



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

# **Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities**

*Information as of January 31, 2017*

March 8, 2018

# Disclaimer

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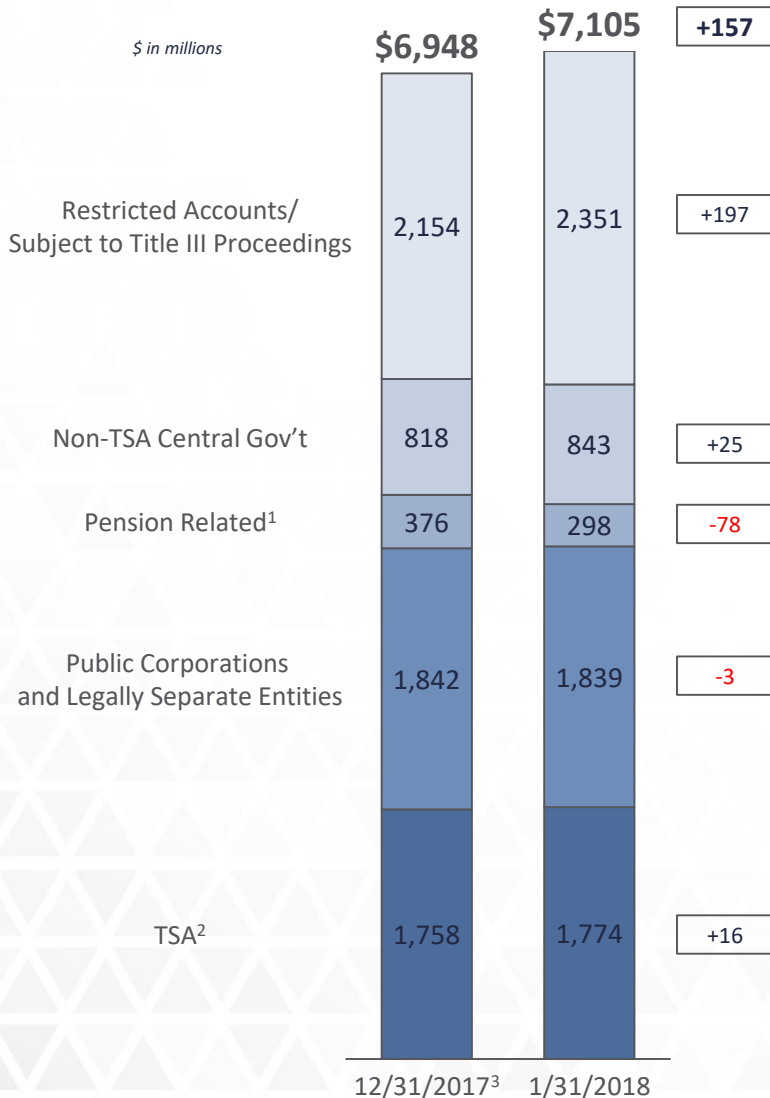
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## Disclaimer (cont'd.)

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# Executive Summary



## Key takeaways:

- Overall **balance** of reported accounts **increased by approximately \$160M** from December 31<sup>st</sup> to January 31<sup>st</sup>.
- Increase is mainly **driven by**:
  - +\$197M in restricted accounts and/or subject to Title III** of the Puerto Rico Oversight, Management, and Economic Stability Act (“**PROMESA**”).
    - \$122M, COFINA – balance at The Bank of New York Mellon (“BNYM”) and subject to interpleader proceedings
    - \$120M, PREPA – more recent information regarding PREPA’s liquidity has been made available in PREPA’s Title III case
    - Offset by decreases in balance at HTA (\$20M) and other restricted accounts subject to Title III proceedings (\$25)
  - +\$25M in non-TSA Central Government accounts.
  - \$64M in Pension Related (-\$78M), Public Corporations (-\$3M), and the central Government’s Treasury Single Account (“TSA<sup>2</sup>”) (+\$16M) accounts.
- Non-Central Government TSA balances are concentrated in the Public Housing Authority (52%), lottery related funds (18%), funds at the Department of Labor (8%)<sup>4</sup>, the Child Support Administration (6%), and FEMA (5%) funds.
- Public Corporations and Legally Separate Entities are created by individual enabling laws which grant them fiscal autonomy. However, analysis is ongoing to identify and transfer excess balances to the General Fund, pursuant to Chapter 4 of Act 26-2017 (the “*Fiscal Plan Compliance Act*”).

<sup>1</sup> Reduction in funds solely due to \$110M in transfers to the TSA, where related pension benefits are disbursed.

<sup>2</sup> Includes TSA Sweep Accounts.

<sup>3</sup> Aggregate balance increased as of 12/31/2017 by \$66.5M vs. January 19<sup>th</sup> disclosure due to: additional PRASA accounts (+\$86.6M) and a revision to a UPR account (-\$20.1M). Detail on reclassifications of \$21M on page 19.

<sup>4</sup> 80% of which are for specific programs created by Law, see page 10.

