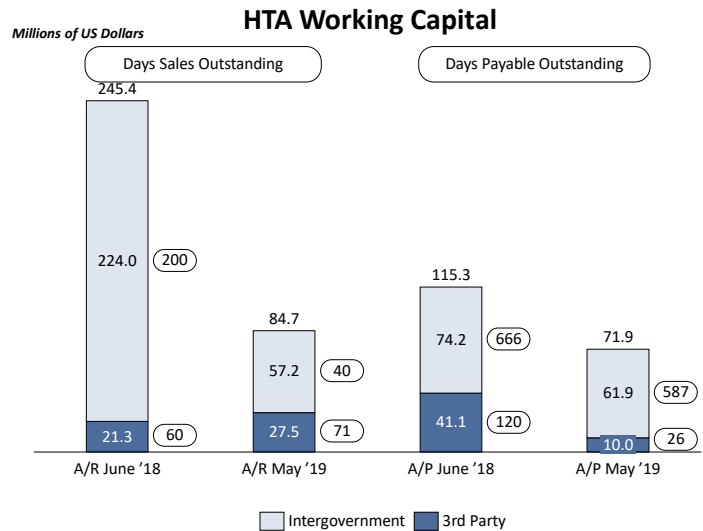
1. Sources \$616.7M:
 - a. \$137.6M in operating receipts, with \$116.7M coming from toll fares and \$20.9M coming from toll fines and other income.
 - b. \$439.0M are in governmental sources, consisting of a \$252.7M in appropriations based on the amount of the petrol tax, \$155.8M from the federal highway authority, and \$30.5M from the federal transportation authority.
 - c. \$40.1M in other inflows.
2. Uses (\$548.7M):
 - a. Operating disbursements total (\$221.7M), with the largest components comprised of payroll (\$75.0M) and purchased services at (\$74.0M).
 - b. PayGo totals (\$27.8M).
 - c. CapEx/Other total (\$299.2M), consisting of CapEx (\$193.8M), emergency reconstruction (\$59.4M), and other outflows of (\$46.0M).



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

D. Accounts Receivable / Accounts Payable¹⁴

1. Accounts Receivable:
 - a. \$160.6M decrease from Jun-18 to May-19 driven by an audit adjustment to write off retained revenue by the Department of Treasury (Hacienda) previously listed in A/R.
2. Accounts Payable:
 - a. \$43.4M decrease from Jun-18 to May-19 driven by a decrease in third party payables of (\$31.1M), led by reduction of (\$25.7M) to HTA’s top 3 third party suppliers. Intergovernmental payables decreased by \$12.3M primarily due to reduced A/P to PREPA of \$7.6M.
3. Working Capital:
 - a. Total change in net working capital from Jun-18 to Apr-19 was \$117.2M source of cash primarily influenced by a decline in receivables due to the non-cash write-off with the Department of Treasury.



¹⁴ Figures are unaudited and subject to change.

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

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

Key Takeaways: PBA generated \$23.1M in net cash flow FY19 through May, and ended the period with a \$67.3M cash balance. PBA’s liquidity is \$31.9M ahead of plan due to delays in capital spending for projects funded by insurance proceeds. PBA projects a cash balance of \$54.1M at the end of the fiscal year.

A. FY19 Operating Liquidity – Actuals¹⁵ vs. Forecast

1. \$31.8M YTD actuals vs. Liquidity Plan:

a. (\$36.5M) in total receipts driven by:

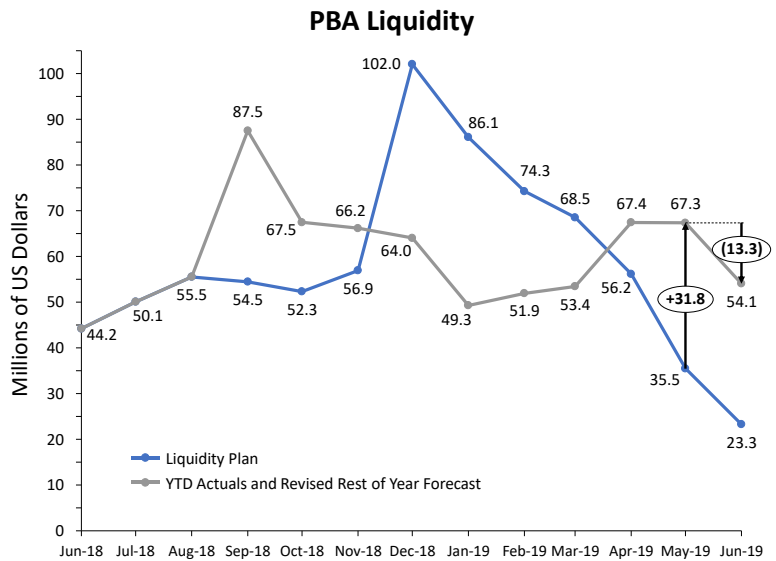
1. \$2.4M permanent variance in operating receipts, comprised of a \$1.2M insurance settlement not forecast, \$0.3M in higher rent receipts from increased third party occupancy, and \$0.9M in other income, including interest.
2. \$15.9M in favorable permanent variances, primarily related to insurance premiums and PayGo contributions from the Central Government.
3. \$4.0M in favorable direct rent receipts due to collections on previous year’s receivables.
4. (\$58.8M) in disaster-related receipts, of which (\$3.8M) is attributed to FEMA and (\$55.0M) to insurance proceeds. The majority of the FEMA variance and all of the remaining insurance proceeds are now expected to roll over into the next fiscal year.

b. \$68.4M in total disbursements driven by:

1. \$58.6M in disaster-related expenses, of which \$8.1M is attributed to delays with FEMA-supported projects and \$50.5M is attributed to insurance supported projects. Spending for these projects was originally expected to start in the second half of FY19, but are tied to receipt of proceeds.
2. \$9.8M positive variance in operating disbursements primarily due to payroll given headcount and benefit reductions, in addition to lower payments for facilities and public services. These were partially offset by increase in insurance premium payment and higher-than-expected expenses due to fuel and employee reimbursements. PBA does not have a large vehicle fleet, and relies on employees submitting mileage expenses.

2. (\$13.3M) cash reduction for the balance of FY19:

- a. \$10.8M in forecast total receipts primarily driven by \$0.2M in operating receipts, \$10.2M in intergovernmental receipts, and \$0.4M in disaster-related receipts.
- b. (\$11.3M) in operating disbursements led by payroll (\$6.7M), PayGo (\$2.4M), facilities payments (\$1.2M), and other operating expenses (\$1.0M).
- c. (\$12.8M) in disaster-related project disbursements; however, timing of these expenses remains uncertain, and some may be pushed into next fiscal year.



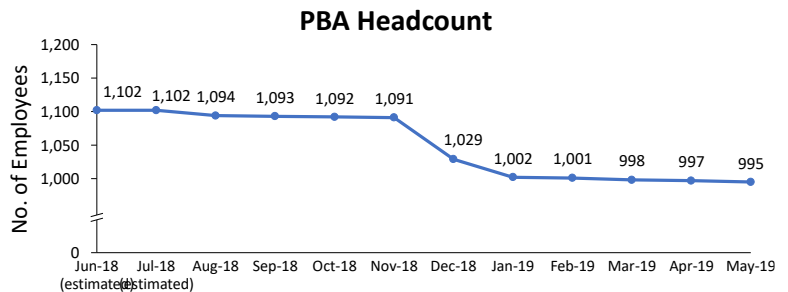
B. Headcount / Payroll

1. Headcount FTEs: decreased from 1,102 to 995 from Jun-18 to May-19.

- a. Decrease in headcount YTD is primarily due to the VTP, and these positions are not expected to be replaced.

2. Payroll: Disbursements are forecast to be \$57.2M for FY19. YTD payroll is \$50.5M.

- a. FY19 payroll is expected to be \$5.3M favorable to Liquidity Plan as PBA realizes savings related to headcount reductions and healthcare benefits.

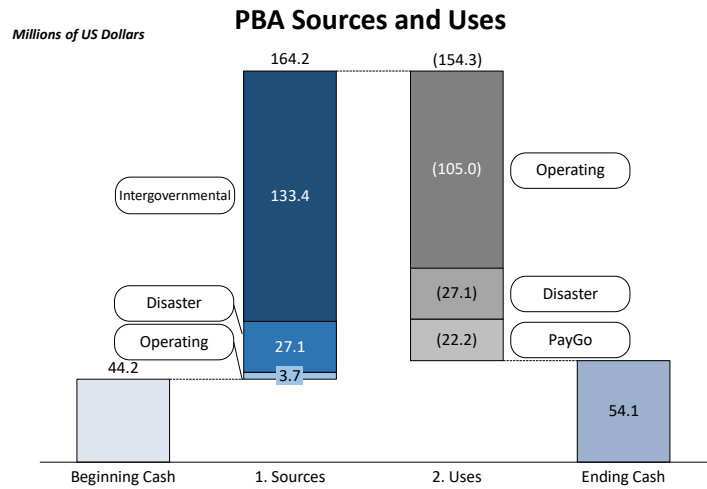


¹⁵ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

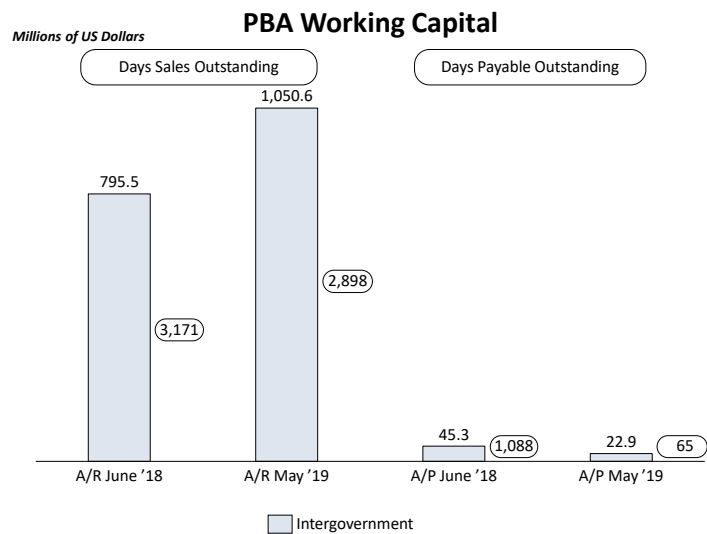
1. Sources \$164.2M:
 - a. Intergovernmental receipts total \$133.4M, of which \$114.3M is in rent transfers from Hacienda on behalf of agencies, while \$19.1M is paid directly by other government entities.
 - b. Disaster-related receipts total \$27.1M, of which \$7.1M is from FEMA and \$20.0M is from insurance.
 - c. Other operating receipts total \$3.7M.
2. Uses (\$154.3M):
 - a. Operating disbursements total (\$105.0M), consisting of payroll of (\$57.1M), purchased services of (\$17.5M), facilities and payments to public services of (\$14.8M), debt service reserve of (\$7.8M), professional services of (\$0.9M), and other operating expenses of (\$6.9M).
 - b. PBA projects to receive and disburse (\$27.1M) in disaster-related pass-through expenses. YTD, PBA has received \$26.7M in disaster-related receipts from FEMA and insurance proceeds, and has disbursed (\$14.3M). The difference between received and disbursed funds is timing related and some expenditures will likely roll over into FY20.
 - c. PayGo contributions are forecast to be (\$22.2M). YTD, PBA has contributed (\$19.8M) to PayGo.



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

D. Accounts Receivable / Accounts Payable¹⁶

1. Accounts Receivable:
 - a. \$255.1M increase from Jun-18 to May-19 driven by intergovernmental receivables, primarily related to the debt service portion of rent not being received.
2. Accounts Payable:
 - a. \$22.4M decrease from Jun-18 to May-19 driven by intergovernmental payables due to payments for facilities and public services, insurance payments, and PayGo payments.
3. Working Capital:
 - a. Working capital is unfavorable at \$277.5M June-18 to May-19 for the reasons mentioned above.



¹⁶ 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 in May-19 were more favorable compared to Apr-19 by \$1.3M. Collections are anticipated to be strong in the remaining month of FY19 given a \$7.8M build in A/R related to insurers. Cardio remains challenged by labor shortages, as headcounts have dropped by 5% since Jun-18. This has a favorable impact on payroll, but poses a strain to hospital operations and staffing. Cardio management actively seeks to replace any vacancies occurring during the current year, but Cardio continues to suffer headcount losses due to a competitive hiring environment for nurses.

A. FY19 Operating Liquidity – Actuals¹⁷ vs. Forecast

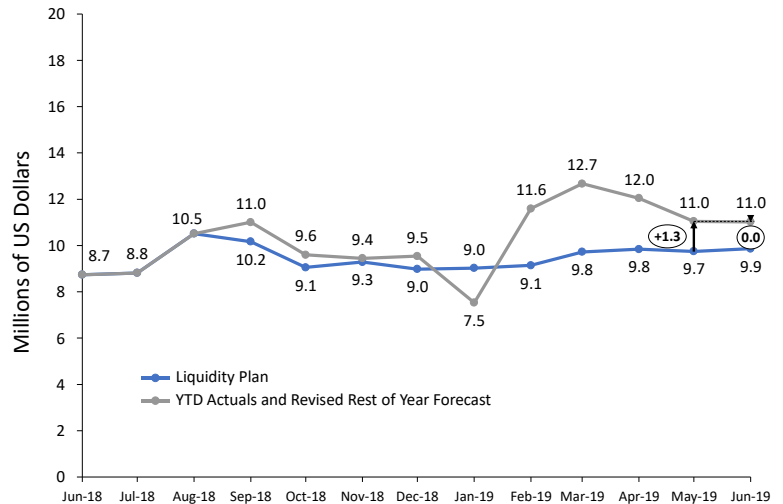
1. \$1.3M YTD actuals vs. Liquidity Plan:

- \$1.7M in receipts are driven by favorability from strong patient collections in the third quarter. Variance is expected to be permanent based on a higher year-end outlook on patient collections.
- \$3.9M Payroll permanent favorable variance is impacted by falling headcounts.
- \$1.3M in CapEx is driven primarily by timing delays in FEMA receipts necessary to replace broken generators as a result of the hurricanes. It is anticipated that \$0.5M of this variance will be permanent.
- (\$5.7M) in vendor disbursements are driven by higher run rates primarily related to purchased services and third party A/P pay down of (\$4.3M). Based on historical trends in spending, it is expected that this variance will become permanent.

2. (\$0.02M) cash reduction for the balance of FY19:

- Cash reduction is currently forecasted to be minimal; however, there is downside risk if vendor disbursements continue to exceed forecast, including paydowns on prior year payables.

