



GOVERNMENT OF PUERTO RICO
Department of the Treasury

Component Unit Liquidity

FOR QUARTER 2 OF FISCAL YEAR 2023: OCTOBRE THROUGH DECEMBER 2022

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
ACAA	Automobile Accident Compensation Administration, an agency of the Commonwealth 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.
ARPA	American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan.
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.
Bahía Urbana	Waterfront Park in San Juan, Puerto Rico.
BTG	Balance to go, which are the remaining months of the fiscal year without actual results.
CapEx	Capital expenditures.
COR3 Revolver Drawdown	Central Office for Recovery, Reconstruction and Resiliency revolving line of credit.
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.
CMS	The Centers for Medicare & Medicaid Services (CMS), is a federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program (CHIP), and health insurance portability standards.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
COVID-19	An infectious disease caused by a newly discovered coronavirus producing symptoms ranging from mild to severe respiratory infection affecting populations worldwide, leading to widespread shutdowns of public and private sector services.
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	Destination Marketing Organization.
FEDE	Special Fund for Economic Development, affiliated with PRIDCO.
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.

FMAP	Federal Medical Assistance Percentages (FMAP) are the percentage rates used to determine the matching funds rate allocated annually to certain medical and social service programs in the U.S.
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.
FY	Fiscal year.
General Fund (GF)	The Commonwealth's principal operating fund.
Hacienda (DTPR)	Puerto Rico Department of Treasury.
HFA	Puerto Rico Housing Finance Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
HHS	The United States Department of Health and Human Services, also known as the Health Department, is a cabinet-level executive branch department of the U.S. federal government with the goal of protecting the health of all Americans and providing essential human services.
HMS	Hornblower Maritime Services (HMS), which is a new third-party operator to operate Ferries in partnership with the Puerto Rico Integrated Transit Authority as part of The Ferry Project in 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.
Law 3, Law III, Ley III	As it pertains to this document, in Article 15, Act 3 of 2017, savings generated by ACAA and the SIFC, because of the application of the provisions of this Law, if any, will be contributed to the "Special Education Students Services and Therapies Fund," under the custody of the Department of Education, during the term of this Law.
Liquidity Plan (LP)	Projected cash flows for each component unit, based on their respective government FY23 Budget submission reviewed on September 2022 with FOMB.
MCO	Managed care organization.
OCFO	Office of the CFO in the Puerto Rico Department of Treasury ("Hacienda").
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.
OpEx	Operating expenditures.
OPPEA	Office of the Ombudsman for the Elderly; Oficina Del Procurador De Las Personas De Edad Avanzada of Puerto Rico.
Other Inflows	Sales of toll tags, rental income, and impact fees.
Other Outflows	Payments to suppliers from prior years.
Pandemic	An outbreak of disease prevalent over a whole country or the world.
PayGo	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.
Payroll and Related Costs	Salaries and wages paid to employees, along with taxes and employer matching payments.
PBA	Puerto Rico Public Buildings Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
PBM	Pharmacy Benefit Manager.
Platino	Medicaid + Medicare dual-eligible populations.
Ports	Puerto Rico Ports Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
PREMA	Puerto Rico Emergency Management Agency, which is responsible for the management and coordination of the preparedness, prevention, mitigation, response, and recovery before or after an incident or event that need the coordination of the state support and resources.
Premium Pay	Additional compensation payments distributed to eligible employees during the COVID-19 pandemic, which are sourced from State and Local Coronavirus Fiscal Recovery Fund of the American Rescue Plan Act of 2021 (ARPA).
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.

PRTC	The Puerto Rico Tourism Company, also referred to as "Tourism."
PROMESA	The Puerto Rico Oversight, Management, and Economic Stability Act of 2016.
Retiro	The "Employee Retirement System of the Government of the Associated Free State of Puerto Rico" is a retirement and benefits system created by Law 447 of May 15, 1951 and managed by the Administration of Government and Judiciary Employee Retirement Systems.
Room Tax Waterfall Disbursements	Act No. 272, as amended by Act No. 23 in 2008 and Act No. 98 in 2016, defines a formula for distribution of room tax collections made by the Company. This statutory formula is subject to emergency legislation and related executive orders.
SBA	The U.S. Small Business Administration is a United States government agency that provides support to entrepreneurs and small businesses.
Slot Machine Waterfall Disbursements	Pursuant to Act No. 24, the Company must distribute collections from slot machine operations to two groups: Group A (hotels) and Group B (Hacienda, the University of Puerto Rico (UPR), and the Company's General Fund). The mandatory annual amount for distribution is \$119.0M to be allocated to Group A (34%) and Group B (66%). After the \$119.0M is deducted from total slot machine collections after operating costs, any excess is distributed to Group A (60%) and Group B (40%). Within Group B, Act No. 24 allocates the total distribution amount to the following Gov't entities: Hacienda (15.15%), UPR (45.45%), and the Company's General Fund (39.40%). While there is a fixed component of the distribution equation (mandatory fund), annual distributions are largely variable, and increase given higher collections in slot machine revenues (excess fund).
SIFC	Puerto Rico State Insurance Fund Corporation, a public corporation, and a component unit of the Commonwealth of Puerto Rico; also see "Fondo".
SRF	Special Revenue Fund.
Title III	An in-court proceeding created by the United States Congress to allow U.S. states and territories, including Puerto Rico, to file for benefits like bankruptcy protection and a restructuring plan through PROMESA.
Tourism	Tourism Company of Puerto Rico, a public corporation, and a component unit of the Commonwealth of Puerto Rico, also referred to as "PRTC."
Transfers (To)/From Restricted Account	Funds placed aside by component unit(s) to fund capital expenditures and other reserve requirements.
TSA	Treasury Single Account, the Commonwealth's main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short- and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth's fiduciary funds. A portion of the revenues collected through the TSA corresponds to the General fund. Other revenues include federal funds and special revenues conditionally assigned by law to certain agencies or public corporations that flow through the TSA.
UPR	University of Puerto Rico, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
Unrestricted Bank Cash Balance Roll Forward	A roll forward of cash on the Component Unit's unencumbered and unreserved cash balance that can be used for any purpose.
VTP	Voluntary Transition Program, as established by AAFAF Administrative Orders 2017-05, 2018-03, 2018-04, 2018-05, 2018-06, and 2018-13.
WIC	Special supplemental health program for women (pregnant and postpartum mothers), infants, and children up to the age of five in Puerto Rico.

INTRODUCTION

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

This report is for the second quarter of fiscal year 2023 (“Q2-23”) and presents information with respect to 15 select CUs. Fiscal Year 2023 (“FY23”) Liquidity Plans for 15 CUs were completed and reviewed with the team from FOMB in September 2022. These Liquidity Plans are the ones used in this Q2-23 report.

15 of the 15 CUs have reported actual cash flow information through the month of December 2022 (“Dec-22”). Section “A” of this report for each CU provides Year-to-date, (“YTD”) actual information. Analysis in section “A” includes details on actual receipts and expenses through Q2-23.

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, and 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 to monitor changes in staff levels and their actual and projected effects on payroll costs. The trailing twelve months of information is presented in the document under section “B” for each CU.

A Full Year FY23 Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of July 4, 2022 to the ending cash balance as of December 30, 2022. This information is presented in the document under section “C” for each CU. For the balance of the fiscal year, there is a forecast 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 each CUs. Where available, the CUs have provided quarterly information on Accounts Payable (“A/P”) and Accounts Receivable (“A/R”). **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 between CU’s reported cash figures to Hacienda and the figures in their cash flows in this report. The “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities,” was released as of December 30, 2022. 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.