## Executive Summary (cont'd.)

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- AAFAF started its efforts to identify government bank accounts and their balances to obtain a comprehensive view of the cash position of the Central Government and its instrumentalities. Requests were sent to governmental instrumentalities, the Office of the Commissioner of Financial Institutions (“OCIF”) and various commercial banks.
- Based on the information obtained, AAFAF prepared an inventory of bank accounts across governmental instrumentalities, including those outside the scope of the fiscal plans submitted to the Financial Oversight and Management Board for Puerto Rico (“FOMB”).
- The exercise and the inventory described in this presentation, which had not been conducted by prior administrations, obtained information on +800 bank accounts. AAFAF now has centralized access to bank account information for most of the Government and its instrumentalities.
- AAFAF has conducted this process in consultation with the FOMB and its advisors, and has been providing periodic reports to the FOMB since July 2017.
- On October 31, 2017, AAFAF commenced publishing weekly cash flow reports for the TSA on its website and EMMA. AAFAF now intends to report periodically the cash balance position of the bank accounts included in this presentation to provide additional transparency.
- Investors are cautioned, however, that this report is limited to providing the bank account balances as of the dates indicated and does not address specifically the source of all such funds, the sufficiency of these funds to meet the liquidity needs of the Government and its instrumentalities and/or all of the restrictions or limitations that may apply to the use of these funds.
- AAFAF has designed a five-step process to evaluate the cash position of the Government and its instrumentalities, as described herein. AAFAF has completed the first step of this process and will continue with the other steps to arrive at a comprehensive cash model.
- On December 18, 2017, the FOMB announced that it would conduct an independent forensic investigation of the information on Government bank accounts published by AAFAF. On February 6, 2018, the FOMB announced the retention of Duff & Phelps, LLC (“D&P”) to conduct this forensic analysis. D&P and AAFAF have participated in initial discussions to coordinate this process.
- The information presented excludes certain funds as set forth in the “Excluded Funds” slide.
- The presentation of account balances herein reclassifies and updates information of certain banks accounts from the January 19, 2018 presentation to provide additional clarity. Appendix A provides a reconciliation of the information in the January 19<sup>th</sup> presentation to the new presentation.

# Process to Evaluate the Cash Position of the Government

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Steps	Overview
<b>1. Procure and validate complete set of bank accounts</b>	<ul style="list-style-type: none"><li>▪ AAFAF instructed banks, agencies and public corporations to provide inventory of bank accounts.</li><li>▪ Programmed list of bank accounts into online Web Cash platforms<sup>1</sup>, allowing for on-demand access to bank account detail.</li></ul>
<b>2. Conduct an independent evaluation of the source of funds in non-TSA bank accounts</b>	<ul style="list-style-type: none"><li>▪ Engage an independent firm to conduct an evaluation of the cash inflows and outflows into all governmental bank accounts.</li></ul>
<b>3. Perform a legal analysis to determine the restricted or unrestricted nature of funds at non-TSA bank accounts</b>	<ul style="list-style-type: none"><li>▪ Legal review of the results of the independent evaluation to confirm legal restrictions relative to funds deposited in the bank accounts.</li></ul>
<b>4. Determine potential excess cash available in non-TSA governmental bank accounts, if any</b>	<ul style="list-style-type: none"><li>▪ Determine operating cash needs at major component units.</li><li>▪ Assess reliance on appropriations from the TSA.</li><li>▪ Determine excess cash available across the bank accounts, if any.</li></ul>
<b>5. Evaluate and establish path to legally accessing excess cash at non-TSA instrumentalities, if any</b>	<ul style="list-style-type: none"><li>▪ Establish legal mechanism and process to access excess cash, if any.</li></ul>

*The FOMB has retained D&P to conduct an independent forensic analysis of the Government's bank accounts. AAFAF expects the FOMB's forensic analysis efforts will be conducted jointly to reduce overall costs. To date, AAFAF and its advisors have held discussions with D&P, where the initial scope of their engagement and a preliminary work plan has been discussed.*

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<sup>1</sup>Web based bank platforms

<sup>2</sup><https://junta.pr.gov/wp-content/uploads/wpfd/49/5a79fb85c1677.pdf>

## Excluded Funds

Agency	Description
<b>Legislative Branch</b>	<ul style="list-style-type: none"><li>▪ The Puerto Rico Legislative Assembly receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations.</li></ul>
<b>Judicial Branch</b>	<ul style="list-style-type: none"><li>▪ The Puerto Rico Judicial Branch receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations. The Judicial Branch also holds funds in custody related to legal proceedings.</li></ul>
<b>Municipal Funds</b>	<ul style="list-style-type: none"><li>▪ Municipal funds include funds of Puerto Rico municipalities, the Municipal Revenue Collections Center and the Puerto Rico Municipal Finance Agency.</li></ul>
<b>Government Development Bank</b>	<ul style="list-style-type: none"><li>▪ Includes deposits on GDB's balance sheet for government agencies and instrumentalities, public corporations and municipalities. These funds are unavailable due to existing legal restrictions and as a result of GDB's Restructuring Support Agreement which, in general terms, provides for the qualified modification of GDB's debt under Title VI of PROMESA.</li></ul>
<b>Investment Accounts</b>	<ul style="list-style-type: none"><li>▪ Includes non-bank investment accounts of certain instrumentalities (e.g. ERS, TRS, JRS, State Insurance Fund Corporation and Automobile Accident Compensation Administration).</li></ul>