Cardio Liquidity



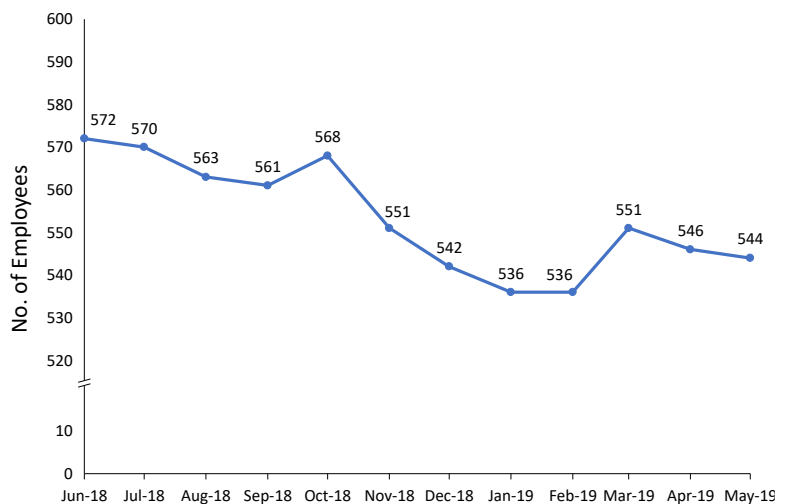
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 572 to 544 from Jun-18 to May-19.

- Cardio has had historical issues with staffing turnover, particularly after Hurricane Maria. For comparison purposes, Cardio had 623 employees at the end of Jul-17, which was pre-Maria.
- The continued loss of staff may eventually put Cardio in a strained position to meet the healthcare needs of its patients. This risk is mitigated by Cardio’s policy to actively replace any vacancies occurring during the current year and, in Mar-19, Cardio hired 15 FTEs to backfill critical nursing vacancies. Despite this, Cardio continues to suffer headcount losses due to a competitive hiring environment for nurses.

2. Payroll: Disbursements are forecast to be (\$26.6M) for FY19. YTD payroll is (\$24.3M).

Cardio Headcount

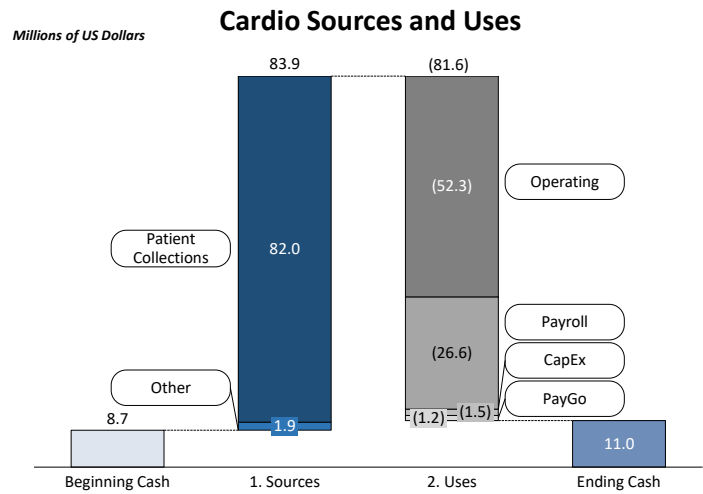


¹⁷ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

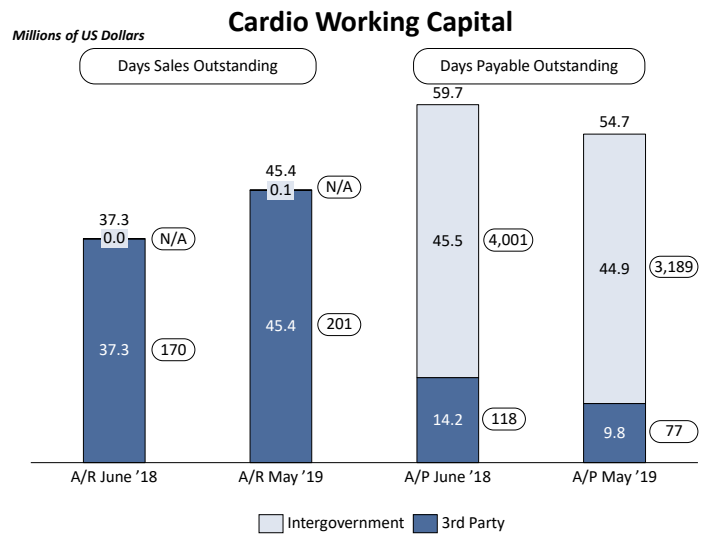
1. Sources \$83.9M:
 - a. \$82.0M, or 98% of sources of funds, is related to patient service collections. The balance of other sources is \$1.9M, consisting of rental receipts of \$1.3M, FEMA funding of \$0.5M, and other income of \$0.1M. Rental receipts are earned from leased office space inside the hospital, primarily to physician tenants.
2. Uses (\$81.6M):
 - a. Operating disbursements total (\$78.9M), with Payroll representing (\$26.6M), purchased services of (\$32.7M), professional fees of (\$7.5M), materials and supplies of (\$5.5M), facilities and payments for public services of (\$5.3M), and other operating expenses of (\$1.3M).
 - b. CapEx is expected to reach (\$1.5M) by the end of FY19.
 - c. PayGo disbursements are expected to be (\$1.2M).



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

D. Accounts Receivable / Accounts Payable¹⁸

1. Accounts Receivable:
 - a. \$8.1M increase from Jun-18 to May-19 driven by third parties.
 - b. DSO days increased from 170 to 201 as a result of the increase in accounts receivable.
2. Accounts Payable:
 - a. \$4.9M decrease from Jun-18 to May-19 driven by a \$4.3M decrease to third party payables.
 - b. DPO days decreased from 118 to 77 as a result of the decrease in accounts payable.
3. Working Capital:
 - a. Changes were unfavorable by \$13.0M, representing 16.0% of FY19 uses of cash.



¹⁸ Figures are unaudited and subject to change.

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

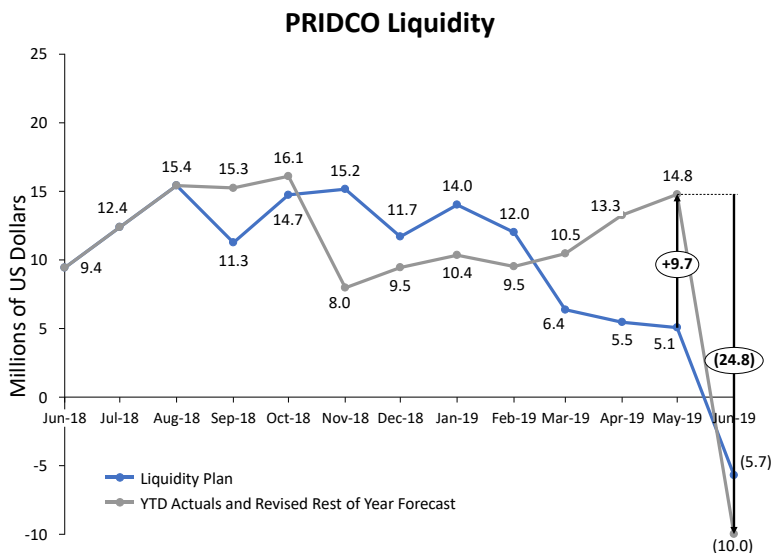
Primary Business Activity: PRIDCO is engaged in the development and promotion of industry within Puerto Rico. It accomplishes its mission through a variety of incentives to attract businesses to expand operations within Puerto Rico, but primarily through the offering of commercial lease spaces and industrial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

Key Takeaways: Due to the impact of Hurricane Maria, rental receipts in FY19 are impacted to the extent certain properties remain unmarketable or are in less than 100% usable condition, resulting in rent-related concessions. PRIDCO continues its maintenance and Maria-related repairs, and received \$2.6M of insurance-related receipts during March, leaving approximately \$20.4M in outstanding insurance claims. However, the timing of these inflows is uncertain which may impact liquidity as PRIDCO continues to incur disaster-related expenses. Due to this, as well as PayGo obligations and the segregated fund for trustee debt reserve, PRIDCO continues to forecast a cash deficit for FY19. In the month of November 2018, PRIDCO set aside funding for trustee debt reserve of \$9.1M.

A. FY19 Operating Liquidity – Actuals¹⁹ vs. Forecast

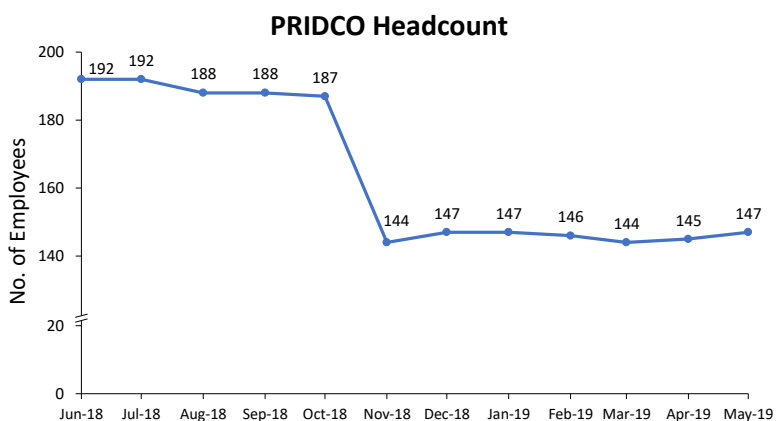
1. \$9.7M YTD actuals vs. Liquidity Plan:

- \$0.9M in net operating activity, which is the calculation of rental receipts and asset sales less operating disbursements, excluding PayGo.
 - \$7.9M in PayGo charges; favorable PayGo results YTD are currently projected to be timing. PRIDCO is in the process of creating a payment plan which is compliant with the recent requests by ERS, Hacienda, etc.
 - \$4.5M timing variance relating to Trustee Debt Reserve, as payments to be set aside were originally forecast on a quarterly basis, however PRIDCO plans to set aside the remainder of full obligation in a lump sum by the end of FY19.
 - \$3.4M CapEx which is timing related.
 - \$1.8M in disaster-related activity driven by insurance proceeds, which is a permanent variance to the cash flow forecast.
 - (\$8.7M) in Net Transfers between PRIDCO bank accounts, in tandem with transaction adjustments to unsettled bank activity.
2. (\$24.8M) cash reduction for the balance of FY19:
- Decline in liquidity is primarily driven by setting aside funds for the PRIDCO trustee debt reserve (\$9.0M) and remaining PayGo obligation (\$11.8M), with an additional (\$4.0M) liquidity reduction due to reversal of timing variances relating to operating disbursements and CapEx.



B. Headcount / Payroll

- Headcount FTEs: Decreased from 192 to 147 from Jun-18 to May-19.
 - The large decline in headcount is related to the transfer of 42 employees from PRIDCO’s business development department to DDEC, a related entity providing management services to PRIDCO.
 - Additional employee turnover of 3 FTEs has taken place YTD, with no specified rehiring plan during the remainder of FY19.
- Payroll: Disbursements are forecast to be \$13.3M for FY19. YTD payroll is \$12.1M.
 - The yearly run rate is currently in line with the FY19 projection, assuming no further expected changes in headcount.
 - FY19 projection has been adjusted from original liquidity plan to account for the transferred employees.

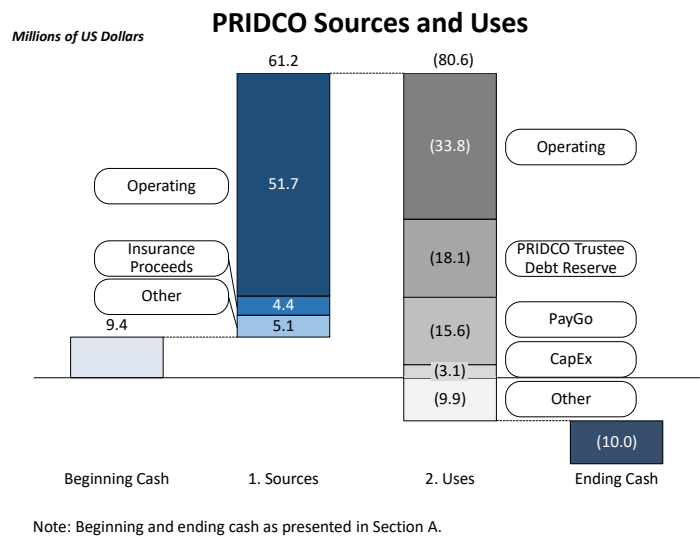


¹⁹ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

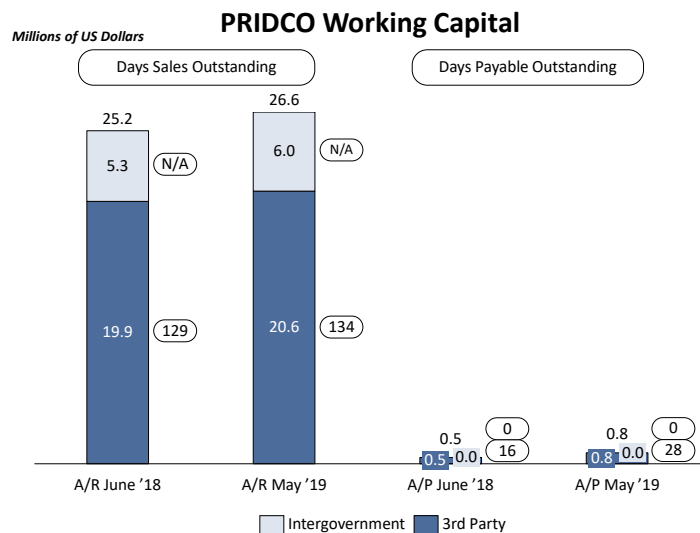
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$61.2M:
 - a. Primary sources of cash are operating receipts of \$56.8M consisting of: rental receipts for \$47.7M, asset sales for \$4.0M, and other receipts for \$5.1M.
 - b. \$4.4M in insurance-related disaster proceeds.
2. Uses (\$80.6M):
 - a. Primary uses of cash are operating expenditures of (\$20.6M), payroll and related expenses of (\$13.2M), PRIDCO setting aside funds into the segregated account trustee debt reserve account of (\$18.1M), PayGo of (\$15.6M), and CapEx of (\$3.1M).
 - b. (\$9.9M) in disaster-related expenses, and other related to net transfers in/out between PRIDCO operating bank accounts.