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EXECUTIVE SUMMARY

Component Units Actual Results for the Month of December 2022

(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
Puerto Rico Ports Authority ("PORTS")			
PORTS Cash Inflow	\$62,377	\$79,108	(\$16,732)
PORTS Cash Outflow	(70,816)	(88,580)	17,764
PORTS Net Cash flow	(\$8,439)	(\$9,472)	\$1,033
PORTS Commentary:	Net cash flow vs. Liquidity Plan is +\$1.0M favorable mainly driven by delays in CapEx investments. Projects are running slower than anticipated in the Liquidity Plan due to active hurricane season among other external factors.		
Medical Services Administration ("ASEM")			
ASEM Cash Inflow	\$130,714	\$118,103	\$12,612
ASEM Cash Outflow	(130,405)	(112,726)	(17,679)
ASEM Net Cash flow	\$309	\$5,377	(\$5,067)
ASEM Commentary:	Unfavorable cash flow variance vs. Liquidity Plan of (\$5.1M) was mainly driven by lower physician and medical plan receipts collected (-\$4.7M) and unfavorable timing of institutional receipts (-\$0.4M).		
Puerto Rico Integrated Transit Authority ("PRITA")			
PRITA Cash Inflow	\$69,291	\$57,709	\$11,583
PRITA Cash Outflow	(74,928)	(41,830)	(33,098)
PRITA Net Cash flow	(\$5,637)	\$15,879	(\$21,515)
PRITA Commentary:	Unfavorable net cash flow of (\$21.5M) vs. Liquidity Plan mainly driven by an adverse timing in operating disbursements (\$33.1M), partially offset by a favorable timing total receipts (11.6M). The latter comes from GF transfers (+\$6.4M), receipts for maintenance (+\$4.8M), and operating results (+\$0.4M). The transfers to restricted account includes payments to the new third party operator of Ferry Services - Hornblower Maritime Services - as part of The Ferry Project for Puerto Rico.		
Puerto Rico State Insurance Fund Corporation ("FONDO")			
FONDO Cash Inflow	\$466,643	\$358,141	\$108,502
FONDO Cash Outflow	(261,036)	(269,394)	8,359
FONDO Net Cash flow	\$205,608	\$88,747	\$116,861
FONDO Commentary:	Favorable net cash flow versus Liquidity Plan of +\$116.9M was driven by higher premiums collections (+\$108.5M) and lower operating expenses (+\$8.4M). The need for equipment purchases has remained low throughout the fiscal year, as well as claim-related disbursements.		
Health Insurance Administration ("ASES")			
ASES Cash Inflow	\$2,722,360	\$1,884,157	\$838,203
ASES Cash Outflow	(2,138,518)	(1,884,173)	(254,345)
ASES Net Cash flow	\$583,842	(\$16)	\$583,858
ASES Commentary:	Favorable net cash flow of \$583.9M versus Liquidity Plan was mainly driven by higher receipts: +\$828.8M from operations, and +\$9.4M due to a positive timing on Intra-Government receipts. This was partially offset by an unfavorable timing of MCO premium payments (-\$252.5M), and other operating disbursements (-\$1.8M).		

EXECUTIVE SUMMARY, CONTINUED

Component Units Actual Results for the Month of December 2022

(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
Puerto Rico Public Buildings Authority ("PBA")			
PBA Cash Inflow	\$77,651	\$68,843	\$8,808
PBA Cash Outflow	(85,413)	(87,968)	2,555
PBA Net Cash flow	(\$7,762)	(\$19,125)	\$11,363

PBA Commentary:

Favorable net cash flow vs. Liquidity Plan of \$11.4M is primarily due to FEMA-related receipts (+\$5.5M), higher intra-governmental collections (+\$2.5M) and a favorable timing in other operating disbursements including CapEx (\$3.4M).

Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")

Cardio Cash Inflow	\$46,700	\$39,091	\$7,609
Cardio Cash Outflow	(53,029)	(41,283)	(11,745)
Cardio Net Cash flow	(\$6,328)	(\$2,192)	(\$4,136)

Cardio Commentary:

Unfavorable variance of (-\$4.1M) versus Liquidity Plan was driven by lower patient collections (-\$0.6M), further impacted by accelerated disbursements in Purchased Services (-\$4.0M). These was partially offset by a favorable timing in other receipts and disbursements of (+\$0.5M). Cardio received a special assignment of \$5.0M constrained to CapEx investments. They are reported as restricted funds, which reduce as expenses they occur.

Puerto Rico Industrial Development Company ("PRIDCO")

PRIDCO Cash Inflow	\$40,210	\$34,480	\$5,730
PRIDCO Cash Outflow	(23,753)	(40,495)	16,742
PRIDCO Net Cash flow	\$16,458	(\$6,014)	\$22,472

PRIDCO Commentary:

Favorable net cash flow variance of +\$22.5M versus Liquidity Plan was mainly driven by net operating results (+\$8.2M), further increased by a positive impact in non-operating activities (+\$14.3M). The latter includes budgetary and capex reserve funds, and an asset sale of \$4.0M.

Puerto Rico Housing Finance Authority ("HFA")

HFA Cash Inflow	\$190,398	\$181,993	\$8,405
HFA Cash Outflow	(217,341)	(170,111)	(47,230)
HFA Net Cash flow	(\$26,943)	\$11,882	(\$38,825)

HFA Commentary:

Unfavorable net cash flow variance versus Liquidity Plan of (-\$38.8M) contains a favorable variance of (+\$10.6M) in operations and (-\$49.4M) unfavorable from non-operating activities. The latter was driven by balance sheet items movement (-\$29.5M), higher net disbursement of federally supported projects (-\$22.0M), partially offset by a favorability in debt-related disbursements (+\$2.1M).

Tourism Company of Puerto Rico ("Tourism")

Tourism Cash Inflow	\$84,762	\$55,507	\$29,255
Tourism Cash Outflow	(57,274)	(59,818)	2,544
Tourism Net Cash flow	\$27,488	(\$4,311)	\$31,799

Tourism Commentary:

Favorable net cash flow variance of +\$31.8M vs. Liquidity Plan was mainly driven by higher receipts of +\$29.3M (+\$23.1M Room Taxes / +\$5.1M Slot Machines / +\$1.1M Other), and a benefit from the timing of disbursements (+\$2.5M). The latter was mainly due to delays in waterfall disbursements and in transfers to Hacienda of last year's room taxes reserve.