# Bank Account Balances for the Government and its Instrumentalities

Revised Grouping	Balance as of <sup>1</sup>		Notes
	12/31/2017	1/31/2018	
TSA <sup>2</sup>	1,694.5	1,714.9	<ul style="list-style-type: none"> <li>Reported on a weekly basis on AAFAF's website.</li> </ul>
TSA Sweep	63.8	59.5	<ul style="list-style-type: none"> <li>Accounts that collect income and completely pass through to TSA on a daily basis.</li> </ul>
Pension Related	376.2	298.3	<ul style="list-style-type: none"> <li>Includes employee withholdings mostly for defined contribution retirement accounts (\$153M), repayment of employee loans issued by the retirement system (\$108M) and Pay-go charges from municipalities and public corporations (\$32M).</li> </ul>
Central Gov't Non-TSA	817.5	843.1	<ul style="list-style-type: none"> <li>\$409M federal funds administered by the Public Housing Authority.</li> <li>\$152M lottery related funds.</li> <li>Remaining amounts held and administered by central government agencies.</li> </ul>
COFINA	1,021.0	1,140.2	<ul style="list-style-type: none"> <li>Balance BNYM and subject to interpleader proceedings.</li> </ul>
Other Restricted Title III Accounts	806.2	781.0	<ul style="list-style-type: none"> <li>ERS related accounts (\$433M), GO Redemption Fund (\$172M), and clawback funds (\$146M).</li> </ul>
PREPA	245.1	367.8	<ul style="list-style-type: none"> <li>Increase due to obligation of additional FEMA funds (\$55M), insurance proceeds for substation repairs (\$18M), and catchup/prepayments from certain central government agencies. More recent data has been made publicly available in Court proceedings.</li> </ul>
PRASA	429.8	391.7	<ul style="list-style-type: none"> <li>\$107M in funds available to cover operating expenses.</li> <li>Includes 74 additional accounts to the January 19<sup>th</sup> disclosure totaling \$87MM as of 12/31/2017 mostly due to Disaster Recovery funds (\$75M), ~\$50M of which are expected to reimburse operational expenses.</li> <li>Remaining balances represent funds for specific uses per the Master Agreement of Trust ("MAT").</li> </ul>
HTA	82.1	61.6	<ul style="list-style-type: none"> <li>Over 70% of the 1/31 balance is used for operational purposes.</li> </ul>
UPR	305.0	279.7	<ul style="list-style-type: none"> <li>\$262M in 5 central accounts (~\$23M restricted), additional \$4M in decentralized federal aid accounts. \$14M from the UPR Medical Services Corp. were reclassified from Central Gov't Non-TSA vs. the Jan 19<sup>th</sup> disclosure.</li> </ul>
ASES	259.3	264.6	<ul style="list-style-type: none"> <li>State and federal funds used mainly for payments of health insurance premiums and claims.</li> </ul>
Other Public Corp's and Legally Separate Entities	847.6	902.9	<ul style="list-style-type: none"> <li>Government entities with autonomous fiscal authority established by law.</li> <li>Slide 18 includes an overview of the entities that represent ~60% of the 1/31 balance.</li> </ul>
<b>TOTAL</b>	<b>\$6,948.1M</b>	<b>\$7,105.2M</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$30.4M which have not been updated as of the indicated dates.

<sup>2</sup> Source: Puerto Rico Department of Treasury Single Account ("TSA") FY 2018 Cash Flow Report. <http://www.aafaf.pr.gov/assets/fy18-weeklytsacashflow-2-23-2018.pdf>



# TSA, TSA Sweep and Pension Related Accounts

Grouping Subcategory	Balance as of		Notes
	12/31/2017	1/31/2018	
TSA	1,694.5	1,714.9	<ul style="list-style-type: none"> <li>The TSA is the Government's main operational bank account in which a majority of receipts from governmental funds are deposited and from which most expenses are disbursed.</li> <li>It includes tax collections, charges for services, intergovernmental collections, the proceeds of prior short and long term debt issuances held in custody by the Secretary of Treasury for the benefit of Government fiduciary funds, and other receipts.</li> </ul>
<b>TOTAL</b>	<b>\$1,694.5M</b>	<b>\$1,714.9M</b>	

## TSA Sweep Accounts<sup>1</sup>:

General Collection Posts	41.5	38.5	<ul style="list-style-type: none"> <li>Account used for Government receipts from all the collection posts Island wide and the web based platform, known as <i>Colecturía Virtual</i> its Spanish name. Receipts in collections posts account occur approximately two business days prior to being deposited into the TSA.</li> </ul>
SUT	19.3	17.6	<ul style="list-style-type: none"> <li>Account used for consolidated receipts of Sales and Use Tax. Balances are swept on a daily basis into accounts held by the trustee of the COFINA bonds, the General Fund and/or the Municipal Administration Fund.</li> </ul>
Agency Collection Posts	3.1	3.3	<ul style="list-style-type: none"> <li>Account used to receive amounts collected by collection officers at the agencies mainly for charges for services and fees. Receipts in collections posts account occur approximately two business days prior to being deposited into the TSA.</li> </ul>
<b>TOTAL</b>	<b>\$63.8M</b>	<b>\$59.5M</b>	

## Pension Related:

Employee Withholding <sup>2</sup>	231.8	266.5	<ul style="list-style-type: none"> <li>Custody bank accounts which balances represent employees/participants withholdings for specific purposes as follows: (i) \$153M for individual defined contribution retirement account, (ii) \$108M repayment of employee loans issued by the Employees Judiciary and Teacher Retirement System, and (iii) \$2.6M for the payment of disability insurance.</li> </ul>
Pay-go charges	144.4	31.8	<ul style="list-style-type: none"> <li>Pay-go charges include balances from payments made by municipalities and public corporations in connection with benefits paid to retirees. Decrease in balance due to funds transferred to the TSA.</li> </ul>
<b>TOTAL<sup>3</sup></b>	<b>\$376.2M</b>	<b>\$298.3M</b>	

<sup>1</sup> Includes Zero Balance Accounts which are various accounts used for disbursements of vendors payments, payroll and pensions. These accounts make disbursements and are automatically replenished from the TSA account.