D. Accounts Receivable / Accounts Payable²⁰

1. Accounts Receivable:
 - a. \$1.4M increase from Jun-18 to May-19 driven by outstanding collections from third party customers.
2. Accounts Payable:
 - a. \$0.4M increase from Jun-18 to May-19 driven by payments due to maintenance services.
3. Working Capital:
 - a. \$1.0M use of cash from Jun-18 to May-19 driven by the working capital changes listed above.



²⁰ Figures are unaudited and subject to change.

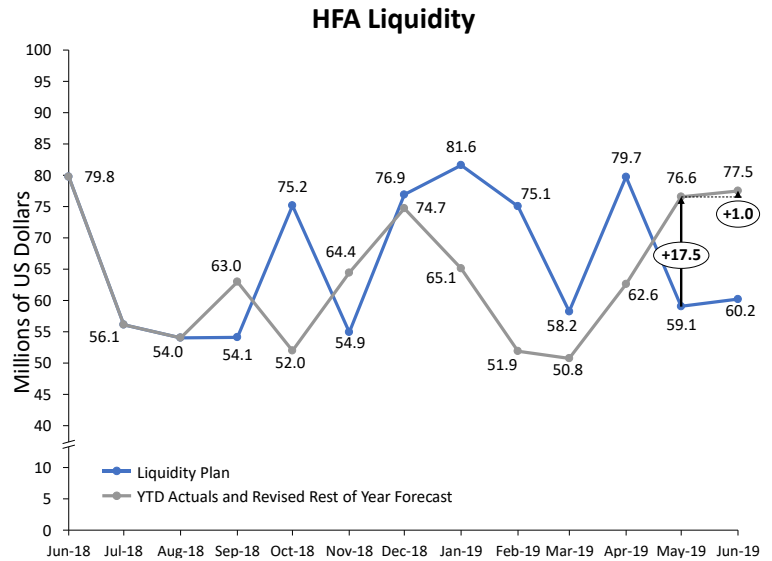
X. PUERTO RICO HOUSING FINANCE AUTHORITY (“HFA”)

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: HFA began FY19 with \$79.8M in cash, and currently has cash on hand of \$76.6M as of month-end May-19. HFA is expected to remain relatively cash neutral for the balance of FY19. While the FY19 Liquidity Plan initially projected cash inflows of \$74.9M in pass-through proceeds from the Community Development Block Grant (“CDBG”) awarded by HUD, the timeline for the distributions of such funds is unclear. The main funds recipient, the Commonwealth of Puerto Rico, has delegated the administering of CDBG grants to the Department of Housing (local/state), and funds have now been reassigned and budgeted for FY20, for approximately \$390.0M, to be held under custody of the Department of Housing. The allocated amount for HFA has not been determined.

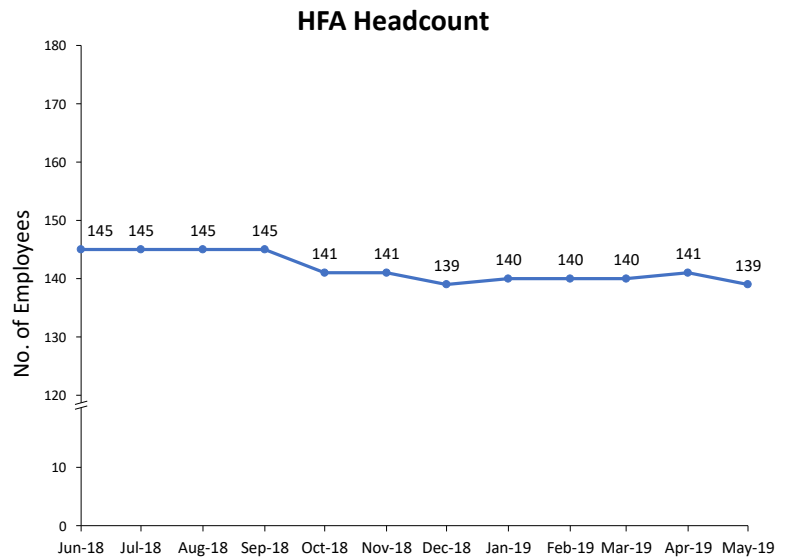
A. FY19 Operating Liquidity – Actuals²¹ vs. Forecast

1. \$17.5M YTD actuals vs. Liquidity Plan:
 - a. \$1.2M favorable variance in operating receipts, mainly driven by interest income on loans and investments & other income of \$7.4M, partially offset by lower-than-expected administrative service fees of (\$6.1M).
 - b. \$8.4M favorable variance in Commonwealth Intra-Government receipts.
 - c. \$12.5M favorable variance in operating disbursements, mainly driven by unrealized expenditures related to the unclaimed deposits earmarked for CapEx.
 - d. (\$2.3M) unfavorable variance in net Federal Fund disbursements, assumed to be timing related.
 - e. (\$2.2M) unfavorable variance in net balance sheet and debt related disbursements.
2. \$1.0M cash increase for the balance of FY19:
 - a. HFA expects to be relatively cash neutral for the balance of FY19.



B. Headcount / Payroll

1. Headcount FTEs: decreased from 145 to 139 from Jun-18 to May-19.
 - a. HFA does not expect to hire additional FTEs for the remainder of FY19.
2. Payroll: Disbursements are forecast to be \$8.5M for FY19. YTD payroll is \$8.0M.



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

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

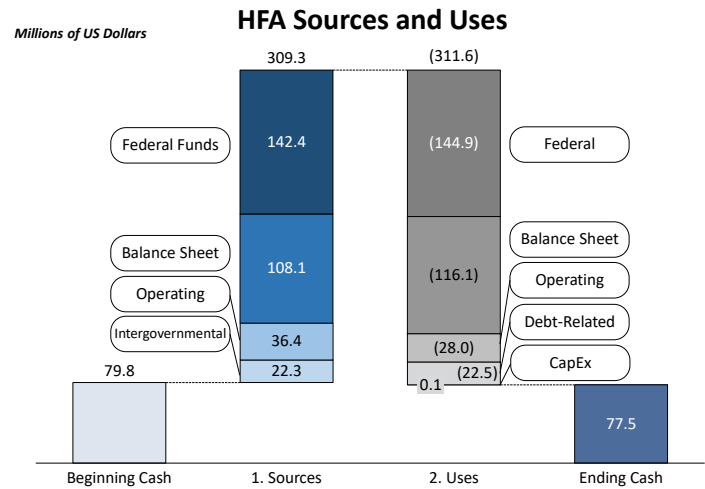
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$309.3M:

- a. Federal Fund receipts are \$142.4M. Funds from HUD are used to help low-income home buyers either purchase a home or subsidize rent payments. No CDBG funds are expected to flow through the remainder of FY19.
- b. Balance sheet receipts are \$108.1M, and consist of principal collected on mortgage loans and proceeds from the redemption of investments.
- c. Operating and intergovernmental receipts are \$58.7M, consisting primarily of Commonwealth appropriations of \$22.3M, interest and other income of \$27.5M, and administrative fees and insurance premiums of \$5.8M and \$3.1M respectively.

2. Uses (\$311.6M):

- a. (\$172.9M) in total operating and federal funds disbursements, (\$28.1M) and (\$144.8M) respectively.
- b. (\$116.1M) in balance sheet disbursements, mainly driven by purchases of investments of (\$95.2M), and (\$20.9M) from payments pertaining to mortgages and loans originated.
- c. (\$22.5M) in debt-related disbursements.



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

D. Accounts Receivable / Accounts Payable²²

1. Accounts Receivable:

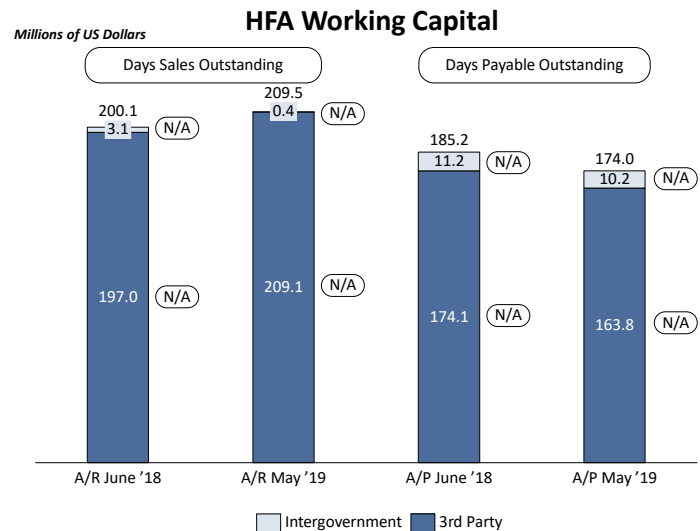
- a. \$9.4M increase from Jun-18 to May-19, mainly driven by third party receivables.

2. Accounts Payable:

- a. \$11.3M decrease from Jun-18 to May-19, mainly driven by third party payables.

3. Working Capital:²³

- a. \$20.7M decrease in working capital from Jun-18 to May-19.



²² Figures are unaudited and subject to change.

²³ Working capital numbers reported for Jun-18 in prior report have been updated to the numbers seen in this May-19 report.

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

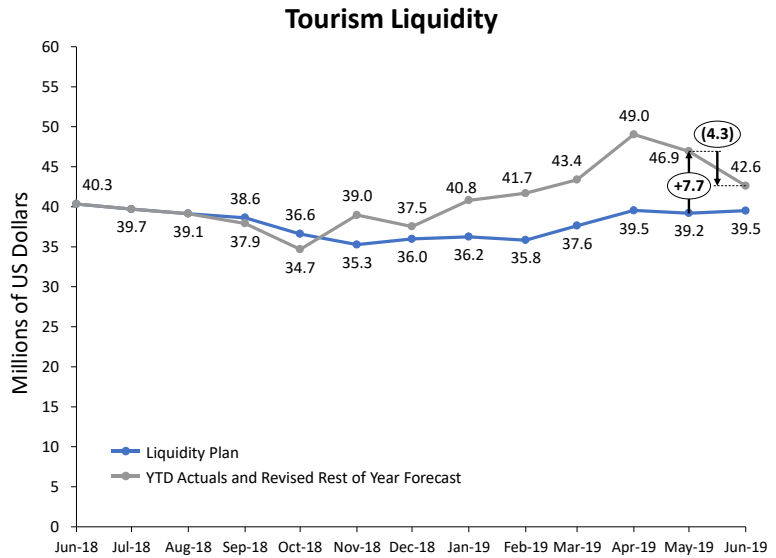
Primary Business Activity: Tourism’s purpose is to promote the tourism industry of Puerto Rico.

Key Takeaways: Since the beginning of FY19, cash increased by \$6.6M primarily due to increased slot machines revenue and lower payroll spend. 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 a Direct Marketing Organization, or “DMO.” Determined by Act 17 (2017), Tourism can pay up to, but not exceed, (\$25.0M) this fiscal year to the DMO for contracted services.

A. FY19 Operating Liquidity – Actuals²⁴ vs. Forecast

1. \$7.7M YTD actuals vs. Liquidity Plan:

- \$4.1M favorable variance in net collections after waterfall disbursements driven primarily by a permanent variance in slot machine collections due to increasing play from locals, contractors, and tourists; improvements in the average hold rate (casino gains from slot machine play); and stricter enforcement against illegal slot machine operations, which is driving local players into more legitimate venues.
- \$2.8M favorable variance in payroll disbursements, of which \$2.0M is expected to be permanent due to wages being over budgeted for FY19.
- (\$2.6M) unfavorable permanent variance in media/ad spend is driven primarily by rollover payments on Tourism’s FY18 Marketing Contract.
- \$3.4M favorable variance in other operating expenses driven primarily by favorable professional services and special events spend due to contract approval delays and other timing issues – likely to become permanent in FY19. This is also driven by a favorable timing variance of cruise line incentives, and favorable spend on telephone utilities which was overstated in the Liquidity Plan.



2. (\$4.3M) cash reduction for the balance of FY19:

- Tourism expects to disburse an additional (\$2.4M) pertaining to the FY18 marketing contract, which was spend deferred in FY18 due to hurricanes, as well as catch up on spend related to professional services and cruise line incentives.

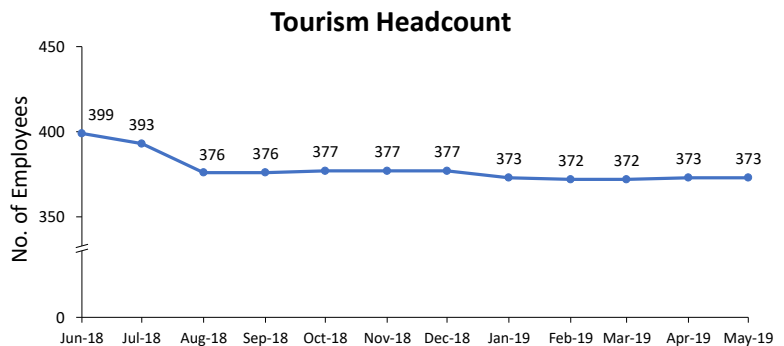
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 399 to 373 from Jun-18 to May-19.

- Reduction in headcount driven primarily by 21 employees participating in Phase II of the VTP departing Tourism effective Aug-18.

2. Payroll: Disbursements are forecast to be \$20.4M for FY19. YTD payroll is \$17.6M.

- Payroll-related disbursements were over-budgeted in FY19 by \$2.0M, which is reflected in the YTD variance of \$2.8M. The remaining \$0.8M of the variance is timing related.



²⁴ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

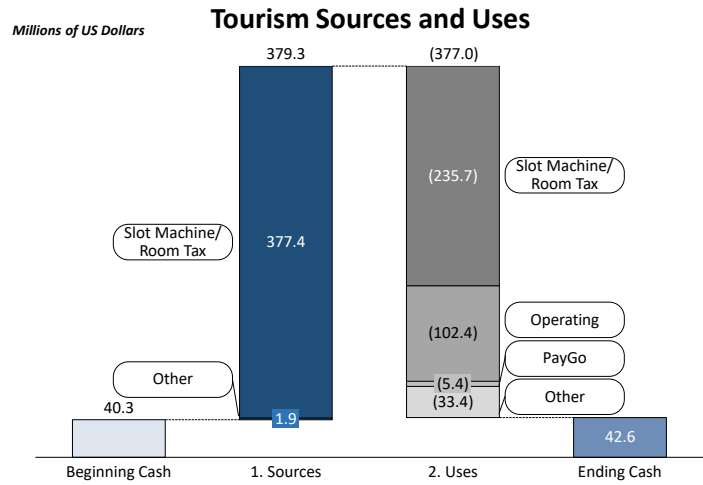
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$379.3M:

- a. Tourism’s primary sources of funds are slot machine revenues of \$304.2M, or 80%, and room tax revenues of \$73.2M, or 19%. There is seasonality in the receipt of these funds, which may create temporary timing variances.
- b. Other Receipts total \$1.9M, which consist mostly of fares and/or fines charged by Tourism to local street vendors.