EXECUTIVE SUMMARY, CONTINUED

Component Units Actual Results for the Month of December 2022

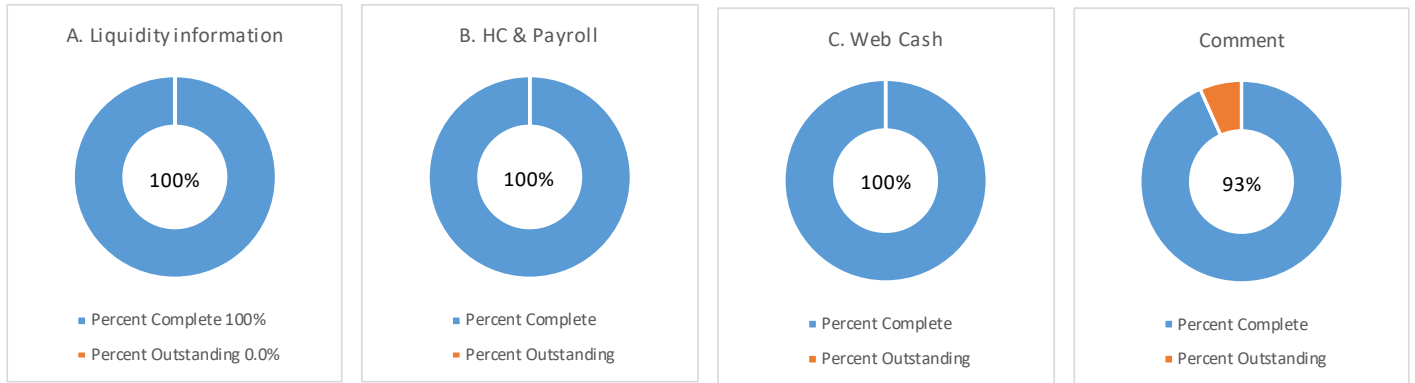
(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
Fiscal Agency and Financial Advisory Authority ("AAFAF")			
AAFAF Cash Inflow	\$29,149	\$26,200	\$2,949
AAFAF Cash Outflow	(39,587)	(28,648)	(10,940)
AAFAF Net Cash flow	<u>(\$10,438)</u>	<u>(\$2,447)</u>	<u>(\$7,991)</u>
AAFAF Commentary:	Unfavorable variance versus Liquidity Plan of (-\$8.0M) includes payments from last FY: professional services (\$5.0M), and the return of Title III funds surplus (\$4.2M). This was partially offset by a positive timing in Intra-Government Receipts and operating expenses (+\$1.2M).		
Department of Economic Development and Commerce ("DDEC")			
DDEC Cash Inflow	\$171,943	\$147,128	\$24,815
DDEC Cash Outflow	(106,526)	(149,178)	42,652
DDEC Net Cash flow	<u>\$65,416</u>	<u>(\$2,051)</u>	<u>\$67,467</u>
DDEC Commentary:	Favorable variance vs Liquidity Plan of +\$67.4M was mainly driven by favorable receipts in General Fund Appropriations (+\$39.3M). This was further enhanced by a favorable timing in disbursements of renewable energy products incentives (+\$20.3M), delays in CapEx projects (+\$7.5M), and lower transportation expense (+\$0.3M).		
Puerto Rico Convention Center District Authority ("CCDA")			
CCDA Cash Inflow	\$30,203	\$6,247	\$23,957
CCDA Cash Outflow	(36,460)	(13,625)	(22,834)
CCDA Net Cash flow	<u>(\$6,256)</u>	<u>(\$7,379)</u>	<u>\$1,123</u>
CCDA Commentary:	Favorable variance versus LP of (+\$1.1M) mainly driven by higher volume of activities at PR Coliseum and the Convention Center. This was partially offset by disbursement of expenses pertaining to FY22 (utilities and ARPA funds), in addition to insurance payments that were not included in the LP.		
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")			
ADEA Cash Inflow	\$60,015	\$65,935	(\$5,920)
ADEA Cash Outflow	(77,738)	(65,616)	(12,121)
ADEA Net Cash flow	<u>(\$17,722)</u>	<u>\$319</u>	<u>(\$18,041)</u>
ADEA Commentary:	Unfavorable net cash flow vs. Liquidity Plan of (-\$18.0M) was mainly driven by lower operating receipts (-\$6.9M). This was further impacted by accelerated disbursements in Purchased Services (-\$5.6M), Rural Development incentives and subsidies (-\$4.0M), and an unfavorable effect in other operating disbursements (-\$1.5M).		
Automobile Accident Compensation Administration ("ACAA")			
ACAA Cash Inflow	\$15,358	\$40,206	(\$24,848)
ACAA Cash Outflow	(39,896)	(45,739)	5,843
ACAA Net Cash flow	<u>(\$24,538)</u>	<u>(\$5,533)</u>	<u>(\$19,005)</u>
ACAA Commentary:	Operating net cash flow vs. LP is (-\$19.0M) unfavorable mainly driven by pending transfer of premium collections (-\$24.9); partially offset by less claims-related disbursements (+\$5.2M), and timing in all other operating expenses (+\$0.7M).		

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

15 out of the 15 Component Units provided cash flow data for the second quarter of FY23 (a). Data was broken down into four sections: A. Liquidity and Cash Flow information, B. Headcount and Payroll Data, C. Sources/Uses of funds, and D. Working Capital data.

The 15 CUs included in this report were overall 98% in compliance with providing data on average. CUs that provided insufficient information for reporting are mentioned in note (b) below.



Notes:

- (a) Information for the month of December 2022 reflects the period between 11/28/2022 and 12/30/2022.
- (b) AMA was unable to provide with working capital information. Thus, PRITA is incomplete on this section for Q2 report.

I. PUERTO RICO PORTS AUTHORITY (“Ports”)

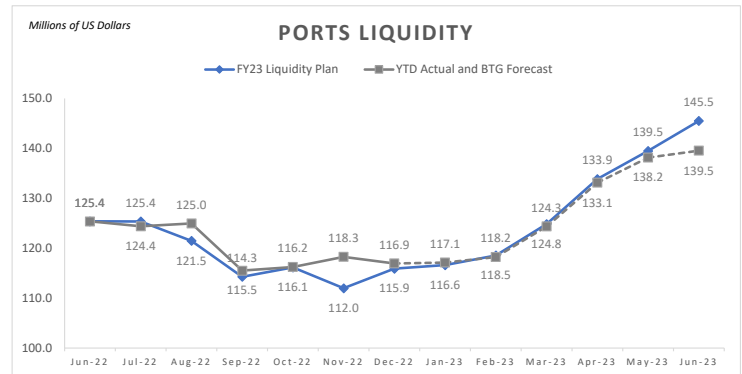
Primary Business Activity: The Puerto Rico Ports Authority is responsible for developing, improving, and administering all types of transportation facilities and air and sea services, as well as establishing and managing maritime collective transportation systems in, from, and to Puerto Rico.

Key Takeaways: Year to date, unrestricted cash decreased by (\$8.5M), from \$125.4M to \$116.9M. This was mainly driven by the insurance payment for the entire fiscal year that was processed in September (-\$5.1M), higher payroll cost (-\$5.0M), and a net effect of +\$1.6M from all other operating lines. Versus Liquidity Plan, ending cash balance is +\$1.0M favorable mainly driven by delays in CapEx investments. Projects are running slower than anticipated in the Liquidity Plan due to an active hurricane season, and other external factors. Ports received a special transfer of \$1.7M from the General Fund to cover for the Upside Participation Bonus as per resolution 415 of the House of Representatives. They were disbursed in December 2022.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Forecast

1. \$1.0M YTD actuals vs. Liquidity Plan:

- \$17.2M favorable variance in CapEx disbursements given a delay in projects.
- \$3.3M from disaster-related receipts (insurance and FEMA) not included in Liquidity Plan.
- (\$6.5M) from higher payroll cost.
- (\$5.0M) from lower operating receipts mainly in maritime revenue.
- (\$8.0M) unfavorable variance in operating expenses mainly driven by advanced insurance payments (\$5.1M), last year utilities payments (\$3.2M), partially offset by a net benefit from all other operating expense lines of \$0.3M.



2. (\$6.0M) cash reduction expected by the end of FY23:

- Reduction is due to 126 PREPA employees that were not included in the salary budget. Total impact of \$6.0M is for the actual 118 PREPA employees at the end of Q2.
- Ports is currently working with OGP to get this budget adjustment.
- Passenger traffic and ship volume is expected to regain momentum improving maritime revenue for the resto of FY23.

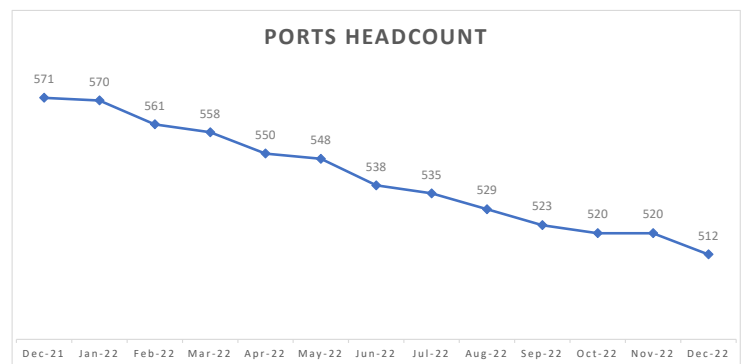
B. Headcount / Payroll

1. Headcount FTEs: decreased from 571 to 512 from end of Q2-22 to end of Q2-23.

- Headcount decrease for the 13-months period is primarily related to the movement of former PREPA employees out of the agency (-41), further impacted by attrition factors of current market reality (-18).

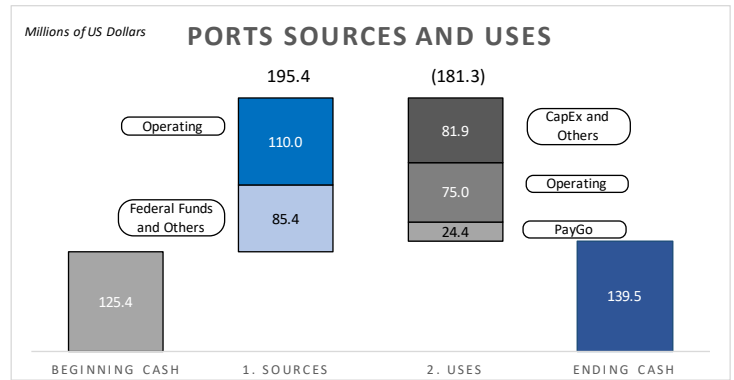
2. Payroll cost is forecasted at \$31.3M for the entire FY23. YTD payroll disbursements total \$15.8M. Both amounts exclude the \$1.7M of the Upside Participation Bonus.