<sup>2</sup> Three accounts representing 1.8M as of 12/31/2018 were reclassified from Other Treasury Custody Accounts, related to defined contribution retirement accounts for TRS and JRS

## Central Government – Non-TSA

Central Government Entity	Balance as of <sup>1</sup>		Notes
	12/31/2017	1/31/2018	
Public Housing Administration <sup>2</sup>	437.7	434.7	<ul style="list-style-type: none"> <li>PHA accounts include grants of federal funds received to finance public housing programs and their operations.</li> </ul>
Other Treasury Custody Accounts <sup>3</sup>	171.8	206.5	<ul style="list-style-type: none"> <li>Other Treasury Custody Accounts include balances from the Lotteries (\$154M), federal funds (\$42M) and operational and miscellaneous account balances under custody of Special Disbursement Officers (\$5M).</li> </ul>
Department of Labor and Human Resources	61.0	66.1	<ul style="list-style-type: none"> <li>DLHR accounts include operational accounts and other funds as follows:                             <ul style="list-style-type: none"> <li>Work Opportunity Incentive Fund (\$42.5M) to finance an incentive program to promote job creation.</li> <li>Contribution Trust Fund (\$8.1M) from employers' receipts used to pay claims to employees.</li> <li>Act No. 15 (\$7.3M) special revenues for operations.</li> <li>Operational accounts and other funds (\$8.1M).</li> </ul> </li> </ul>
Child Support Administration	50.7	47.6	<ul style="list-style-type: none"> <li>Custody bank account containing child support payments from non-custodial parents.</li> </ul>
Puerto Rico Police	16.6	13.8	<ul style="list-style-type: none"> <li>Bank account used to process Police Department payroll funded through budget appropriations.</li> </ul>
Department of Housing	11.4	5.1	<ul style="list-style-type: none"> <li>DOH accounts include grants of federal funds received to finance public housing programs and their operations.</li> </ul>
DDEC	10.3	12.2	<ul style="list-style-type: none"> <li>DDEC accounts include operational accounts from general fund and internally generated revenues (\$7M), Act No. 22 (\$4M), film program (\$1M) and federal funds.</li> </ul>
9-1-1 Services	11.7	12.2	<ul style="list-style-type: none"> <li>9-1-1 Services account represents their operational account from special revenues (Act 144).</li> </ul>
Other Non-TSA Corporations	46.3	44.8	<ul style="list-style-type: none"> <li>Description included in Appendix B. Considers reclassifications from Other Treasury Custody accounts related to Department of Education (\$10.8M) and OCAM/OGP (\$1.5M).</li> </ul>
<b>TOTAL</b>	<b>\$817.5M</b>	<b>\$843.1M</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$3M which have not been updated as of the indicated dates.

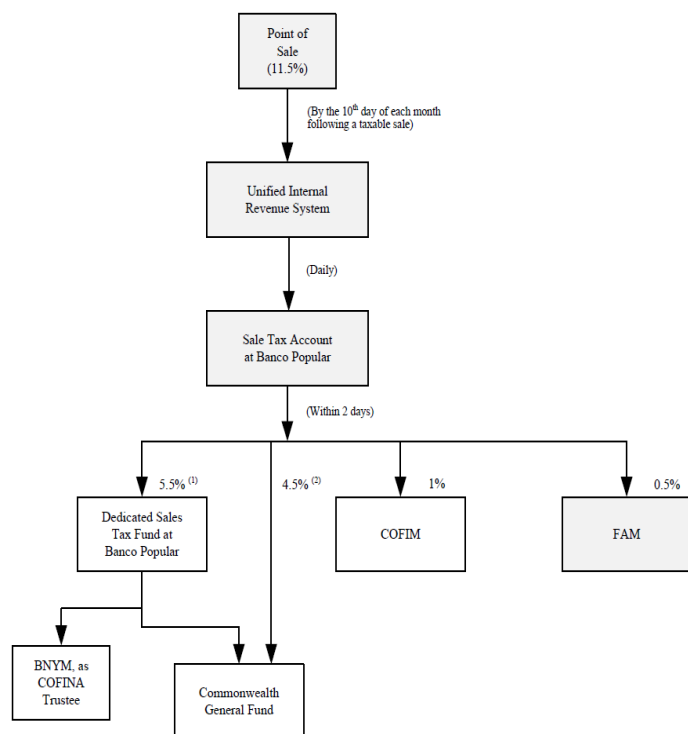
<sup>2</sup> Account representing 0.8M as of 12/31/2018 was reclassified from the Housing Financing Authority to the Public Housing Administration relative to the Jan 19<sup>th</sup> disclosure.