2. Uses (\$377.0M):

- 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 (\$229.9M) and (\$5.8M) are made from slot machines and room taxes respectively.
- b. Operating expenses are projected to be (\$102.4M), built from payroll at (\$20.4M), subsidies/incentives at (\$16.9M), media/ads at (\$12.9M), purchased services at (\$10.3M), and other operating and DMO expenses of (\$41.9M).
- c. Tourism has made ten payments totaling (\$4.7M) related to PayGo contributions, which is relatively in line with forecast. FY19 PayGo contributions are expected to total (\$5.4M).
- d. 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.



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

D. Accounts Receivable / Accounts Payable²⁵

1. Accounts Receivable:

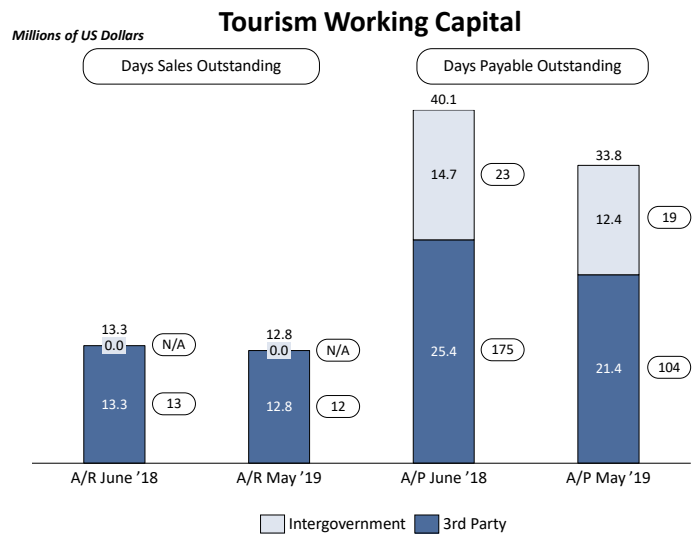
- a. \$0.5M decrease from Jun-18 to May-19 driven by third party A/R increases due to timing of invoicing and collections pertaining to room tax and slot machine collections.

2. Accounts Payable:

- a. \$6.3M decrease from Jun-18 to May-19 driven by decrease in intergovernmental A/P (\$2.3M) related to payments made to CCDA for amounts owed per room tax waterfall legislation for FY19, as well as prior years. There is also a decrease in third party A/P (\$4.0M) due to Tourism making paydowns on its FY18 Marketing Contract.

3. Working Capital:

- a. Working capital levels have been unfavorable by \$5.7M due to Tourism catching up on major spend activities incurred last year, including spend on marketing contract delayed in FY18 due to the hurricanes.



²⁵ Figures are unaudited and subject to change.

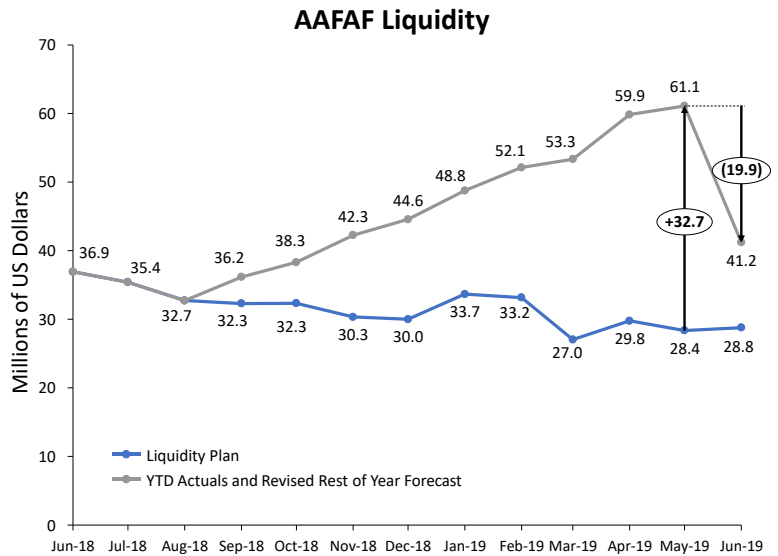
XII. FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (“AAFAF”)

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, building its cash position to \$61.1M as of May-19, but this is expected to reduce by year end through a catch up in professional service payments. Year-end liquidity is projected to be \$12.4M higher than the Liquidity Plan due to fewer professional service payments, and an unexpected refund of \$1.3M for an excess payment made in FY18, resulting in a permanent variance.

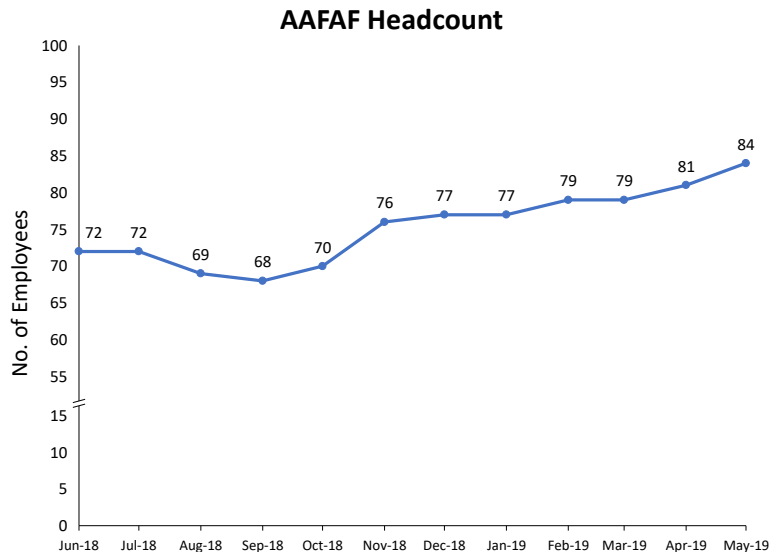
A. FY19 Operating Liquidity – Actuals²⁶ vs. Forecast

1. \$32.7M YTD actuals vs. Liquidity Plan:
 - a. \$30.4M favorable professional services variance is the result of timing and delayed invoice processing, expected to partially reverse by end of FY19.
 - b. \$1.9M in other receipts are related to reimbursement of invoices paid to GDB and interest income on deposits, representing a permanent variance to the cash flow forecast.
 - c. \$1.7M in operating disbursements is driven by a positive variance in facilities payments and purchased services, which are permanent.
 - d. (\$1.3M) in general fund appropriations is a result of timing.
2. (\$19.9M) cash reduction for the balance of FY19:
 - a. Liquidity decline is due to a partial reversal of the positive timing variance related to professional service fees.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 72 to 84 from Jun-18 to May-19.
 - a. Increase in headcount is expected to continue as AAFAF needs additional personnel to provide fiscal services to various government entities.
2. Payroll: Disbursements are forecast to be \$7.9M for FY19. YTD payroll is \$6.5M.
 - a. The yearly run rate is currently less than the FY19 projection, however new headcount additions will increase disbursements toward projected payroll costs.

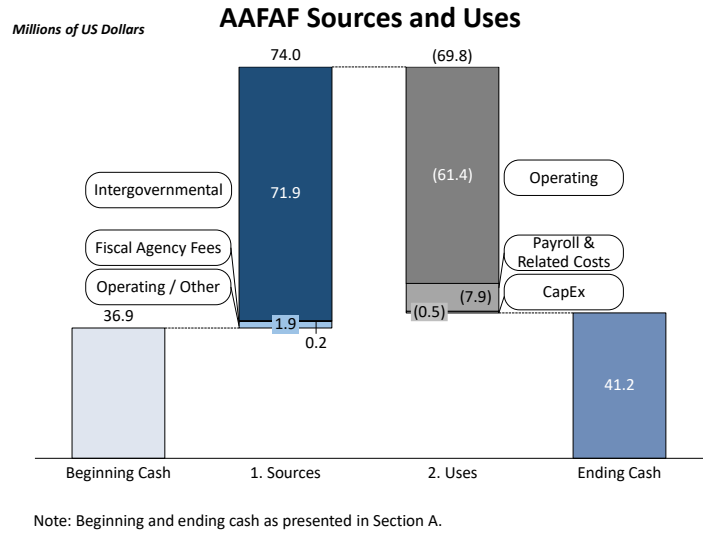


²⁶ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

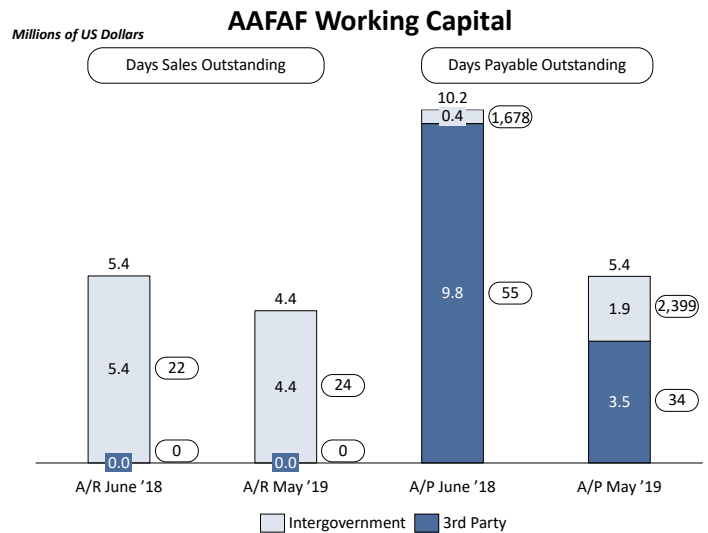
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$74.0M:
 - a. \$71.9M in 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. \$1.9M in other receipts are due to a refund from GDB for an excess payment in Sep-18, as well as interest income on deposits.
 - c. \$0.2M in Fiscal Agency fees.
2. Uses (\$69.8M):
 - a. (\$61.4M) in operating disbursements, with professional services totaling (\$58.4M) largely consisting of legal, accounting, financial advisory, etc., purchased services totaling (\$2.3M), facilities payments totaling (\$0.3M), and other operating expenses of (\$0.4M).
 - b. (\$7.9M) in payroll and related costs for FY19.
 - c. (\$0.5M) in CapEx for FY19.



D. Accounts Receivable / Accounts Payable²⁷

1. Accounts Receivable:
 - a. \$1.0M decrease from Jun-18 to May-19 driven by collection of GDB reimbursement.
2. Accounts Payable:
 - a. \$4.8M decrease from Jun-18 to May-19 driven by AAFAF being current on invoices paid to professional services.
3. Working Capital:
 - a. \$3.8M use of cash from Jun-18 to May-19 driven by the working capital changes listed above.



²⁷ Figures are unaudited and subject to change.

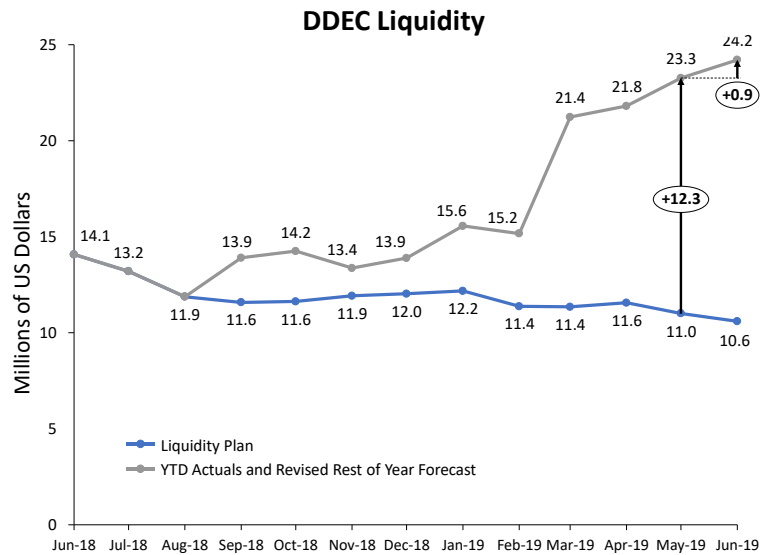
XIII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE (“DDEC”)

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, and has generated a favorable \$12.3M cash flow as compared to liquidity plan, due in large measure to an ongoing consolidation process of several government entities within DDEC. DDEC received cash transfers relating to the consolidation of PRIDCO, OGPE, and OEI totaling \$10.0M YTD. This includes a \$3.1M transfer from PRIDCO for payroll and related costs of transferred employees through year end. In addition, Hacienda transferred \$3.6M during the month of March 2019, and \$3.3M during the month of May 2019, to fund payroll and operating expenses attributable to OGPE and OEI. A total of 186 employees were transferred from these operations. Through year end, cash favorability from these transfers is expected to partially reverse due to the higher operating costs of the larger DDEC entity.

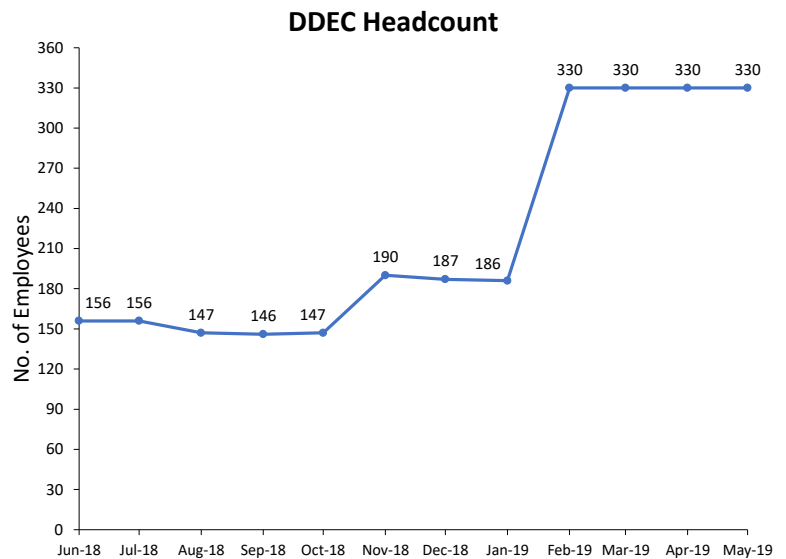
A. FY19 Operating Liquidity – Actuals²⁸ vs. Forecast

1. \$12.3M YTD actuals vs. Liquidity Plan:
 - a. \$10.0M permanent favorable variance in other receipts due to transfers of cash from PRIDCO and Hacienda to DDEC, to support payroll and operating expenses pertaining to OGPE and OEI. Through year end, this favorable contribution to cash is expected to partially reverse due to increased operating expenses pertaining to a larger combined operation.
 - b. \$6.6M in higher operating receipts primarily due to a catch up in management fees and increased Act 22 fees, which have been consistently greater than forecast year to date. This variance is expected to be permanent.
 - c. (\$1.8M) in net federal funding, which is due to timing.
 - d. (\$1.4M) General Fund appropriations due to timing.
 - e. (\$1.2M) in operating disbursements to support higher receipts and new employees reported under the DDEC umbrella.
2. \$0.9M cash build for the balance of FY19:
 - a. Forecast cash build is due to greater collections of operating receipts during the month of June.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 156 to 330 from Jun-18 to May-19.
 - a. The increase in headcount is due to the transfer of 42 employees from PRIDCO, 132 employees from OGPE, and 12 employees from OEI as a result of DDEC consolidation. General employee turnover and VTP has lowered the headcount down to 330 from a baseline of 342.
 - b. Over the coming months, headcount is expected to increase as other entities begin reporting under DDEC.
2. Payroll: Disbursements are forecast to be \$16.3M for FY19. YTD payroll is \$15.0M.
 - a. Current payroll run rate is in line with updated forecast; however, current year-end payroll forecast is greater than original liquidity plan forecast due to new FTEs added as part of the DDEC consolidation.