- Payroll budget allocated to Ports excluded former PREPA employees and is thus understated. Management is currently working with OGP to get remaining funds allocated.



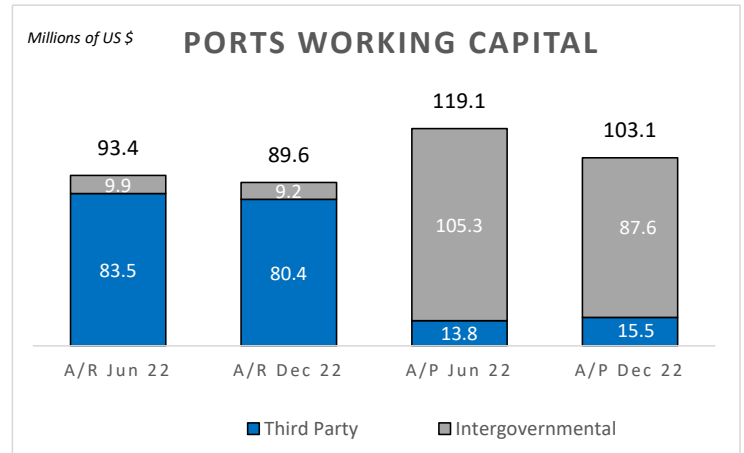
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$195.4M:
 - a. Operating receipts of \$110.0M, comprised of \$89.3M in maritime receipts, \$20.3M in airport receipts, and \$0.4M in other receipts.
 - b. Other receipts of \$85.4M:
 - i. \$77.0M from Federal Funds earmarked for CapEx investments,
 - ii. \$5.1M from GF transfers, including the \$1.7M of the Upside Participation Bonus, and
 - iii. \$3.3M from insurance and FEMA.
2. Uses (\$181.3M):
 - a. Capex and other receipts of (\$81.9M):
 - i. (\$76.9M) earmarked for CapEx investments,
 - ii. (\$3.3M) for disaster-related projects, and
 - iii. (\$1.7M) of the Upside Participation Bonus.
 - b. Operating disbursements of (\$75.0M) driven by payroll and related costs (\$31.3M), professional services (\$16.6M), purchased services (\$14.1M), facilities (\$10.0M), and other operating expenses (\$3.0M).
 - c. PayGo contributions of (\$24.4M).



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. (\$3.8M) decrease from end of Q4-22 to end of Q2-23 driven by third party receivables (\$3.1M).
2. Accounts Payable:
 - a. (\$16.0M) decrease from end of Q4-22 to end of Q2-23 driven by (-\$17.8M) in intergovernmental accounts mainly driven by payments to the retirement system (PayGo), partially offset by an increase in third party payables of \$1.8M.
3. Working Capital:
 - a. Working capital changes for the first semester of FY23 were unfavorable by (\$12.2M) due to the above changes.



II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

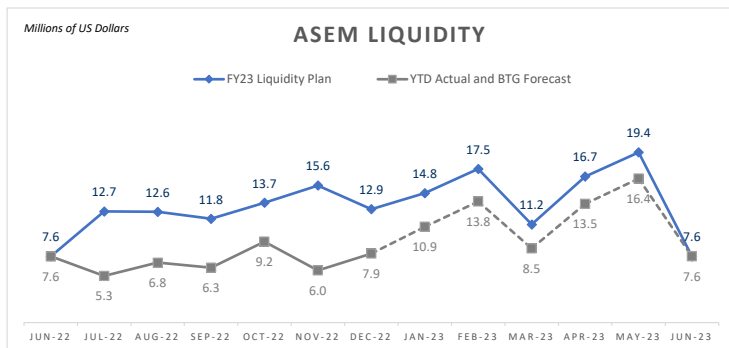
Primary Business Activity: ASEM plans, organizes, operates, and administers centralized health services, provided in support of the hospital and other functions, offered to member institutions and users of the medical complex, the Puerto Rico Medical Center.

Key Takeaways: Year-to-date, cash increased by \$0.3M, from \$7.6M to \$7.9M. This was driven by higher receipts (\$130.7M) mainly from Institutional revenues and GF appropriations, net of disbursements (\$130.4M) driven by personnel services and materials/supplies. In Jul-22, ASEM collected \$23.4M from the Pediatric Hospital on prior years’ receivables not forecasted, which was used to pay utilities’ outstanding debt incurred prior to FY23. ASEM received two special transfers from GF during Q2: 1) \$4.4M earmarked for CapEx investments, and 2) \$4.4M for the Upside Participation Bonus as per resolution 415 of the House of Representatives. There are ongoing risks to liquidity at ASEM primarily driven by timing/collection risk associated with large institutional payers.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. (\$5.1M) actuals vs. Liquidity Plan:

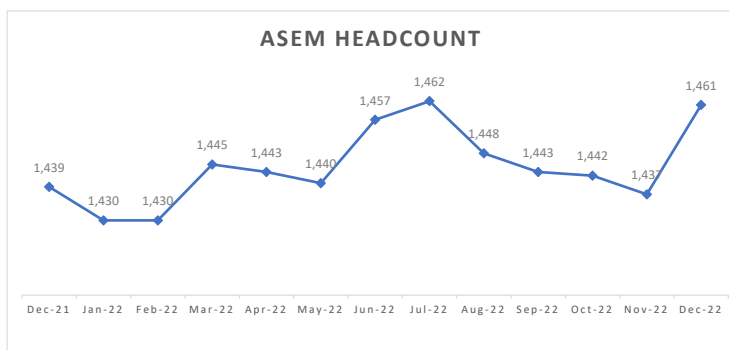
- a. (\$5.1M) in operating receipts variance driven by lower physician and medical plan receipts.
- b. \$12.2M higher General Fund appropriations mainly driven by the special transfers of \$4.4M for CapEx investments, \$4.4M for the Upside Participation Bonus, \$2.0M assigned for trauma area, and \$1.4M of the Christmas Bonus.
- c. \$5.5M favorable variance in intragovernmental receipts from institutions.
- d. (\$17.7M) unfavorable variance in operating expenses of which (\$9.9M) comes from funds moved to restricted accounts. The latter will be later used to cover for committed operating expenses.



2. ASEM expects to end FY23 in target with the Liquidity Plan of \$7.6M.

B. Headcount / Payroll

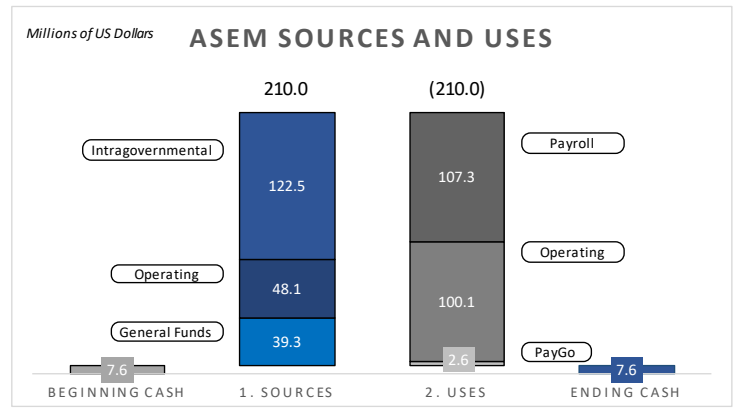
- 1. Headcount FTEs: increased from 1,439 to 1,461 from end of Q2-22 to end of Q2-23.
 - a. Increase in headcount responds to the fill up of open positions in line with operating needs.
- 2. Payroll: Disbursements are forecasted at \$102.0M for the FY23. YTD payroll is \$47.8M. Both amounts exclude the \$4.4M of the Upside Participation Bonus.



C. Full Year FY23 Sources and Uses of Funds

1. Sources \$210.0M:

- a. \$122.5M of institutional receipts from intergovernmental entities, which includes \$23.4M from Pediatric Hospital regarding prior years' receivables. These were used to settle utilities debts dated prior to FY23.
- b. \$48.1M from General Fund appropriations, including \$4.4M for CapEx investments, \$4.4M for the Upside Participation Bonus, and \$5.1M as the Government Classification and Compensation Plan.
- c. \$39.3M of operating receipts mainly driven by third party receipts comprised mostly of physician and medical plan receipts of \$28.2M, and other income of \$11.1M.