<sup>3</sup> Considers reclassification of accounts and their 12/31/2018 balances to: Pension Related accounts (1.9M), UPR Medical Services Corporation (15.2M), and Other Non-TSA Corporations – Department of Education (*Oficina para el Mejoramiento de las Escuelas Públicas – "OMEPE"*) (10.8M) and OCAM/OGP (1.5M)

# Restricted Accounts Subject to Title III Proceedings - COFINA

\$ in millions

Grouping	Balance as of	
	12/31/2017	1/31/2018
COFINA Debt Service and Federal Subsidy Accounts at BNYM	\$1,021.0M	\$1,140.2M



- The Puerto Rico Sales Tax Financing Corporation (“COFINA”) was created pursuant to Act No. 91-2006, as amended, and has issued bonds payable solely from a portion of the sales and use tax imposed by the Government on qualified transactions.
- Sales and use tax collections are consolidated at an account at Banco Popular de Puerto Rico (“BPPR”).
- Amounts are swept on a daily basis into corresponding accounts at BNYM, as trustee for the COFINA bondholders, the Puerto Rico Treasury Department and/or the Municipal Administration Fund.
- BNYM applies the funds received from BPPR pursuant to the waterfall set forth in the Sales Tax Revenue Bond Resolution. BNYM also receives certain funds from the Federal Government in connection with certain bonds issued by COFINA that receive a federal interest subsidy. The funds on deposit at BNYM may solely be used to pay COFINA bonds and obligations.
- Currently restricted pursuant to the court order issued by the United States District Court for the District of Puerto Rico in Adversary Proceeding No. 17-133-LTS in COFINA’s Title III proceeding under PROMESA.

<sup>1</sup> First revenues up to the “Pledged Sales Tax Base Amount” for the particular fiscal year are deposited with Bank of New York Mellon, as COFINA Trustee. Then, an amount equal to the amount deposited with the COFINA Trustee is transferred to the Government’s General Fund. All other amounts after the Government has received such amount are divided equally between COFINA and the Government.

<sup>2</sup> Corresponds to the 4.5% sales and use tax surcharge.

## Restricted Accounts Subject to Title III Proceedings

Grouping Subcategory	Balance as of <sup>1</sup>		Notes
	12/31/2018	1/31/2018	
ERS Related Accounts	488.3	463.0	<ul style="list-style-type: none"> <li>▪ \$136M for operational purposes.</li> <li>▪ \$117M in a Pre-petition Segregated Account created as part of a stipulation entered into Pre-Title III.</li> <li>▪ \$107M relating to proceeds from sale of investments.</li> <li>▪ \$74M corresponding to a Post-petition Segregated Account created as part of a stipulation entered into the Title III proceedings.</li> <li>▪ \$30M corresponding to certain reserves to cover obligations incurred in loan portfolio sale transactions to private parties.</li> </ul>
GO Redemption Funds	171.5	171.6	<ul style="list-style-type: none"> <li>▪ \$172M corresponding to revenues from the 1.03% property tax collected since fiscal year 2017 and deposited in the Public Debt Redemption Fund, the use of which is currently restricted to the payment of general obligation debt.</li> </ul>
Clawbacks	146.3	146.4	<ul style="list-style-type: none"> <li>▪ \$146M corresponding to revenues retained (or “clawed-back”) by the Government in fiscal year 2016 pursuant to Executive Order 2015-46 for the payment of General Obligation debt.</li> </ul>
<b>TOTAL</b>	<b>\$806.2M</b>	<b>\$781.0M</b>	

*The aforementioned funds are held in segregated accounts and most of them are subject to various claims under the Title III proceedings. The ultimate use of the funds may be subject to court determination.*

<sup>1</sup> Except for accounts with an aggregate balance of \$20.3M which have not been updated as of the indicated dates.

## Restricted Accounts / Subject to Title III Proceedings - PREPA

\$ in millions <b>Grouping Subcategory</b>	<i>Balance as of</i>		<i>Notes</i>
	<i>12/31/2018</i>	<i>1/31/2018</i>	
Operational	208.1	257.7	<ul style="list-style-type: none"> <li>Increase primarily due to transfers from FEMA emergency accounts and government agency prepayments.</li> </ul>
FEMA	4.3	59.2	<ul style="list-style-type: none"> <li>Increase due to obligation of additional funds for system restoration purposes.</li> </ul>
Insurance (Restricted)	-	18.3	<ul style="list-style-type: none"> <li>Insurance funds received for substation repairs.</li> </ul>
Construction & Other Restricted	32.7	32.6	<ul style="list-style-type: none"> <li>No significant change from prior month.</li> </ul>
<b>TOTAL</b>	<b>\$245.1M</b>	<b>\$367.8M</b>	

*PREPA has enacted aggressive cash management strategies to maintain operating capacity and liquidity.  
More current information has been made publicly available in Court proceedings.*

Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2018	
Debt Service Accounts	201.9	140.4	<ul style="list-style-type: none"> <li>For the payment of principal and interest on senior and senior sub indebtedness.</li> <li>Decrease is due to interest payments due January on outstanding indebtedness.</li> </ul>
Operating Reserve	51.8	58.3	<ul style="list-style-type: none"> <li>To cover the operating reserve fund for current expenses as required per the MAT. Increase considers deposits made by PRASA following requirements under the MAT.</li> </ul>
Current Expense Fund <sup>1</sup>	27.5	48.4	<ul style="list-style-type: none"> <li>For payment of operational expenses.</li> <li>Increase is due to increase in collections considering the reinitialization of billings during November.</li> </ul>
Revenue Fund <sup>2</sup>	24.4	8.6	<ul style="list-style-type: none"> <li>To fund trust reserves with amounts held in deposit following the MAT priority schedule (Sr Debt Service, Sr Sub Debt Service, Current Expense Fund, Operating Reserve, Capital Improvement Fund and the Commonwealth Payment Fund).</li> </ul>
Capital Improvement	1.7	7.6	<ul style="list-style-type: none"> <li>Increase reflects \$7.3M deposit made by PRASA following MAT requirements less payments made to contractors on outstanding capital improvement payables.</li> <li>Accounts included as part of January 19th disclosure as a footnote.</li> </ul>
Construction Fund	47.0	53.6	<ul style="list-style-type: none"> <li>To pay cost of improvements, payment of the costs of issuance of bonds, and interests during construction.</li> <li>Includes 6 additional accounts to the January 19th disclosure totaling \$5.9M as of 12/31/2018 for capital improvement projects.</li> <li>Increase due to deposits made for moneys received on Special Charge collections to be used to finance water sustainability and other projects as defined by the Rate Resolution.</li> </ul>
Disaster Recovery	74.6	73.7	<ul style="list-style-type: none"> <li>5 additional accounts to the January 19th disclosure. Includes proceeds related to FEMA draw downs and insurance proceeds.</li> <li>~\$50M of the January balance are funds that could be used for operational expenses or capital improvements, while the remaining amounts are expected to reimburse operational expenses.</li> </ul>
Compliance Escrow	1.1	1.1	<ul style="list-style-type: none"> <li>2 additional accounts to the January 19th disclosure. Established through Consent Decree and Transactional Agreements with the Department of Health.</li> </ul>
<b>TOTAL</b>	<b>\$429.8M</b>	<b>\$391.7M</b>	Includes 74 additional accounts to the January 19th disclosure totaling \$86.6MM as of 12/31/2017 balance – mostly due to Disaster Recovery (\$75M), restricted construction funds (\$6M), and additional collection accounts (\$4M).

<sup>1</sup>Includes 47 additional accounts to the January 19th disclosure totaling 0.6M as of 12/31/2017. Used as petty cash for operational disbursements

<sup>2</sup>Includes 10 additional collection accounts to the January 19th disclosure totaling 4.3M as of 12/31/2017.

## Restricted Accounts / Subject to Title III Proceedings - HTA

Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2018	
Operational	65.8	44.2	<ul style="list-style-type: none"> <li>Includes construction and operational accounts. HTA did not receive TSA transfers for the month of January. Decrease primarily due to payment of purchased services invoices from prior periods (-\$20.8M). This bank account is the main deposit account for HTA. Funds from this account are commonly transferred to other HTA bank accounts to cover operational expenses, including payroll accounts for payroll, payroll taxes, and discounts.</li> </ul>
Payroll	5.4	3.9	<ul style="list-style-type: none"> <li>Related to payroll and payroll taxes. The decrease is due to transfers from the Operational Account not offsetting payroll and payroll taxes for the month of January (-\$1.5M).</li> </ul>
Federal Funds	0.2	0.6	<ul style="list-style-type: none"> <li>Receives federal funds from the Federal Highway Administration ("FHWA") and uses those funds to spend on FHWA earmarked infrastructure projects. (+\$0.4M) increase is primarily due to FHWA inflows (+\$3.4M) offsetting capex spending (-\$2.9M).</li> </ul>
Reserve	10.1	12.9	<ul style="list-style-type: none"> <li>Consist of restricted/reserved funds for operational and construction contracts.</li> </ul>
<b>TOTAL</b>	<b>\$82.1M</b>	<b>\$61.6M</b>	

# ASES

\$ in millions			
<b>Grouping Subcategory</b>	<b>Balance as of<sup>1</sup></b>		<b>Notes</b>
	<b>12/31/2018</b>	<b>1/31/2018</b>	
Premium Payments Account	162.9	167.0	<ul style="list-style-type: none"> <li>▪ Premium Payments account receives federal and state funding, and makes disbursements for MCO premiums.</li> </ul>
Control Account	94.2	96.1	<ul style="list-style-type: none"> <li>▪ The Control Account receives monies from the Rebates and Operational accounts, and makes disbursements for MCO premiums, and general overhead and payroll expenses.</li> </ul>
Rebates and Operational Accounts	1.6	1.6	<ul style="list-style-type: none"> <li>▪ The Operational account receives monies from appropriations of approximately \$4M per month and additional \$4M to \$5M from federal administrative reimbursements.</li> <li>▪ Each day a cash sweep occurs which brings balance to zero in Operational Account, and deposits those monies into Control Account. The Rebate Account operates the same way in that monies are swept from it to Control Account.</li> </ul>
<b>TOTAL<sup>2</sup></b>	<b>\$259.3M</b>	<b>\$264.6M</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$.1M which have not been updated as of the indicated dates.

<sup>2</sup> Includes Electronic Health Records accounts, \$.6M as of 12/31.



# UPR

Grouping Subcategory	Balance as of		Notes
	12/31/17	1/31/18	
Operational Accounts <sup>1</sup>	289.8	265.8	<ul style="list-style-type: none"> <li>Decrease in operational account balances of -\$24.0M is primarily related to student scholarships accounts. These accounts were unusually high in December - caused by a shift in the scholarship payment calendar due to Hurricane Maria.</li> <li>Approximately \$261.7M, or 98 percent of UPR operational funds are held in five (5) accounts managed by Central Administration, \$22.9M of which are restricted:               <ul style="list-style-type: none"> <li>\$248.6M in money market account (\$15.5M<sup>2</sup> restricted),</li> <li>\$5.7M in concentration account (unrestricted),</li> <li>\$5.0M in a hurricane insurance proceeds account (restricted),</li> <li>\$1.4M in a fin student aid- Pell Grant (restricted),</li> <li>\$1.0M in a loans &amp; student aid account (restricted).</li> </ul> </li> <li>The remaining account balances of approximately \$3.5M is in thirty (30) active Banco Popular bank accounts managed by UPR, or it's units, which typically contain restricted deposits of federal student aid.</li> </ul>
SMU	15.2	13.9	<ul style="list-style-type: none"> <li>Reclassified from Other PR Treasury Custody accounts in Jan 19th disclosure.</li> <li><i>Servicios Médicos Universitarios, Inc.</i> ("SMU") is component unit of the UPR and a legally separate entity with a separate board of directors from UPR. SMU represents the activity and operations of a hospital located in Carolina, Puerto Rico<sup>3</sup>.</li> <li>\$8.3M are restricted (capex and self-insurance for malpractice claims).</li> </ul>
<b>TOTAL</b>	<b>\$305.0M</b>	<b>\$279.7M</b>	