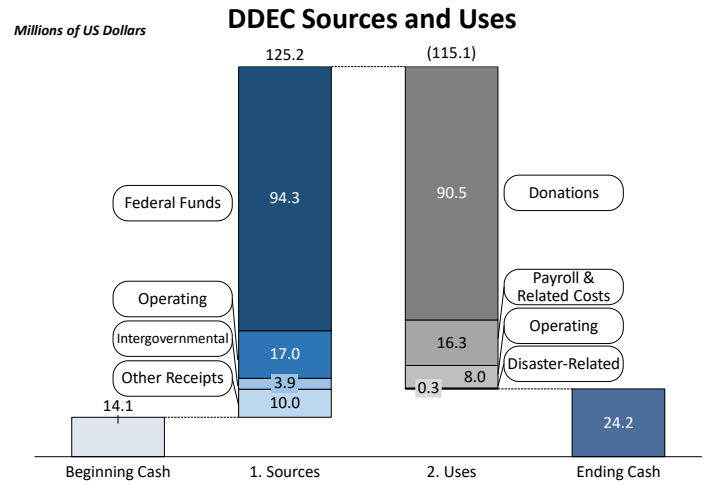


²⁸ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

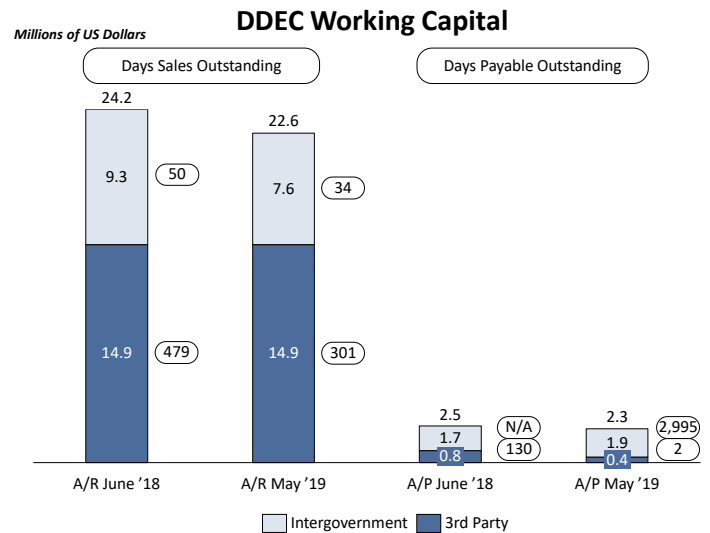
1. Sources \$125.2M:
 - a. Federal grants represent \$94.3M, or 75.3%, of total receipts, which are used for redevelopment efforts on the Island.
 - b. Operating receipts are \$17.0M, or 13.6% of total receipts, which have increased from the original \$11.9M projection to account for a greater management fee owed to DDEC and increased Act 22 fees.
 - c. Intergovernmental receipts are \$3.9M, or 3.1% of total receipts.
 - d. Other receipts account for \$10.0M, or 8.0% of total receipts, which relate to cash transferred from PRIDCO and Hacienda to pay for newly transferred employees and other operating costs.
2. Uses (\$115.1M):
 - a. Donations, subsidies, and distributions represent (\$90.5M), or 78.6%, of total disbursements, which are provided to local areas for redevelopment and to the citizens through the WIOA.
 - b. Payroll and related costs increased to (\$16.3M), or 14.1%, of total disbursements, from original \$10.7M projection to account for the current FY19 run rate and newly added employees.
 - c. Operating expenses of (\$8.4M), or 7.3%, primarily consist of professional and purchased services of (\$6.0M) and additional operating expenses of (\$2.4M).
 - d. Disaster-related expenses account for (\$0.3M).



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

D. Accounts Receivable / Accounts Payable²⁹

1. Accounts Receivable:
 - a. \$1.6M decrease from Jun-18 to May-19 driven by increased collection of intergovernmental receipts.
2. Accounts Payable:
 - a. \$0.2M decrease from Jun-18 to May-19 driven by disbursements related to professional services.
3. Working Capital:
 - a. \$1.4M source of cash as a result of the changes detailed above.



²⁹ Figures are unaudited and subject to change.

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

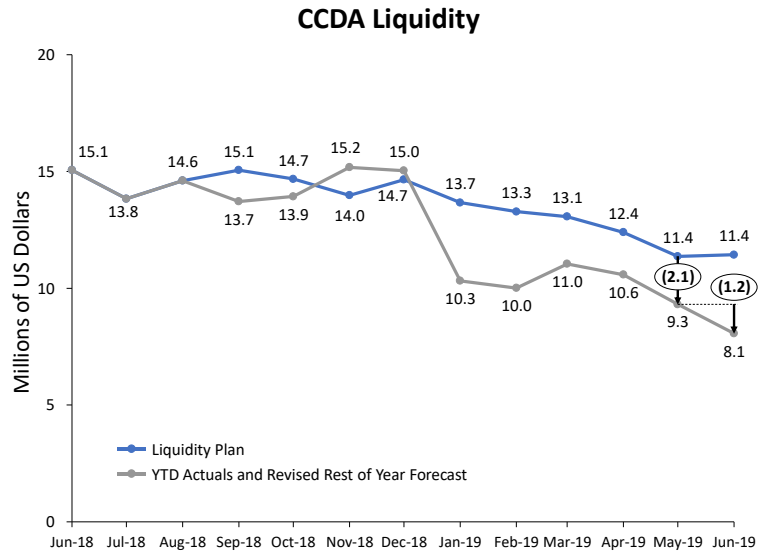
Primary Business Activity: CCDA develops, manages, and oversees the Puerto Rico Convention Center, the Coliseo de Puerto Rico José Miguel Agrelot, Bahía Urbana, and other adjacent hospitality, commercial, and residential developments.

Key Takeaways: CCDA has experienced a decline in YTD liquidity due to a one-time insurance payment of \$3.8M during the month of January, representing a permanent variance to the cash flow forecast. Timing of this payment was unknown at the beginning of FY19; thus, it was not included in the original Liquidity Plan. Decline in liquidity for the remainder of the year is primarily related to additional CapEx projects undertaken during the fiscal year. CCDA will continue to increase disbursements in order to generate incremental revenue from events hosted at its managed venues.

A. FY19 Operating Liquidity – Actuals³⁰ vs. Forecast

1. (\$2.1M) YTD actuals vs. Liquidity Plan:

- a. \$2.0M favorable variance related to a greater number of events taking place in the PR Coliseum and Convention Center than originally forecast.
- b. \$1.1M in disaster-related reimbursement receipts for expenses incurred in FY18, which is a permanent variance to the cash flow forecast.
- c. \$0.6M favorable variance related to Room Tax Transfers from Tourism, which is timing related.
- d. (\$3.8M) in purchased services due to delayed insurance payments as a result of the previous provider of property insurance becoming insolvent. This is a permanent variance to the cash flow forecast.
- e. (\$2.0M) relating to CapEx due to the completion of projects from both FY18 and FY19 not included in the cash flow forecast. FY18 projects not completed were pushed into FY19, and new projects have been added during the fiscal year.

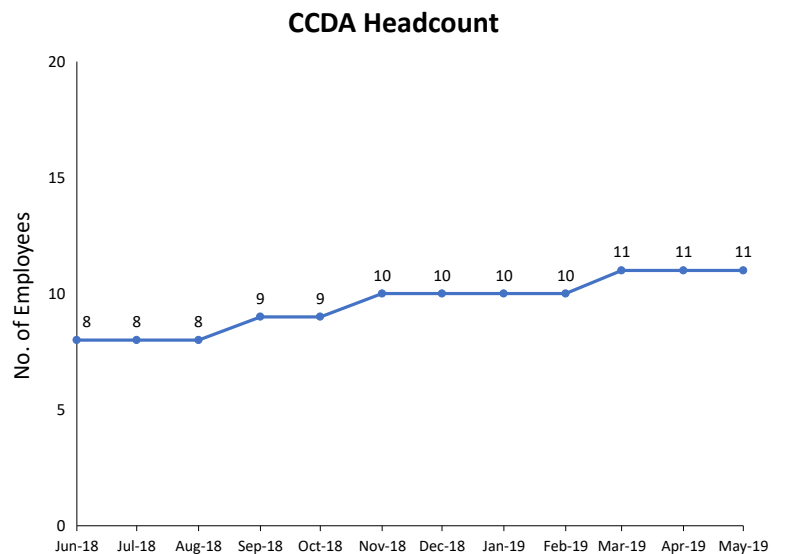


2. (\$1.2M) cash reduction for the balance of FY19:

- a. Expected reduction in liquidity is due to the completion of future CapEx projects which were unaccounted for in the original Liquidity Plan.

B. Headcount / Payroll

- 1. Headcount FTEs: Increased from 8 to 11 from Jun-18 to May-19.
 - a. CCDA has increased its headcount by 3 since Jun-18, as expected in the budget. These hires are all in the areas of accounting and operations.
- 2. Payroll: Disbursements are forecast to be \$1.0M for FY19. YTD payroll is \$0.8M.
 - a. The yearly run rate is in line with the FY19 projection for payroll.

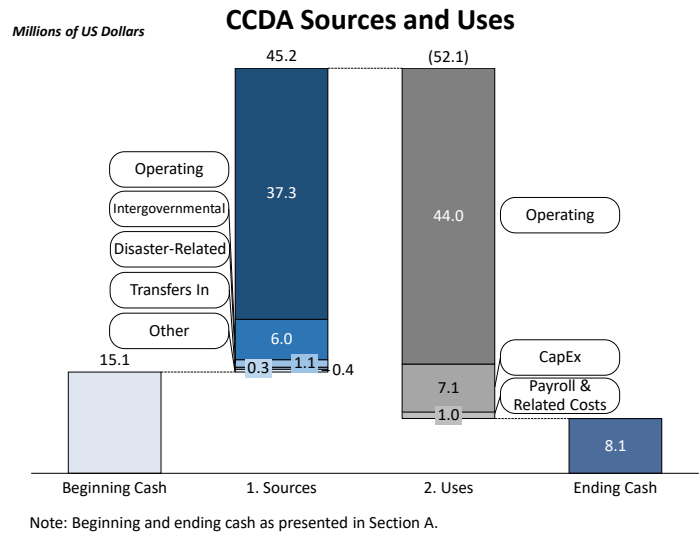


³⁰ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

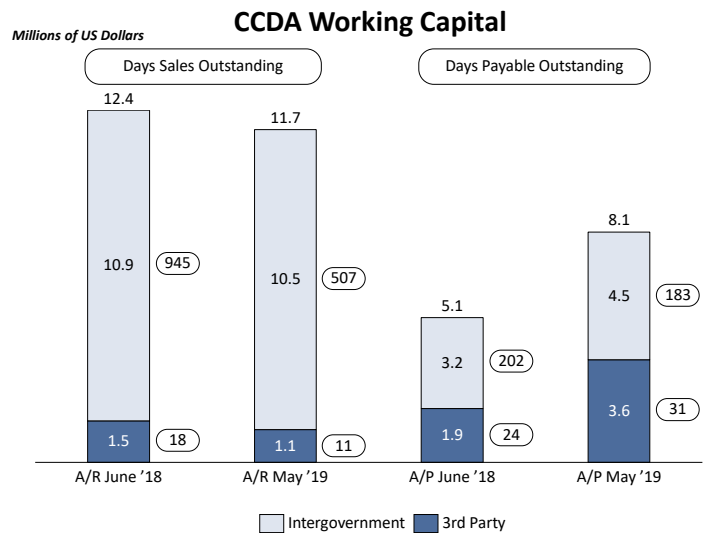
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$45.2M:
 - a. Operating receipts total \$37.3M, consisting of income from the PR Coliseum, the Convention Center, and other rental income.
 - b. Intergovernmental receipts make up \$6.0M of total sources of funds, which relates to room tax payments made to CCDA by the Tourism Company of Puerto Rico.
 - c. Disaster-related receipts account for \$1.1M of total receipts.
 - d. Transfers from restricted accounts to fund CapEx has provided a net source of cash totaling \$0.3M.
 - e. Other receipts account for \$0.4M of total receipts.
2. Uses (\$52.1M):
 - a. Operating expenses combine to (\$44.0M), with purchased services and facilities payments accounting for (\$42.7M) of total operating expenditures.
 - b. CapEx is (\$7.1M), and is utilized for maintaining the quality of owned assets on the Island.
 - c. Payroll and related costs for FY19 are (\$1.0M).



D. Accounts Receivable / Accounts Payable³¹

1. Accounts Receivable:
 - a. \$0.7M decrease from Jun-18 to May-19 driven by greater collections of third party operating receipts.
2. Accounts Payable:
 - a. \$3.0M increase from Jun-18 to May-19 driven by increased expenditures to support higher revenue.
3. Working Capital:
 - a. \$3.7M source of cash as a result of the changes detailed above.



³¹ Figures are unaudited and subject to change.