2. Uses (\$210.0M):

- a. Payroll and related costs of (\$107.3M) including (\$4.4M) of the Upside Participation Bonus, and (\$1.4M) of Christmas Bonus.
- b. Operating disbursements of (\$100.1M), comprised of professional services of (\$28.0M), utilities of (\$30.4M) including prior year's debt of (\$23.4M), material and supplies of (\$23.0M), facilities disbursements (\$7.0M), equipment purchases of (\$6.0M), and other operating payments of (\$5.7M).
- c. PayGo contributions of (\$2.6M).

D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

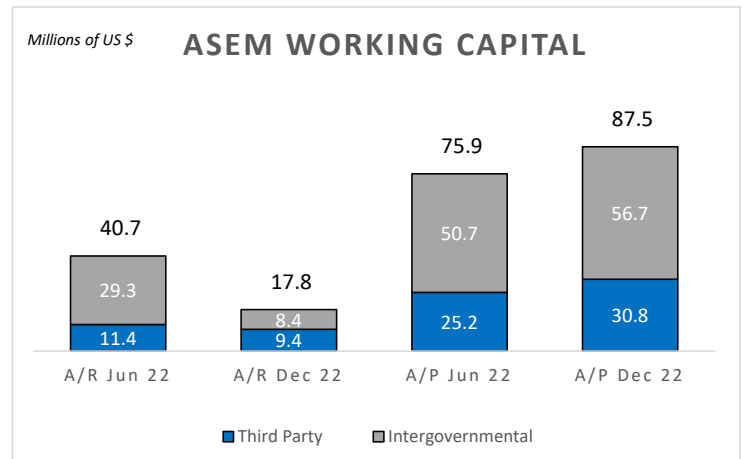
- a. (\$22.8M) decrease from end of Q4-22 to end of Q2-23 driven by a (\$20.8M) decrease in intergovernmental receivables due to collections from the Dept. of Health. These were further intensified by a (\$2.0M) decrease in third party accounts.

2. Accounts Payable:

- a. \$11.6M increase from end of Q4-22 to end of Q2-23 driven by increases in both sectors: \$6.0M in intergovernmental, and \$5.6M in third party payables.

3. Working Capital:

- a. Working capital changes were favorable by \$34.4M for the first semester of FY23 due to the above changes.



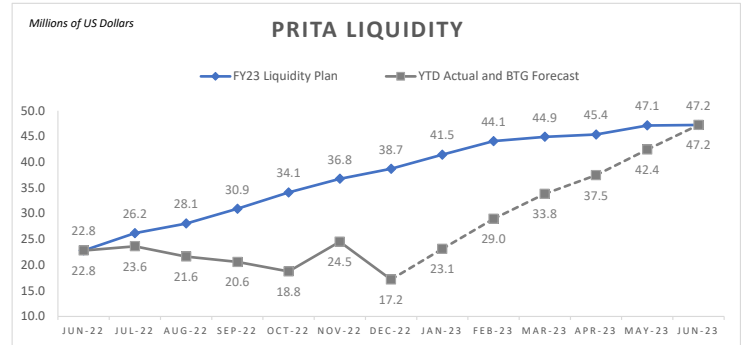
III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY (“PRITA”)

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: Year to date, cash decreased by (-\$5.6M); from \$22.8M to \$17.2M mainly driven by the acquisition of equipment, including AMA buses. The Ferry Project was approved, and PRITA received a special transfer of \$37.2M from the General Fund reserved for payments to Hornblower Maritime Services: new third-party operator of Ferries. Funds were moved to a custody account and the remaining balance of \$19.0M is reflected herein as transfer to restricted funds. Payments to Hornblower Maritime Services (HMS) as of December 2022 amount to \$18.2M. PRITA received a special transfer of \$1.6M to cover for the Upside Participation Bonus as per resolution 415 of the House of Representatives.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

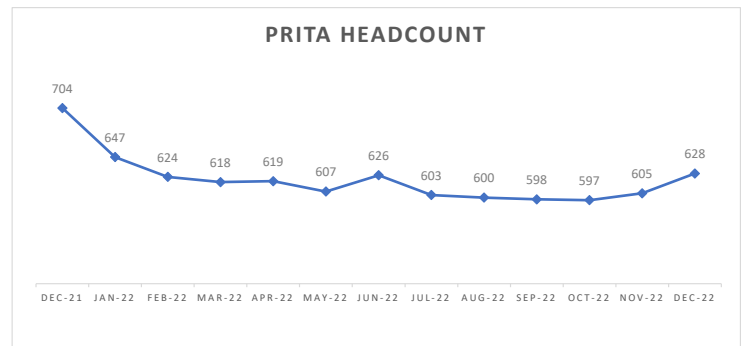
1. (\$21.5M) YTD actuals vs. Liquidity Plan:
 - a. \$30.5M favorable variance in total receipts:
 - \$31.3M from General Fund appropriations received, driven by the \$37.2M transfer to cover for HMS.
 - \$0.4M in operating receipts.
 - (\$1.2M) from delays in CapEx projects.
 - b. (\$19.0M) net transfer to restricted account, which is the remaining balance of funds restricted to HMS payments.
 - c. (\$33.0M) unfavorable in total disbursements:
 - (\$18.2M) in payments to HMS - new private operator,
 - (\$3.6M) in payroll disbursements,
 - (\$2.5M) in purchased services payments, and
 - (\$8.7M) in all other operating disbursements.



2. PRITA expects to end FY23 in line with the target in Liquidity Plan of \$47.2M. Incremental expense to the third-party operator will be covered for by the General Fund transfer received for this purpose.

B. Headcount / Payroll

1. Headcount FTEs: Decreased from 704 to 628 from end of Q2-22 to end of Q2-23.
 - a. Decrease in headcount came from high employee turnover, mobility to other agencies at ATM, and frozen positions due to the third-party operator (HMS).
2. Payroll: disbursements for the FY23 are estimated at \$32.4M. YTD payroll cost is \$18.2M. Both amounts exclude the \$1.6M of the Upside Participation Bonus.



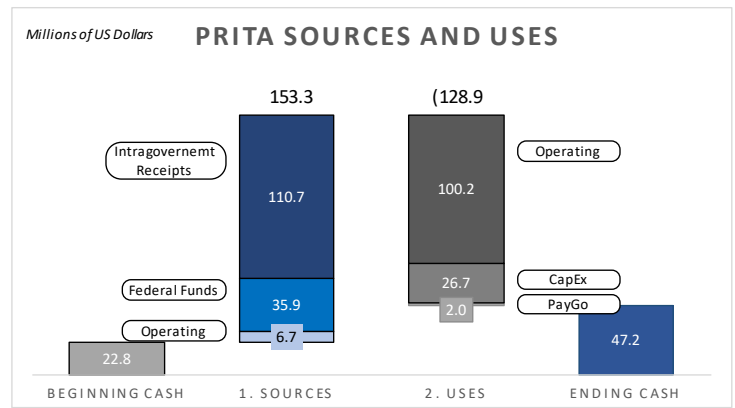
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$153.3M:

- a. \$6.7M of operating receipts of comprised of \$4.6M for ferries/cargo, bus fare of \$1.9M, and \$0.2M in miscellaneous receipts.
- b. \$110.7M of intergovernmental receipts of:
 - \$61.2M in General Fund appropriations (\$37.2M assigned to payments to the new third operator -HMS, and \$24.0M to subsidize operations),
 - \$31.3M from the cigarette tax,
 - \$16.6M from special government appropriations for CapEx investment, and
 - \$1.6M for the Upside Participation Bonus.
- c. \$35.9M of federal funds receipts related to grants for maintenance expenses.

2. Uses (\$128.9M):

- a. (\$100.2M) in operating disbursements, of which (\$37.2M) are for the new third-party operator, payroll and related costs (\$32.4M), materials and supplies (\$12.6M), purchased services (\$7.7M), professional services (\$4.2M), facilities and payments for public services (\$2.5M), Upside Participation Bonus (\$1.6M), and all other operating expenses (\$2.0M).
- b. (\$2.0M) in PayGo contributions.
- c. (\$26.7M) in CapEx investments.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

- a. Information is not available.

2. Accounts Payable:

- a. Information is not available.

3. Working Capital:

- a. Analysis incomplete due to missing accounts receivable and accounts payable information.