***In general, the unrestricted account balances in operational accounts are used as working capital for payments of the ordinary obligations of the University, which are not subsidized by other sources. For example, accounts payable, budget deficits (including those related to UPR's Retirement System), and needs resulting from spend/reimbursement timing and uninsured portions for 2017 hurricane damages.***

<sup>1</sup>Account with a balance of \$20.1M from a date prior to 12/31/2017, as reported in the January 19th disclosure has been revised to zero. Overall balance also includes: \$0.4M in donation account at Banco Santander, \$0.2M in research related account at UBS.

<sup>2</sup> Building and Facilities (Molecular Sciences/Plant Nursery): \$7.8M; Endowment Fund: \$6.2M; Perkins Federal Program: \$1.0M; Donations: \$0.5M

<sup>3</sup>Confirming whether there are other legally separate entities, similar to SMU, under the UPR structure that could have additional bank accounts. Will continue to update disclosure as information is available and validated.

## Other Public Corporations and Legally Separate Entities

\$ in millions	<i>Balance as of<sup>1</sup></i>		<i>Notes</i>
	<i>12/31/2017</i>	<i>1/31/2018</i>	
<i>PC or Legally Separate Entity</i>			
State Insurance Fund Corporation	117.0	180.6	<ul style="list-style-type: none"> <li>Almost all of the balances include unrestricted operational accounts for premium collections and concentration purposes. The remaining balance consists of reserve and operational pass-through accounts.</li> <li>The ~\$65M increase in balance between periods is mainly driven by seasonal collections – almost half of the total premium revenue is collected biannually in July/January.</li> </ul>
Automobile Accident Compensation Administration	117.2	120.3	<ul style="list-style-type: none"> <li>Over 90% of funds represent investment reserves for the purposes of meeting future benefit payments, a standard operating procedure of insurance providers. The remaining amounts are mostly used for operational expenses.</li> </ul>
Tourism Company	76.6	80.8	<ul style="list-style-type: none"> <li>More than 50% of balances are composed of room tax revenues and the rest are funds in operational accounts</li> </ul>
Agricultural Enterprises Development Administration	53.1	49.1	<ul style="list-style-type: none"> <li>85% of the balances include operational accounts including sweep and deposit accounts. The remaining balances consist of restricted/reserve accounts.</li> </ul>
Housing Financing Authority <sup>2</sup>	51.9	52.5	<ul style="list-style-type: none"> <li>70% of the balances are composed of restricted accounts including debt service, escrow, and federal funds. The remaining 30% of the accounts are unrestricted operational accounts.</li> </ul>
Industrial Development Company	52.7	60.7	<ul style="list-style-type: none"> <li>Over 80% of funds are deposited for specific uses including, but not limited to, debt service reserves, incentive payments established by law, and capital expenditures. Remaining funds are mostly used for PRIDCO and Rums of PR operating expenses.</li> </ul>
Other Public Corporations	379.1M	358.8M	<ul style="list-style-type: none"> <li>Description included in Appendix C.</li> </ul>
<b>TOTAL</b>	<b>\$847.6M</b>	<b>\$902.9</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$7M which have not been updated as of the indicated dates.

<sup>2</sup> Three accounts representing 0.8M as of 12/31/2018 was reclassified from the Housing Financing Authority to the Public Housing Administration vs. the Jan 19<sup>th</sup> disclosure.

# Appendix A: Reconciliation of Reported Balances to Date

## Detail of Reclassifications vs. Jan 19<sup>th</sup> disclosure

(12/31/2017 balances reported Jan 19<sup>th</sup>, \$ in millions)