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

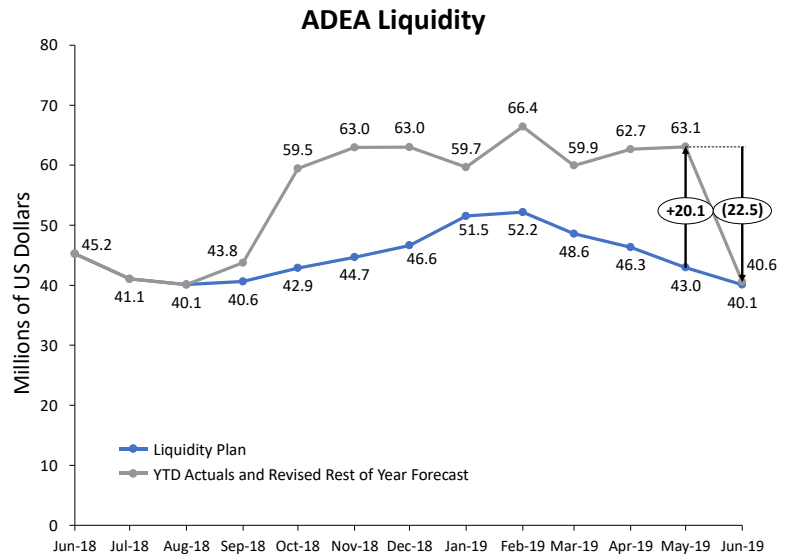
Primary Business Activity: ADEA provides services to the agricultural sector, with the goal of supporting its economic development. Services include: rural infrastructure development, providing incentives and subsidies to the industry, agricultural product market making, and other related services.

Key Takeaways: ADEA generated \$17.9M in net cash flow FY19 through May, and ended the period with a \$63.1M cash balance. YTD cash flow is \$20.1M higher than forecast. Positive variance is primarily due to collections of prior years’ A/R from the Department of Education related to the school cafeteria program. ADEA projects to end FY19 with a \$40.6M cash balance, with project spending in rural infrastructure and subsidies for the majority of the decrease in cash between May and June.

A. FY19 Operating Liquidity – Actuals³² vs. Forecast

1. \$20.1M YTD actuals vs. Liquidity Plan:

- a. \$41.0M favorable permanent variance related to operating receipts, led by account receivable collections from the Department of Education of \$32.8M in Oct-18 that were not forecast. Additionally, in February ADEA received \$6.0M related to a refund on prior allocations to HTA for rural infrastructure projects. HTA was set to perform those projects on behalf of DTOP, but those plans were subsequently revised and ADEA will be assuming control over those projects and making disbursements over time.
- b. \$3.4M permanent variance related to intergovernmental receipts, due to the release of budget holdback in April.
- c. \$1.5M in permanent variance due to insurance proceeds related to hurricane damages.
- d. (\$25.8M) variance in operating disbursements, primarily driven by vendor expenses (\$16.7M), other operating expenditures (\$12.1M), and other expenses (\$8.5M). Timing of these disbursements are tied to improved A/R collections mentioned above. These are somewhat offset by a \$5.4M timing delay in incentive and subsidy payments, as well as a \$1.5M permanent payroll variance, and a \$4.6 timing variance in PayGo payments.

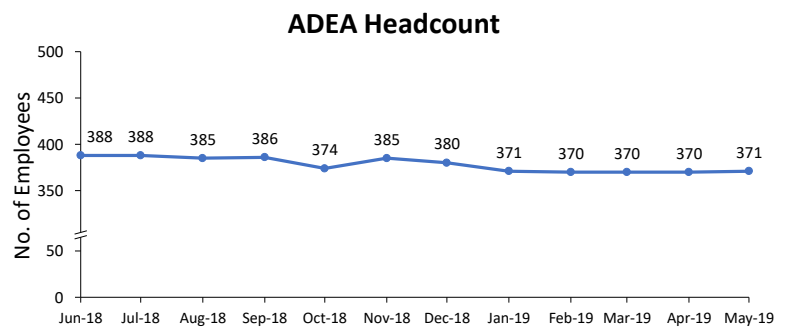


2. (\$22.5M) cash reduction for the balance of FY19:

- a. \$9.8M forecast in total receipts led by \$4.1M in operating receipts and \$5.7M in intergovernmental receipts. Forecasted operating receipts are driven by \$2.7M in coffee market making operations, \$0.7M in school cafeteria programs, and \$0.7M in other receipts.
- b. (\$32.3M) forecast in total disbursements, led by (\$9.2M) in rural infrastructure spending, (\$7.0M) in other operating expenses, (\$9.3M) in incentives and subsidy programs, (\$3.0M) in PayGo expenses, (\$1.3M) in payroll, and (\$2.5M) in other expenses.

B. Headcount / Payroll

- 1. Headcount FTEs: decreased from 388 to 371 from Jun-18 to May-19.
 - a. Drop in headcount is attributable to the VTP.
- 2. Payroll: Disbursements are forecast to be \$13.7M for FY19. YTD payroll is \$12.5M.
 - a. YTD ADEA has a \$1.4M favorable variance in payroll expenses due to reduced headcount and benefits.

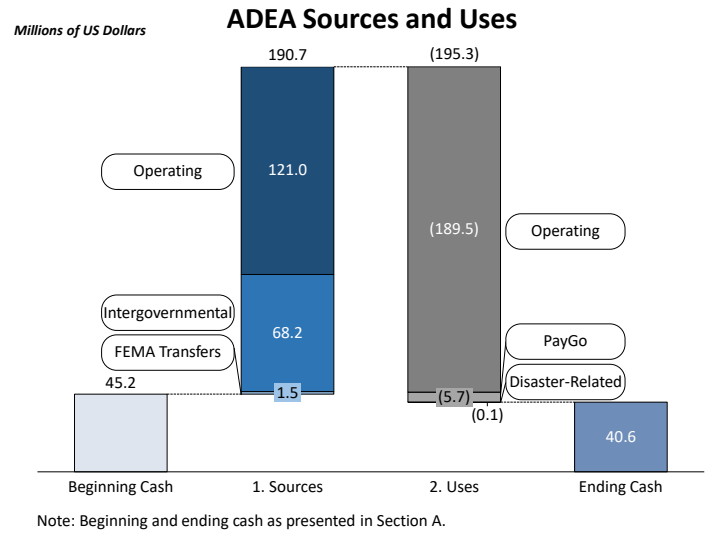


³² Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

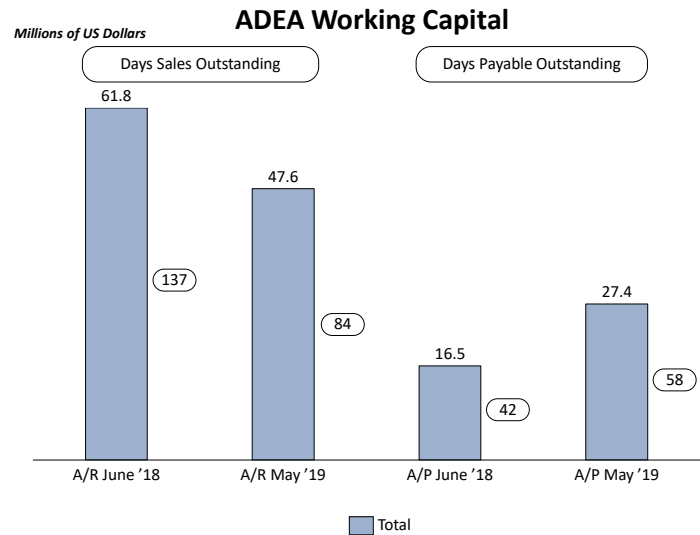
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$190.7M:
 - a. \$121.0M in operating receipts, comprised of \$60.0M in coffee market making operations, \$49.7M in school cafeteria programs, and \$11.4M in other receipts, inclusive of \$6.0M in refunds from HTA. Total sources for the year, excluding funds received from HTA, are \$37.9M ahead of plan driven primarily by \$29.7M above-plan performance in school cafeteria programs as a result of the A/R collections, which is permanent.
 - b. \$68.2M in intergovernmental transfers.
 - c. \$1.5M in insurance proceeds.
2. Uses (\$195.3M):
 - a. (\$189.6M) in operating disbursements include (\$79.2M) of other operating expenses, payroll of (\$13.7M), incentives and subsidy programs of (\$47.9M), other vendor payments of (\$23.3M), rural infrastructure spending of (\$22.6M), and facilities and payments to public services of (\$1.1M). Other expenses, including pass-through disbursements tied to government programs, are (\$1.8M).
 - b. (\$5.7M) in PayGo charges. YTD spend is \$2.7M.
 - c. (\$0.1M) in disaster-related expenses.



D. Accounts Receivable / Accounts Payable³³

1. Accounts Receivable:
 - a. \$14.1M decrease from Jun-18 to May-19 driven primarily by collection of prior-year receivables related to the school cafeteria program from the Department of Education.
 - b. DSO days decreased from 137 in Jun-18 to 84 in May-19.
2. Accounts Payable:
 - a. \$10.9M increase from Jun-18 to May-19 driven by increases in payables related to infrastructure programs.
 - b. DPO increased in the same time period from 42 to 58 days.
3. Working Capital:
 - a. The change in net working capital from Jun-18 to May-19 was \$25.0M source of cash due primarily to collections on A/R from the Department of Education and extending vendor payables.



³³ Figures are unaudited and subject to change.

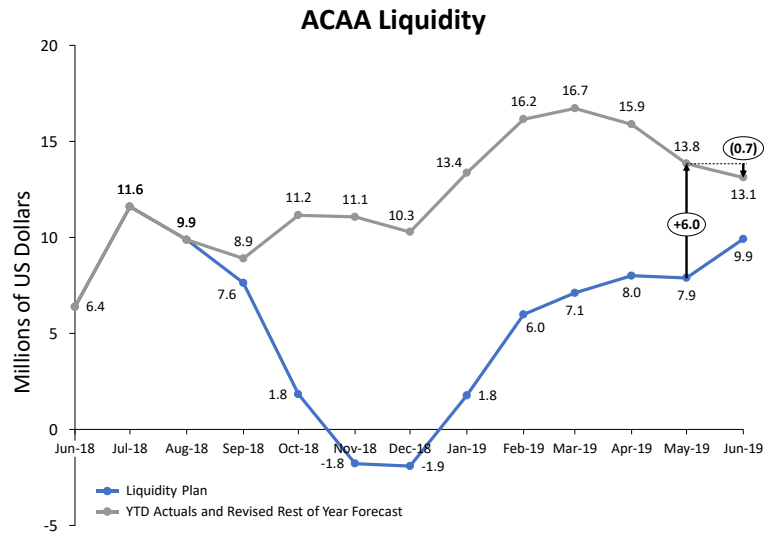
XVI. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION (“ACAA”)

Primary Business Activity: ACAA administers insurance for health services and compensation to benefit victims of car accidents and their dependents. ACAA pays for medical-hospital services offered by third party providers and compensates victims and dependents of deceased victims who were involved in an accident.

Key Takeaways: ACAA continues to build cash, driven primarily by increased receipts and timing of operating disbursements, which have been below the projected budget YTD. These timing differences are expected to reverse, in part, during Q4-19, as operating disbursements are expected to offset the greater monthly premiums that ACAA has been collecting. Changes in headcount are a result of VTP, and headcount figures are expected to remain constant through the remainder of FY19.

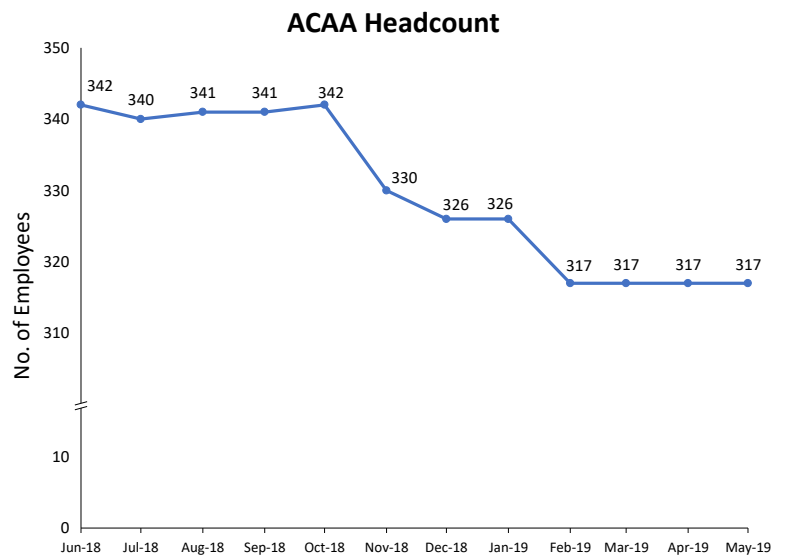
A. FY19 Operating Liquidity – Actuals vs. Forecast

1. \$6.0M YTD actuals vs. Liquidity Plan:
 - a. \$5.4M operating receipts, which represents a permanent variance as a result of higher driver registrations than originally forecast.
 - b. \$0.5M operating disbursements, driven by less payments relating to purchased services, which are due to timing.
 - c. \$0.1M in payroll and PayGo disbursements, which are due to timing.
2. (\$0.7M) cash reduction for the balance of FY19:
 - a. Decline in FY19 liquidity is due to the reversal of timing disbursements related to purchased services.



B. Headcount / Payroll

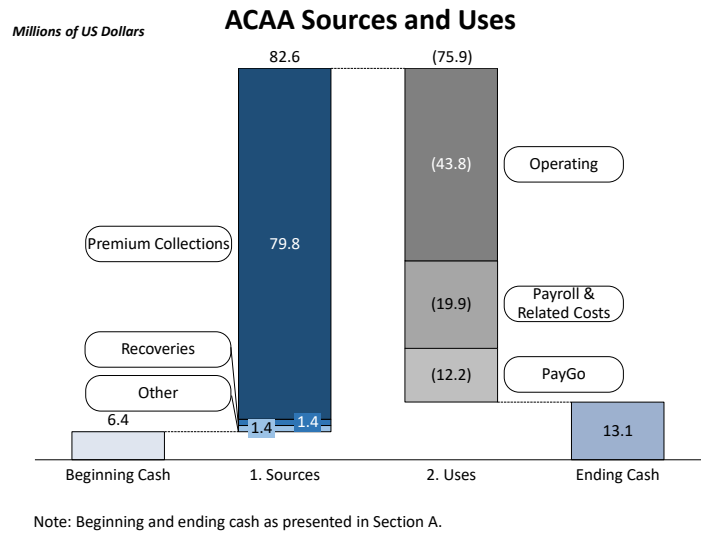
1. Headcount FTEs: Decreased from 342 to 317 from Jan-19 to May-19.
 - a. Headcount has decreased due to the implementation of VTP3.
2. Payroll: Disbursements are forecast to be \$19.9M for FY19. YTD payroll is \$17.7M.
 - a. YTD run rate for payroll is slightly behind FY19 forecast, due to decline in headcount as a result employees entering the third VTP.