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

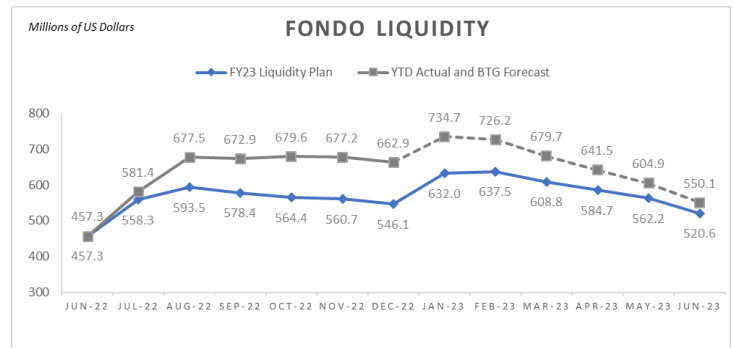
Primary Business Activity: Fondo provides workers’ compensation and disability insurance to public and private employees. Fondo is the only authorized workers’ compensation insurance company on the Island. Both public and private companies must obtain this security for their workforces by law.

Key Takeaways: Year to date, cash increased by \$205.6M, from \$457.3M to \$662.9M. The cash built was driven by strong premium collections (\$459.5M), together with controlled operating costs (-\$253.9M in total). The need of equipment purchases has remained low as well as claims-related payments, while the volume of cases requiring specialized physician, laboratory, radiology, among others, is higher than the expectation in Liquidity Plan. These volume-driven expenses affect contracted services reflected in Professional and Purchase services. Fondo received \$7.2M as part of the Upside Participation Bonus, which were disbursed in December as per resolution 415 of the House of Representatives. Premiums receipts are high in January/February where the second payment of employers’ premiums came due. Thus, the outlook is expected to get even better for the second semester of FY23. Fondo provides with unlimited medical services to its insured population, and there is a high degree of variability in the cost of services.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

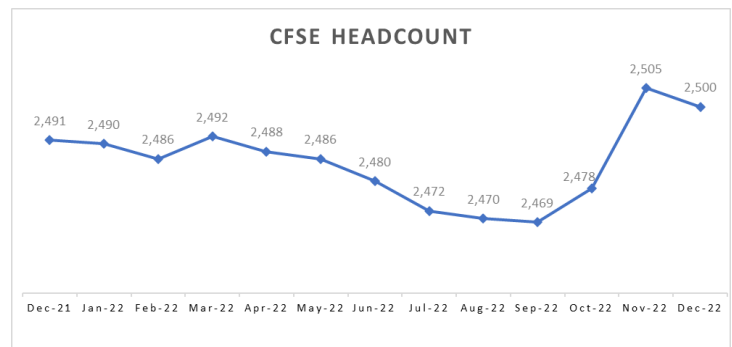
1. \$116.9M actuals vs. Liquidity Plan:

- a. \$101.3M in favorable premiums collections variance for the first semester of FY23.
 - b. (\$5.6M) unfavorable variance versus LP in payroll and related costs.
 - c. (\$17.9M) unfavorable variance in Contributions to Other Governmental Entities due to the timing of disbursement versus the Liquidity Plan.
 - d. (\$9.0M) unfavorable variance in Purchase and Professional Services.
 - e. \$25.1M favorable in equipment purchases.
 - f. \$19.6M in favorable claims-related disbursements due to lower volume of high-cost services.
 - g. \$6.3M favorable in the timing of Pay-Go payments.
 - h. (\$2.9M) unfavorable variance in all other operating expenses lines.
2. \$32.0M of favorable variance versus Liquidity Plan is expected by the end of FY23.
- a. The expectation is to remain with the tendency of premium collections for the second semester, reaching \$680M,
 - b. further improved by controlled operating costs.



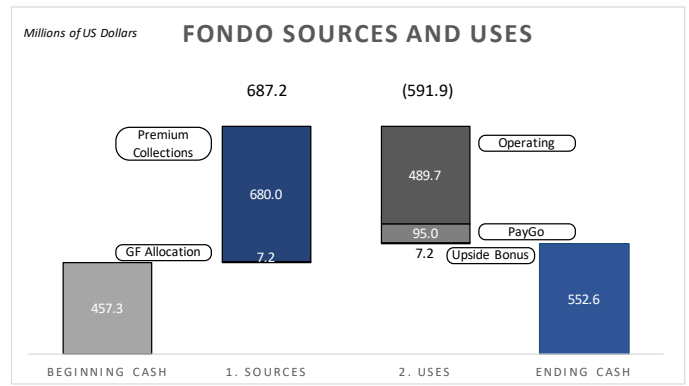
B. Headcount / Payroll

1. Headcount FTEs: Increased by nine employees from 2,491 to 2,500 from end of Q2-22 to end of Q2-23. Fondo was able to fill vacant positions necessary to operate effectively.
 - a. Payroll: total disbursements are forecasted at \$196.0M for FY23, excluding \$7.2M of the Upside Participation Bonus.
 - b. This represents an increase of \$10.3M versus the Liquidity Plan, mainly due to adjustments from previous years as per court rulings, and higher medical plan premiums.
2. YTD payroll is \$91.7M excluding the Upside Participation Bonus of \$7.2M, which was covered by a General Fund transfer.



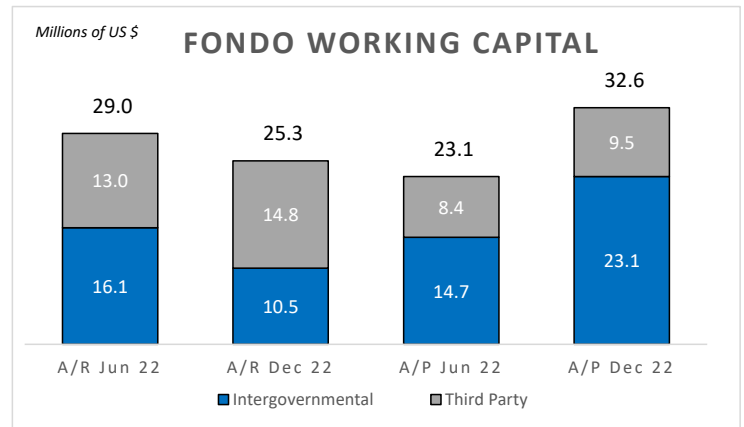
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$687.2M
 - a. \$680.0M in premium collections, and
 - b. \$7.2M in GF transfer for the special bonus.
2. Uses (\$591.9M):
 - a. Operating disbursements of (\$489.7M), consisting of (\$196.0M) in payroll and related costs, (\$90.6M) in claims-related disbursements, (\$73.6M) of equipment and materials purchases, (\$55.8M) in purchased services, (\$41.1M) in contributions to government entities, and (\$32.6M) from all other operations-related expenses.
 - b. PayGo contributions of (\$95.0M).
 - c. Upside participation bonus of (\$7.2M).



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable: (\$3.8M) decrease from end of Q4-22 to end of Q2-23:
 - a. (\$5.6M) from intragovernmental accounts, partially offset by \$1.8M increase from third party customers.
2. Accounts Payable: \$9.5M increase from end of Q4-22 to end of Q2-23 driven by intragovernmental accounts (\$8.7M increase in A/P to Hacienda).
3. Working Capital:
 - a. Favorable variance of \$13.3M in net working capital from Q4-22 to the end of Q2-23 based on the above.