Reclass'd

No Reclass

Jan 19<sup>th</sup> Disclosure

	Jan 19 <sup>th</sup> Disclosure													
	\$ in M	TSA	TSA Sweep	Pension related	Central Government - Non TSA	COFINA DSR	Other Restricted Title III Accounts	PREPA	PRASA	HTA	UPR	ASES	Other Public Corp's.	Total
Current Disclosure	TSA	1,694.5	-	-	-	-	-	-	-	-	-	-	-	\$1,694.5
	TSA Sweep	-	63.8	-	-	-	-	-	-	-	-	-	-	\$63.8
	Pension related	-	-	374.3	1.9	-	-	-	-	-	-	-	-	\$376.2
	Central Government - Non TSA	-	-	-	816.7	-	-	-	-	-	-	-	0.9	\$817.5
	COFINA DSR	-	-	-	-	1,021.0	-	-	-	-	-	-	-	\$1,021.0
	Other Restricted Title III Accounts	-	-	-	-	-	806.2	-	-	-	-	-	-	\$806.2
	PREPA	-	-	-	-	-	-	245.0	-	-	-	-	-	\$245.0
	PRASA	-	-	-	-	-	-	-	343.3	-	-	-	-	\$343.3
	HTA	-	-	-	-	-	-	-	-	82.1	-	-	-	\$82.1
	UPR	-	-	-	15.2	-	-	-	-	-	309.9	-	-	\$325.1
	ASES	-	-	-	-	-	-	-	-	-	-	259.3	-	\$259.3
	Other Public Corp's	-	-	-	-	-	-	-	-	-	-	-	847.6	\$847.6
	<b>12/31 Balance</b>	<b>\$1,694.5</b>	<b>\$63.8</b>	<b>\$374.3</b>	<b>\$833.8</b>	<b>\$1,021.0</b>	<b>\$806.2</b>	<b>\$245.0</b>	<b>\$343.3</b>	<b>\$82.1</b>	<b>\$309.9</b>	<b>\$259.3</b>	<b>\$848.4</b>	<b>\$6,881.6</b>
Revisions	-	-	-	-	-	-	-	+86.6 <sup>1</sup>	-	-20.1 <sup>2</sup>	-	-	+66.5	
<b>Revised 12/31 Balance</b>	<b>\$1,694.5</b>	<b>\$63.8</b>	<b>\$374.3</b>	<b>\$833.8</b>	<b>\$1,021.0</b>	<b>\$806.2</b>	<b>\$245.0</b>	<b>\$429.9</b>	<b>\$82.1</b>	<b>\$289.8</b>	<b>\$259.3</b>	<b>\$848.4</b>	<b>\$6,948.1</b>	

<sup>1</sup> New accounts.

<sup>2</sup> Revised balance.

## Appendix B: Central Government – Non TSA

\$ in '000s

Agency Name	Balance as of	
	12/31/2018	1/31/2018
Department of Education <sup>1</sup>	10,820.9	10,030.0
Office of Government Ethics	7,990.4	8,189.0
Office of the Comptroller	6,718.1	6,669.9
Telecommunication's Regulatory Board	5,102.4	5,627.8
Institute of Statistics	2,908.8	2,867.3
Puerto Rico Education Council	2,771.2	2,701.4
Institute of Forensic Sciences	1,827.6	2,343.5
Department of Correction and Rehabilitation	1,725.3	1,770.8
OCAM - OGP	1,546.0	1,546.5
Administration for Socioeconomic Development of the Family	885.2	850.1
Puerto Rico National Guard	1,440.1	471.1
Departamento de Recursos Naturales y Ambientales	-	407.2
Families and Children Administration	640.4	398.1
Office of Socioeconomic Development	362.6	363.1
Department of Consumer Affairs	370.7	313.0
Environmental Quality Board	1,024.1	106.3
Commonwealth Election Commission	101.6	99.1
Office of the Governor	33.8	33.8
Industrial Commission	48.5	31.6
Departamento de Justicia	19.7	13.0
Advocacy for Persons with Disabilities of the Commonwealth of Puerto Rico	-	0.0
<b>Total</b>	<b>\$46,338</b>	<b>\$44,833</b>

<sup>1</sup> Reclassified from Other Treasury Accounts category in Jan 19<sup>th</sup> disclosure. Related to the *Oficina para el Mejoramiento de las Escuelas Públicas ("OMEP")*.

## Appendix C: Other Public Corporations and Legally Separate Entities

\$ in '000s

<i>Agency Name</i>	<i>Balance as of</i>	
	<i>12/31/2018</i>	<i>1/31/2018</i>
Government Employee and Judiciary Retirement System Administration	48,814.1	48,776.1
Public Buildings Authority	42,585.2	38,191.9
Economic Development Bank	40,084.3	14,151.4
Ports Authority	25,834.1	24,495.5
Comprehensive Cancer Center	25,560.5	26,345.3
Unidentified	20,881.8	23,767.2
Infrastructure Financing Authority	18,002.0	22,287.3
Financial Oversight Board	16,376.4	18,571.6
Medical Services Administration	16,264.9	21,564.0
Fiscal Agency and Financial Advisory Authority	15,366.9	16,755.9
Puerto Rico Trade and Export Company	12,354.9	13,012.9
Land Authority	11,267.3	12,496.3
Puerto Rico and the Caribbean Cardiovascular Center Corporation	11,054.6	8,726.0
Integrated Transport Authority	10,100.4	10,110.2
Convention Center District Authority	9,568.6	7,666.0
Solid Waste Authority	7,613.7	7,564.3
Teacher's Retirement System	7,046.6	5,759.0
Farm Insurance Corporation	6,414.8	3,513.1
Energy Commission	5,808.9	5,951.1
Musical Arts and Stagecraft Corporation	5,496.8	5,633.6
Land Administration	4,674.0	4,171.4
Institute of Puerto Rican Culture	4,525.6	4,699.2
National Guard Institutional Trust	3,425.9	3,581.4
Fine Arts Center Corporation	2,808.6	2,863.0
Authority for the Redevelopment of the land and facilities of the Roosevelt Roads Naval Station	1,653.1	1,648.2
Conservatory of Music	1,121.7	1,004.0
Center for Research, Education and Medical Services for Diabetes	1,100.3	1,094.7
Company for the Integral Development of Cantera's Peninsula	1,052.1	931.2
Public Broadcasting Corporation	975.4	2,276.3
Port of the Americas Authority	487.3	481.3
School of Plastic Arts	447.0	412.2
Bosque Modelo de PR	250.6	251.9
Culebra Conservation and Development Authority	60.4	65.0
Martín Peña Canal ENLACE Project Corporation	5.0	5.0
<b>Total</b>	<b>\$379,087</b>	<b>\$358,827</b>