XVI. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION (“ACAA”) (Continued)

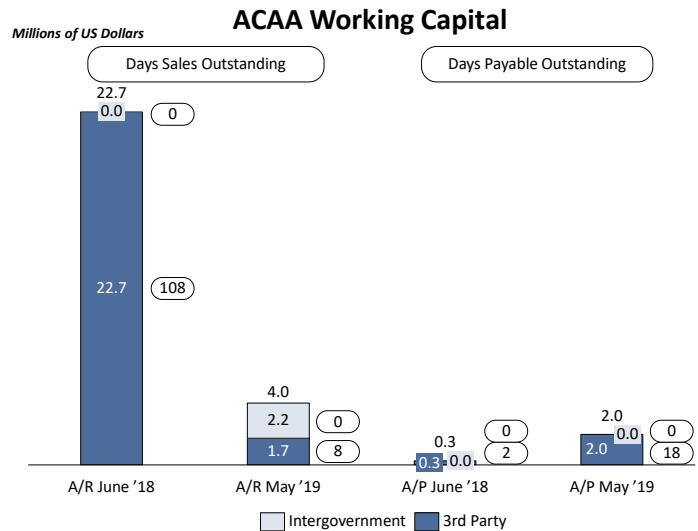
C. Full Year FY19 Sources and Uses of Funds

1. Sources \$82.6M:
 - a. \$79.8M insurance premium collections, representing 96.6% of total sources of cash.
 - b. \$1.4M other operating receipts, representing 1.7% of total sources of cash.
 - c. \$1.4M in insurance recoveries, representing 1.7% of total sources of cash.
2. Uses (\$75.9M):
 - a. (\$43.8M) operating expenses, which consist of (\$34.6M) in claims-related disbursements and contributions to other government entities, (\$5.6M) in purchased services, (\$2.0M) in professional service fees, and (\$1.6M) in additional operating expenses.
 - b. (\$19.9M) payroll and related costs for 317 ACAA employees.
 - c. (\$12.2M) PayGo disbursements for retirement of previous employees.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$18.7M decrease from Jun-18 to May-19 driven by exclusion of outstanding insurance recoveries from receivables for the month of May.
 - b. This reclassification of recoveries will continue for future reporting months.
2. Accounts Payable:
 - a. \$1.7M increase from Jun-18 to May-19 driven by payments due to ASEM and other health related services.
3. Working Capital:
 - a. \$20.4M source of cash as a result of the working capital changes detailed above.



XVII. PUBLIC HOUSING ADMINISTRATION (“PHA”)

Primary Business Activity: PHA provides affordable housing, rental assistance, and homeownership programs to families and persons with disabilities. PHA hires outside service providers to conduct various activities related to maintaining the livability of public housing on the Island.

Key Takeaways: Information not available.

A. FY19 Operating Liquidity – Actuals³⁴ vs. Forecast

Information not available.

B. Headcount / Payroll

Information not available.

³⁴ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XVII. PUBLIC HOUSING ADMINISTRATION (“PHA”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

Information not available.

D. Accounts Receivable / Accounts Payable³⁵

Information not available.

³⁵ Figures are unaudited and subject to change.

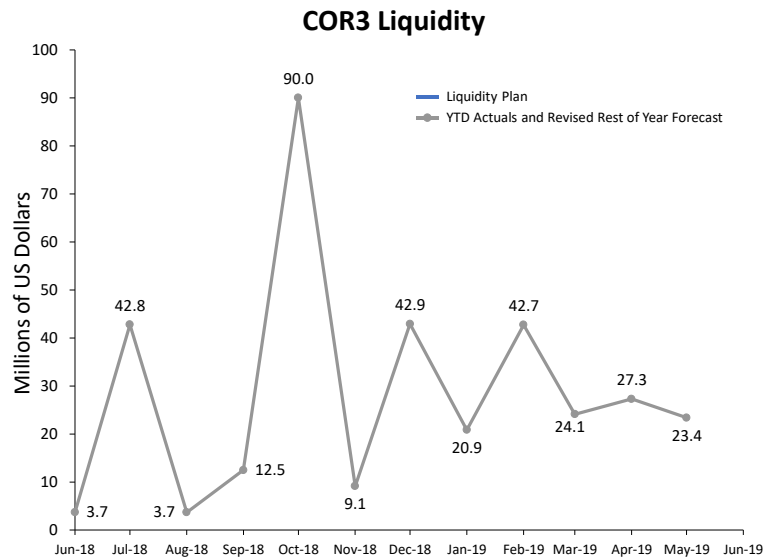
XVIII. CENTRAL OFFICE FOR RECONSTRUCTION AND RECOVER OF PUERTO RICO (“COR3”)

Primary Business Activity: COR3 manages FEMA Federal Public Assistance and disaster-related available resources for government entities and eligible sub-recipients and provides technical support regarding recovery-related resources and Federal compliance requirement matters. COR3 acts as a pass-through entity receiving federal funds and making disbursements for approved rebuilding activities.

Key Takeaways: Through May 2019, COR3 has drawn and disbursed FEMA-approved funds of \$2.6B to numerous government instrumentalities, municipalities, and component units, including the Commonwealth’s Central Government. These funds pertain to FEMA Public Assistance, and mainly related to the two Programs ‘A’ and ‘B,’ as FEMA Individual Assistance funds are not administered by COR3, and are disbursed by FEMA directly to the recipients. Management understands that during FY20, COR3 will experience noticeable activity and disbursements pertaining to the five Programs ‘C’ through ‘G.’ No Liquidity Plan has been established for FY19, nor will a Liquidity Plan be necessary for FY20, as COR3 does not disburse nor transfer out funds prior to having these transferred in from FEMA, acting as a pass-through entity. Going forward, the main objective is to monitor FEMA Public Assistance activity and account for actual flow of funds on a monthly basis.

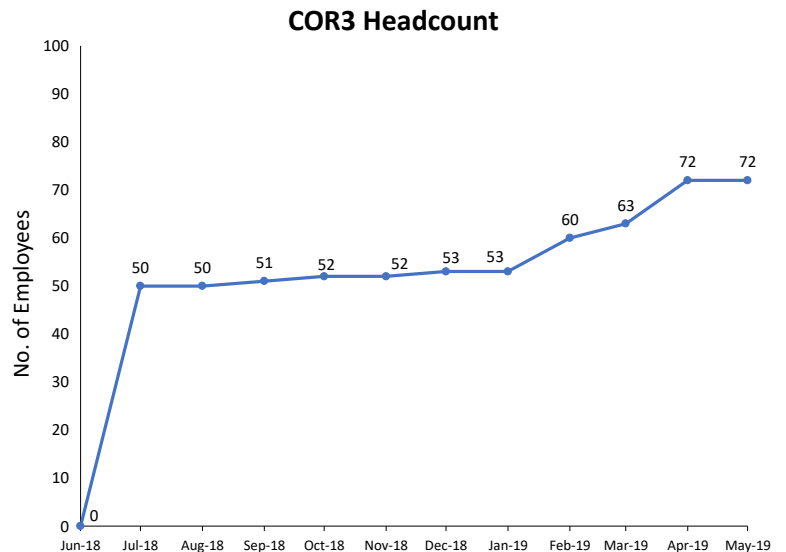
A. FY19 Operating Liquidity – Actuals³⁶ vs. Forecast

1. No Liquidity Plan was established for FY19, as COR3 does not disburse / transfer out funds prior to having these transferred in from FEMA. COR3 is simply acting as a pass-through entity. Going forward, the main objective of the CU is to monitor FEMA Public Assistance activity and account for actual flow of funds on a monthly basis. For this reason, only the actual liquidity position will be provided.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 50 to 81 from Jun-18 to May-19.
 - a. The increase continues as expected, given the buildup of infrastructure for the tracking of FEMA projects and general compliance and monitoring of Federal Funds that will be disbursed through COR3.
 - b. Multiple FTEs are also tasked with providing guidance to sub-recipients on available FEMA programs as well as guidance on how to proceed with the required compliance documentation.



³⁶ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

XVIII. CENTRAL OFFICE FOR RECONSTRUCTION AND RECOVER OF PUERTO RICO (“COR3”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

1. FEMA Public Assistance Programs are broken into two different tranches. These tranches consist of Disaster Recovery programs and Permanent Work programs, both of which are outlined below.
 - a. FEMA Public Assistance Programs ‘A’ and ‘B’ Disaster Recovery:
 1. Cat A – Debris Removal.
 2. FEMA Public Assistance Programs ‘A’ and ‘B’ Disaster Recovery.
 3. Cat B – Emergency Protective Measures.
 - b. FEMA Public Assistance Programs: (‘C’ – ‘G’) Permanent Work:
 1. Cat C – Roads and Bridges.
 2. Cat D – Water Control Facilities.
 3. Cat E – Buildings and Equipment.
 4. Cat F – Utilities.
 5. Cat G – Parks, recreational, other.

D. Accounts Receivable / Accounts Payable³⁷

1. COR3 operates as an office within the Public Private Partnership Authority (“P3”), and the operational expenses pertaining to COR3 are currently being covered and handled by P3 operational accounts. Therefore, COR3 does not maintain its own account payable ledgers. The current scope for reporting purposes is specific to COR3 FEMA-related activity for drawdowns and disbursements to sub-applicants.

³⁷ Figures are unaudited and subject to change.

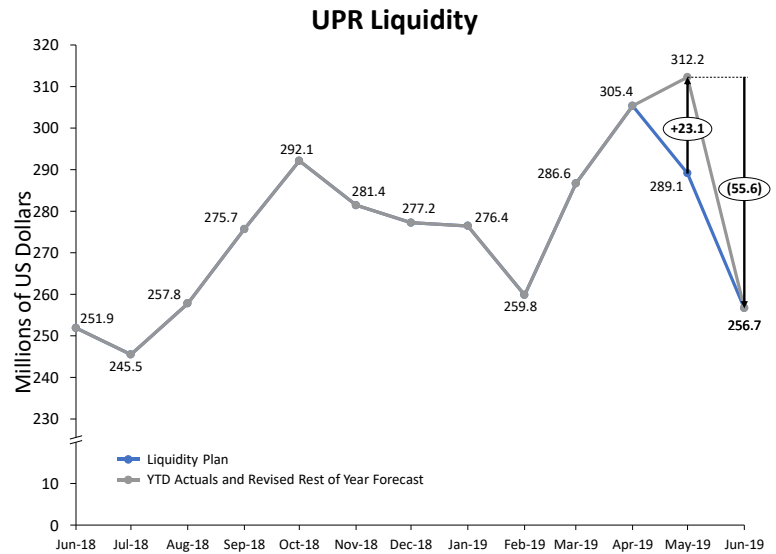
XIX. UNIVERSITY OF PUERTO RICO (“UPR”)

Primary Business Activity: UPR is a state-supported university system created by the Law No. 1 of January 20, 1966, “Law of the University of Puerto Rico” (“Act No. 1”), as amended. UPR is responsible for serving the people of Puerto Rico to contribute to the development and enjoyment of the fundamental, ethical, and aesthetic values of Puerto Rican culture by providing high-quality education and creating new knowledge through research and exploration of the Arts, Sciences, and Technology.

Key Takeaways: Through May-19, UPR generated \$60.3M in net cash flow and ended the month with a cash balance of \$312.2M. YTD UPR had a positive net cash flow variance of \$23.1M compared to Liquidity Plan driven by greater-than-expected federal fund receipts and lower-than-projected scholarship and donations outflows. UPR cash balance is expected to decline by \$55.6M to \$256.7M by the end of FY19. This decline is due to the seasonality of tuition collections and campus-related inflows, which are heavily weighted toward Q1 and Q3 (coinciding with UPR semester schedule) and are typically very low in June, while at the same time expense levels which have consistently exceeded original budgeted amounts each month are not expected to decrease.

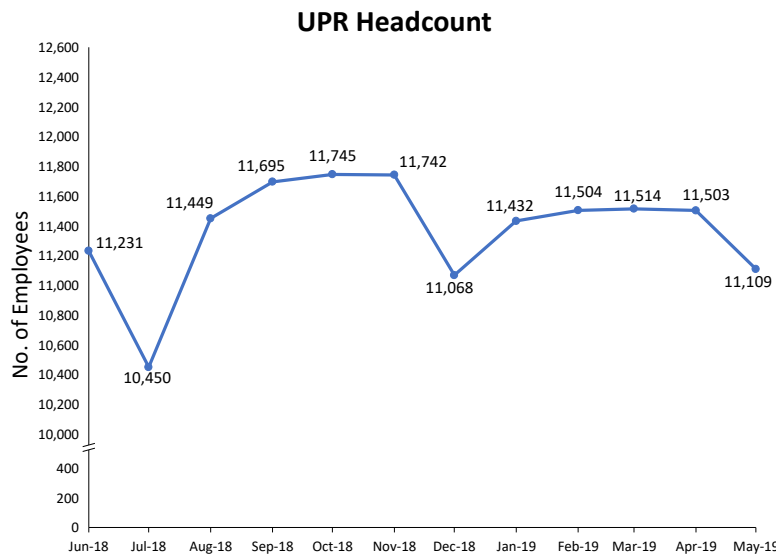
A. FY19 Operating Liquidity – Actuals³⁸ vs. Forecast

1. \$23.1M YTD actuals vs. Liquidity Plan:
 - a. \$9.2M variance in federal fund receipts due to reimbursements for funds spent in prior months for various federally supported projects. There is no expected FY19 total net cash flow impact as federal funds will pass through in the form of outflows for various uses and programs, and this variance reverses during the balance of FY19.
 - b. \$10.6M variance in outflows for scholarships and donations, which has largely correlated with less-than-expected tuition receipts.
 - c. (\$5.0M) variance in gross payroll and pensions is mostly due to an (\$8.5M) extraordinary payment for prior years’ amounts owed to pensioners that was forecast to occur in June.
 - d. \$7.4M variance in total vendor payments slightly offsets other negative variances. This variance may be due to timing and could reverse prior to fiscal year end.
2. (\$55.6M) cash reduction for the balance of FY19:
 - a. \$74.3M in forecast receipts mainly driven by (\$54.7M) in General Fund Appropriations and (\$17.4M) in campus-generated inflows, and (\$2.2M) in other receipts.
 - b. (\$125.5M) in forecast operating disbursements driven by (\$38.1M) in vendor payments, (\$19.1M) in scholarships and donations, and (\$68.4M) in gross payroll and pensions expenses.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 11,231 to 11,109 from Jun-18 to May-19.
 - a. By campus: Decrease in headcount is primarily due decreases at the Rio Piedras (-140) and Mayaguez (-110) campuses in permanent / long-term personnel. Decreases were partially offset by increases at the Ponce (+77) and Bayamon (+46) campuses in substitute or short-term staff, with a net increase of +5 at all other campuses.
 - b. By category: Decrease in headcount is primarily due decreases in permanent (-511) and probative (-83) partially offset by increases in part time (+255) and teacher contracts (+192).
2. Payroll: Disbursements are forecast to be (\$763.2M) for FY19. YTD payroll is (\$694.8M) and is in line with forecast.



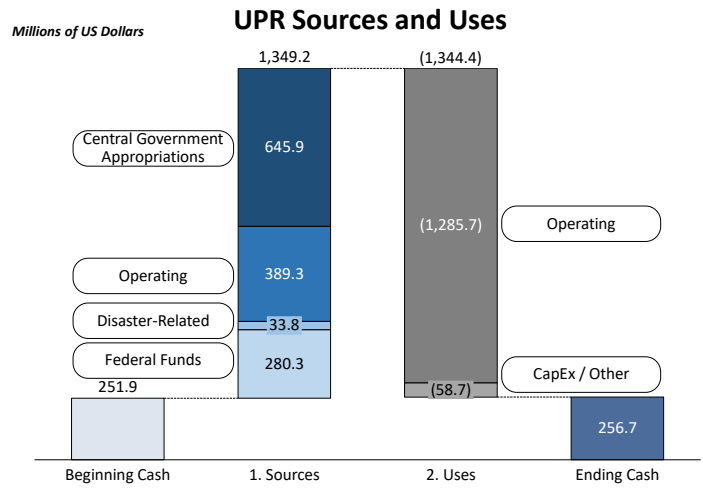
³⁸ Appendix includes reconciliation between AAFAP reported cash figures and the figures in this report.

XIX. UNIVERSITY OF PUERTO RICO (“UPR”) (Continued)

C. Full Year FY19 Sources and Uses of Funds

1. Sources \$1,349.2M:
 - a. \$645.9M in General Fund appropriations from the central government.
 - b. Operating receipts total \$389.2M, comprised of \$143.1M in tuition receipts, \$177.0M in campus-generated inflows, \$66.6M in slot machine revenues remitted to UPR from Tourism, \$2.5M in all other.
 - c. Disaster-related receipts of \$33.8M are a result of proceeds received from insurance providers. These funds have not entirely been spent yet and UPR currently carries a limited surplus of insurance proceeds.
 - d. Federal funds received for federally supported UPR projects and programs total \$280.3M.

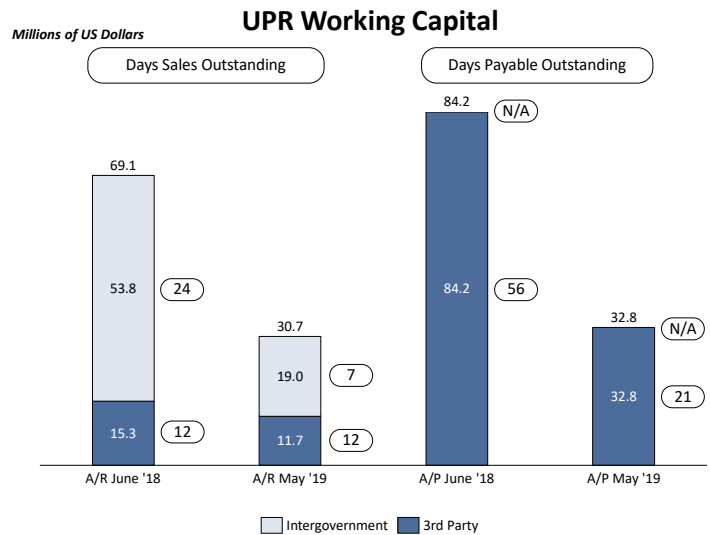
2. Uses (\$1,344.4M):
 - a. Operating disbursements total (\$1,285.7M), driven by gross payroll and pensions of (\$763.2M), scholarships and donations of (\$207.7M), vendor payments to PREPA (\$25.1M), and all other vendor payments (\$289.8M).
 - b. Total capital expenditures are (\$17.3M) and total debt service is (\$41.4M).



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

D. Accounts Receivable / Accounts Payable³⁹

1. Accounts Receivable:
 - a. \$38.4M decrease from Jun-18 to May-19 driven by third party receivables of student tuition.
2. Accounts Payable:
 - a. \$51.3M decrease from Jun-18 to May-19 driven by decrease in supplier payables.
3. Working Capital:
 - a. The change in net working capital through May-19 was a \$12.9M decrease of cash due to the above changes.



³⁹ Figures are unaudited and subject to change.

APPENDIX A: RECONCILIATION BETWEEN MARCH 2019 AAFAP REPORTED FIGURES⁴⁰ AND THE FIGURES IN THIS REPORT⁴¹

Millions of US Dollars

COMPONENT UNIT	AAFAF Reported		Actual Balance		Variance due to:		Comments
	Balance (a)	5/31/19	5/31/19	Variance	Timing	Nonoperational Accounts	
PUERTO RICO PORTS AUTHORITY ("PORTS")	34.6	30.0	4.6	0.0	0.0	4.6	\$4.6M of restricted cash is excluded from Ports operating cash.
MEDICAL SERVICES ADMINISTRATION ("ASEM") (b)	45.0	20.4	24.6	2.3	2.3	22.3	CU reported cash does not consider restricted bank accounts, including CapEx \$19.6M, Malpractice Insurance Reserve \$2.1M, and FEMA Funding \$0.6M.
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	13.2	18.5	(5.3)	(0.0)	(0.0)	(5.3)	\$5.3M held in a non-operational account, which has yet to be accounted for in AAFAP's inventory of accounts.
STATE INSURANCE FUND CORPORATION ("FONDO") (b)	197.7	197.4	0.3	0.0	0.0	0.3	Non-operational accounts pertain to petty lunch/transportation expense accounts for injured workers not considered in the cash flow.
HEALTH INSURANCE ADMINISTRATION ("ASIS") (b)	274.1	249.5	24.6	24.6	24.6	-	The variance is due to a timing. ASIS paid MCO premium expenses of \$26.7M, which did not clear until Jun-19. The transaction was recorded in ASIS bank accounts platform, but was not reflected in the AAFAP inventory of accounts at 5/31. The remaining variance is due to book/bank differences.
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	417.0	318.1	98.8	0.0	0.0	98.8	\$83.6M in non-operational accounts is earmarked for debt service and \$15.2M is in restricted accounts, both not included in HTA's cash flow.
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	88.4	67.3	21.1	(0.0)	(0.0)	21.1	Funds held in non-operational accounts at PBA are earmarked for the following: \$12.9M for debt service for bonds pertaining to Resolution 488, \$7.3M for debt service for bonds related to Construction Series R and N, and \$0.9M in other restricted cash accounts.
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio")	11.9	11.0	0.8	(0.0)	(0.0)	0.8	Restricted cash not considered account for \$0.8M of AAFAP cash, which is a non-operating account.
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	174.4	14.8	159.6	0.0	0.0	159.6	Restricted/non-operating cash not considered account for \$156.8M of AAFAP web-cash, distributed as follows: PRIDCO Trustee CD/Bond Reserve Accounts \$29.0M; Incentive Fund and Other PRIDCO non-operating/reserve accounts managed on behalf of the central government \$127.8M; and funds held at BDE \$2.8M.
HOUSING FINANCE AUTHORITY ("HFA") (b)	78.4	76.6	1.9	1.9	1.9	-	Funds in non-operational accounts consist of \$73.6M in restricted accounts and \$9.0M in Tourism subsidiary accounts not included in Tourism operating cash.
PUERTO RICO TOURISM COMPANY ("TOURISM")	129.6	46.9	82.6	0.0	0.0	82.6	Funds in non-operational accounts consist of \$73.6M in restricted accounts and \$9.0M in Tourism subsidiary accounts not included in Tourism operating cash.
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("FAAF")	59.7	61.1	(1.4)	(1.4)	(1.4)	-	Non-operational cash does not belong to DDEC, but pertains to "Puerto Las Americas".
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	24.2	23.3	0.9	0.5	0.5	0.4	Non-operational accounts include: \$4.6M in special purpose funds from ticket sales that do not belong to CCDA.
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	14.0	9.3	4.6	-	-	4.6	Non-operational accounts include: \$4.6M in special purpose funds from ticket sales that do not belong to CCDA.
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	72.7	63.1	9.7	-	-	9.7	\$23.9M in non-operational pass-through accounts earmarked primarily for infrastructure projects, and (\$14.2M) in non-operational accounts reported by the CU yet to be programmed with AAFAP.
AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA")	136.1	13.8	122.3	-	-	122.3	Non-operational accounts consist of \$122.3M, which are investment accounts managed by a third party to maintain ACAAs liquidity reserve.
PUBLIC HOUSING ADMINISTRATION ("PHA")	483.0	-	483.0	-	-	-	Not reported due to data integrity issues; management is working to solve the issues.
OFFICE FOR RECOVERY, RECONSTRUCTION, AND RESILIENCY ("COR3")	23.5	23.4	0.1	0.1	0.1	-	Funds held in non-operational accounts at UPR include: \$77.3M for debt service obligations, \$44.7 for the UPR Component Units and \$21.8M in other restricted cash accounts mostly related to UPR campuses.
UNIVERSITY OF PUERTO RICO ("UPR")	456.0	312.2	143.8	-	-	143.8	

Note (5/31/19):

(a) AAFAP reported balance for May-19 are as of 5/31/19

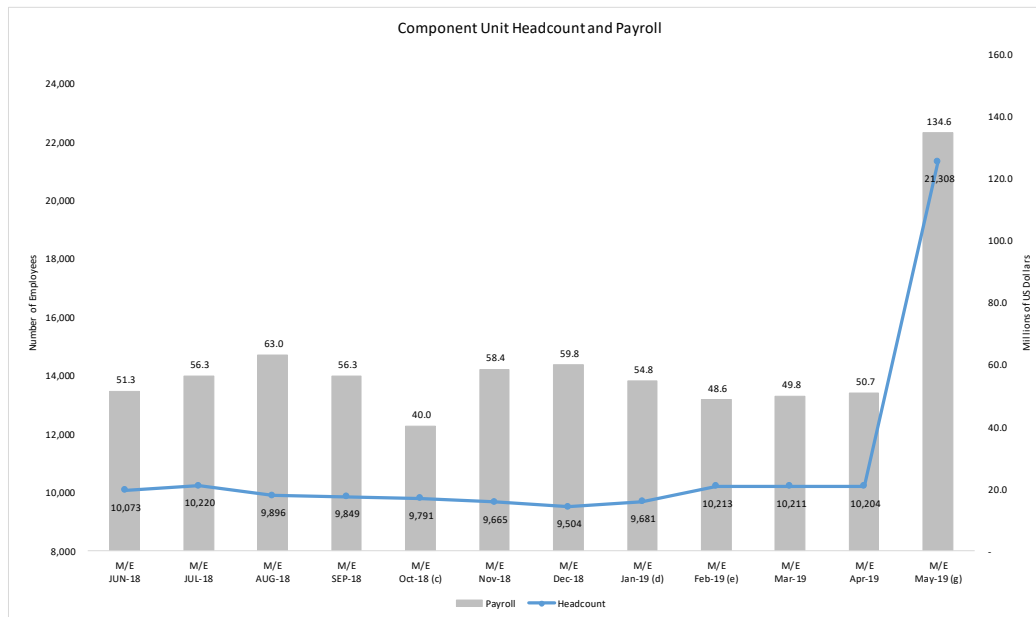
(b) ASIS, Funds, ASIS, and HTA reportbook balances and therefore there may be variances relating to timing of outstanding checks and other accounting adjustments.

⁴⁰ AAFAP reported figures as per "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities" report dated November 30, 2018.

⁴¹ 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	M/E Dec-18	M/E Jan-19	M/E Feb-19	M/E Mar-19	M/E Apr-19	M/E May-19
PUERTO RICO PORTS AUTHORITY ("PORTS")	505	505	501	501	499	499	485	479	478	478	479	478
MEDICAL SERVICES ADMINISTRATION ("ASEM")	1,655	1,634	1,626	1,630	1,616	1,613	1,549	1,525	1,525	1,506	1,498	1,495
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA") (a)	887	887	876	881	879	873	864	849	848	847	846	848
STATE INSURANCE FUND CORPORATION ("FONDO")	2,879	2,867	2,858	2,852	2,844	2,756	2,765	2,717	2,714	2,718	2,714	2,712
HEALTH INSURANCE ADMINISTRATION ("ASES")	60	57	60	57	58	58	58	57	57	57	56	57
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	1,245	1,244	991	946	930	900	895	895	895	894	892	890
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (a)	1,102	1,102	1,094	1,093	1,092	1,091	1,029	1,002	1,001	998	997	995
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO") (f)	572	570	563	561	568	551	542	536	536	551	546	544
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (b)	N/A	192	188	188	187	144	147	147	146	145	145	147
HOUSING FINANCE AUTHORITY ("HFA")	145	145	145	145	141	141	139	140	140	140	141	139
PUERTO RICO TOURISM COMPANY ("TOURISM")	399	393	376	376	377	378	377	373	372	372	373	373
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	72	72	69	68	70	76	77	77	79	79	81	84
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	156	156	156	156	147	190	187	186	330	330	330	330
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA") (f)	8	8	8	9	9	10	10	10	10	11	11	11
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	388	388	385	386	374	385	380	371	370	370	370	371
AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA") (d)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	317	317	317	317
PUBLIC HOUSING ADMINISTRATION ("PHA") (e)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	335	335	336
CENTRAL RECOVERY AND RECONSTRUCTION OFFICE ("COR3") (e) (f)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	60	63	72
UNIVERSITY OF PUERTO RICO ("UPR") (g)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,109
TOTAL	10,073	10,220	9,896	9,849	9,791	9,665	9,504	9,681	10,213	10,211	10,204	21,308



Notes:

- (a) Estimate for June and July Month End.
- (b) PRIDCO not a CU tracked in FY18.
- (c) Not all CUs captured multiple pay periods in Oct-18, causing a timing variance and an expected increase in payroll in Nov-18.
- (d) ACAA started reporting FY19 headcount in Jan-19. Prior month's payroll and headcount information not included.
- (e) PHA and COR3 started reporting FY19 headcount in Feb-19. Prior month's payroll and headcount information not included. Apr-19 data used in May-19, as reported in 1(C).
- (f) CARDIO, CCDA, and COR3 did not report payroll in Feb-19.
- (g) UPR started reporting FY19 headcount in May-19. Prior month's payroll and headcount information not included.