V. HEALTH INSURANCE ADMINISTRATION (“ASES”)

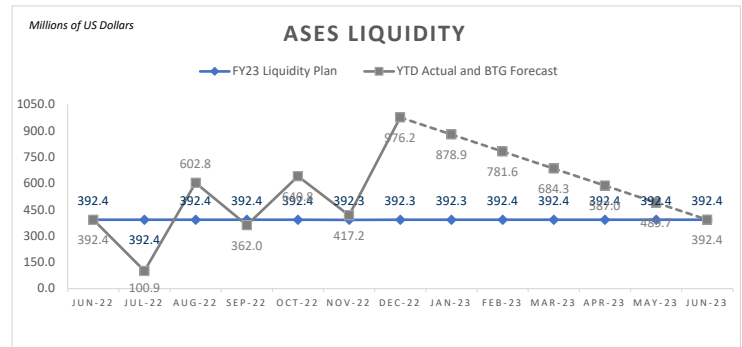
Primary Business Activity: ASES implements, administers, and negotiates the Medicaid Health Insurance System in Puerto Rico through contracts with third party insurance underwriters to provide quality medical and hospital care to the Puerto Rico Medicaid and Platino (Medicaid + Medicare dual-eligible)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

Key Takeaways: Year-to-date, cash increased by \$583.8M, from \$392.4M to \$976.2M driven by total operating receipts of \$2,249.1M, which were partially offset by a combined impact of (\$1,665.3M) in other receipts, and total operating disbursements. To note, there were no Federal Matching Funds and Administrative Reimbursement receipts in November, but they were received together with December’s ones. Thus, the cash flow trend will show a downside in November, and a material upside in December. Versus Liquidity Plan, there is a favorability of \$583.9M as detailed in section A below. ASES received a special transfer of \$0.2M from the General Fund as part of the Upside Participation Bonus included in resolution 415 of the House of Representatives.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. \$583.9M actuals vs. Liquidity Plan:

- a. \$838.2M favorable in total receipts
 - i. \$760.4M favorable in reimbursements from the federal government for administrative expenses as part of the matching funds program,
 - ii. \$68.4M favorable receipts related to Prescription Drug Rebates, and
 - iii. \$9.4M favorable timing in transfers from General Fund receipts.
- b. \$(254.3M) unfavorable in total disbursements
 - i. (\$252.5M) unfavorable in the disbursements of premiums, and
 - ii. (\$1.8M) unfavorable timing in all other operating disbursements.



2. ASES expects to end FY23 in line with the Liquidity Plan target of \$392.4M.

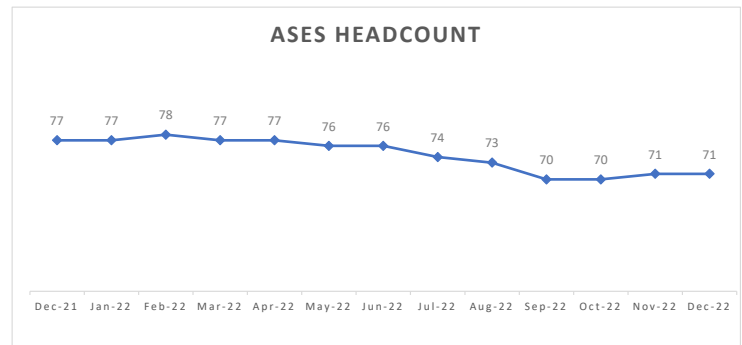
B. Headcount / Payroll

1. Headcount FTEs: decreased from 77 to 71 from end of Q2-22 to end of Q2-23 due to attrition factors.

- a. HC has remained stagnant at an average of 71 during the first semester of FY23.
- b. ASES has identified the need to create 25 positions for the balance of FY23 as part of new operational and organizational restructuring initiatives. These are aimed to promote administrative, ethical, and fiscal health of the administration.

2. Payroll disbursements are forecasted to be \$8.1M for FY23 including the additional positions mentioned above.

YTD payroll is \$2.4M. Both amounts exclude the \$0.2M of the Upside Participation Bonus.



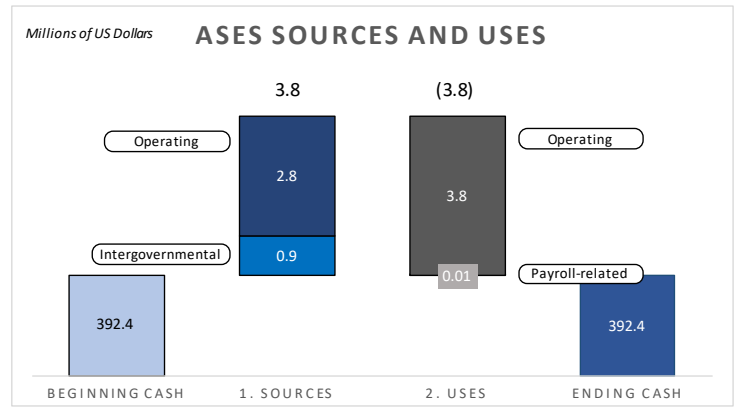
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$3,768.3M:

- a. Operating receipts of \$2,830.4M, of which \$2,620.2M are from federal government reimbursements as part of the matching funds program and administrative expenses, \$201.8M from Prescription Drug Rebates, and \$8.4M from other income.
- b. Intergovernmental receipts of \$937.9M, consisting of \$814.4M in General Fund appropriations, \$123.3M in funding from municipalities (CRIM) and employers, and the special transfer of \$0.2M for the Upside Participation Bonus.

2. Uses (\$3,768.3M):

- a. Healthcare premiums of (\$3,735.3M).
- b. Payroll-related cost of (\$8.6M): Salary (\$8.1M), Pay-Go (\$0.3M), and Upside Participation Bonus (\$0.2M).
- c. Other operating payments of (\$24.4M).



D. Accounts Receivable / Accounts Payable

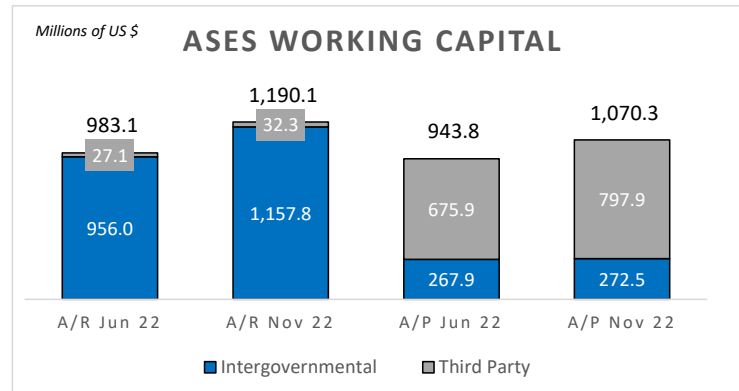
1. Accounts Receivable: increase of \$207.0M from the end of Q4-22 to end of Q2-23.

- a. Intergovernmental accounts increased by \$201.8M driven by CMS – Medicaid.

2. Accounts Payable: increase of \$126.5M from the end of Q4-22 to end of Q2-23.

- a. Third party payables increased by \$122.0M, mainly driven by Accrued Premium & Administrative.

3. Working Capital had an unfavorable variance of \$80.5M for the first semester of 2023 based on the numbers above.



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

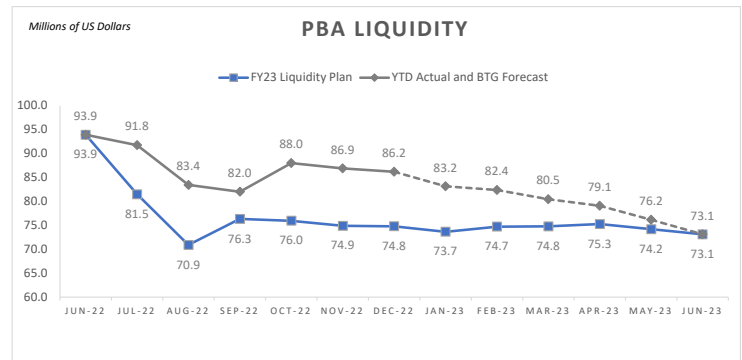
Primary Business Activity: PBA constructs, purchases, or leases office, school, health, correctional, social welfare, and other facilities for lease to certain Commonwealth departments, component units, and instrumentalities.

Key Takeaways: Year to date, operating net cash flow decreased by (\$7.8M) from \$93.9M to \$86.2M driven by lower rents receipts and Pay-Go payments, which makes the unit to have higher disbursements versus receipts. There is a favorable net cash flow vs. Liquidity Plan of \$11.4M primarily due to FEMA-related receipts (+\$5.5M), and higher operating receipts (+\$3.3M). This was further enhanced by a benefit in payroll-related expenses (+\$1.8M), and favorable timing in other operating expenses (+\$0.8M). PBA received a special transfer from general fund of \$4.6M as part of the Upside Participation Bonus (resolution 415 of the House of Representatives), which was completely disbursed in December.

B. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. +\$11.4M actuals vs. Liquidity Plan:

- a. +\$8.8M favorable total receipts driven by:
 - i. +\$5.5M receipts from FEMA, which were not included in the Liquidity Plan,
 - ii. +\$4.6M of the Upside Participation Bonus.
 - iii. (-\$1.3M) in the timing of rent receipts from government entities.
- b. +\$2.6M favorable in total disbursements driven by:
 - i. +\$1.8M in payroll and related costs,
 - ii. +\$1.0M by delays in CapEx projects, partially offset by
 - iii. (\$0.2M) unfavorable in all other operating expenses.



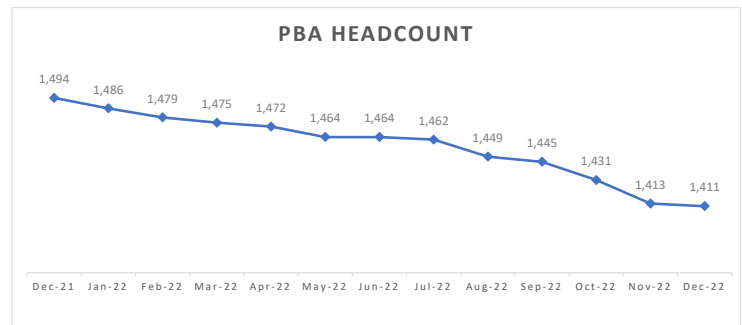
2. PBA is in the right path to hit the FY23 target of \$73.1M by the end of FY23.

C. Headcount / Payroll

1. Headcount FTEs: decreased from 1,494 to 1,411 from end of Q2-22 to end of Q2-23.

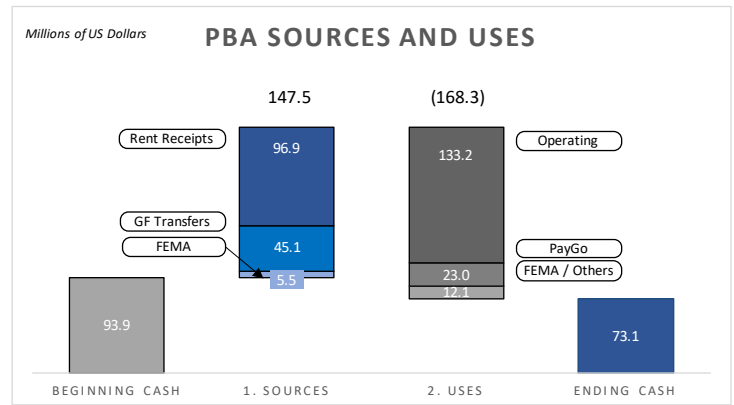
- a. Decrease in headcount is primarily due to reallocation of PREPA employees to other agencies and normal attrition factors. PBA received ~560 employees during FY22.

2. Payroll: disbursements for the FY23 are forecasted at \$82.7M, which is in line with Liquidity Plan. YTD expense is \$33.2M. Both amounts exclude the Upside Participation Bonus of \$4.6M.



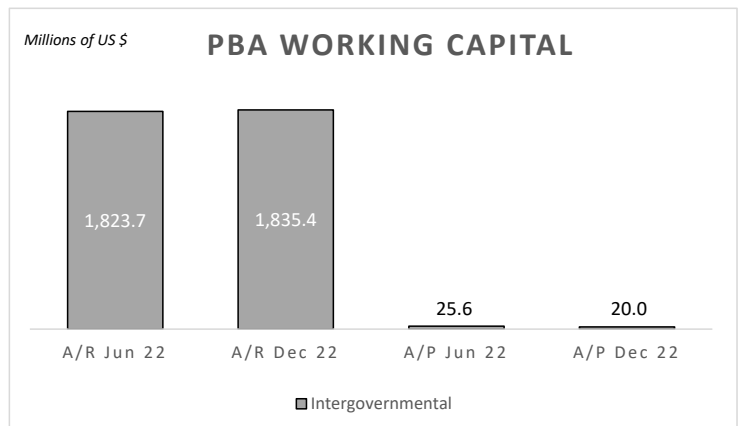
D. Full Year FY23 Sources and Uses of Funds

- 1. Sources \$147.5M:
 - a. Rent receipts of \$96.9M: \$94.5M from governmental agencies, and \$2.4M from third party occupancy and interest income.
 - b. GF Transfers of \$45.1M, which includes the Upside Participation Bonus of \$4.6M.
 - c. FEMA receipts of \$5.5M.
- 2. Uses (\$168.3M):
 - a. Operating disbursements total (\$133.2M), consisting of payroll and related costs of (\$82.7M), purchased services of (\$27.2M), utilities of (\$17.7M), professional services of (\$1.1M), and other operating expenses of (\$4.5M).
 - b. PayGo contributions of (\$23.0M).
 - c. Other receipts of \$12.1M, which includes disaster-related from FEMA (\$5.5M), Upside Participation Bonus (\$4.6M), and CapEx investment (\$2.0M).



E. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. \$11.7M increase from end of Q4-22 to end of Q2-23 driven by a \$6.9M increase in the Police Department and a \$6.4M in the Department of Education. This was partially offset by a net decrease of (\$1.6M) in all other accounts.
 - b. The Board approved a write-off of \$1,588M regarding prior years accounts that were deemed as uncollectible. Department of Education was the major offender with \$1,137M, or 72% of the total write-off amount.
- 2. Accounts Payable:
 - a. Decrease of (\$5.5M) from the end of Q4-22 to end of Q2-23 driven paydowns in utilities and services.



3. Working Capital shows a unfavorable variance of (\$17.2M) for the first semester of 2023 based on the numbers above.

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

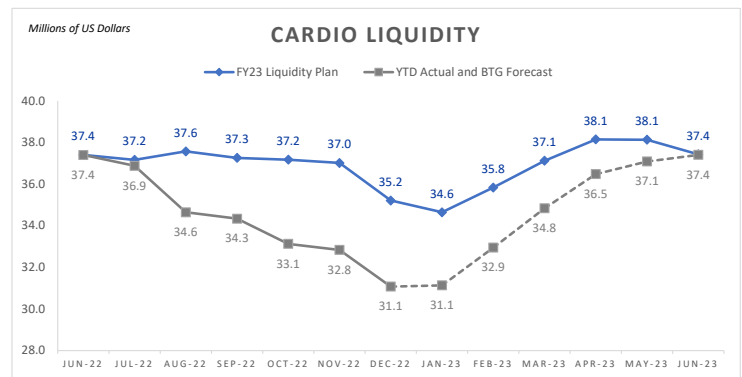
Primary Business Activity: Cardio is a general acute care hospital providing specialized treatment to patients suffering from cardiovascular diseases.

Key Takeaways: Year to date, cash decreased by (\$6.3M), from \$37.4M to \$31.1M driven lower receipts and an accelerated timing of operating disbursement. In July, Cardio received a special intragovernmental transfer of \$5.0M that were set aside for capital expenditures. Funds were moved to restricted funds and are being reduced as expenses are incurred. Current balance is \$4.5M by the end of Q2. They also received two special transfers from GF to cover for: 1) the Upside Participation Bonus (\$1.6M) as per resolution 415 of the House of Representatives, and 2) the Government Classification and Compensation Plan (\$1.6M). They were both disbursed as of end of December 2022.

FEMA recently approved around \$40 million for permanent improvements to infrastructure and equipment caused by the landing of hurricane Maria. This will be a multi-year project and funds will be received as disbursements occur, and they will be accounted for that same way.

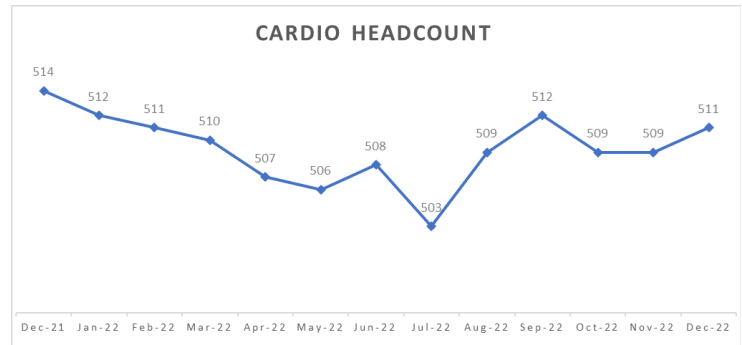
A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. (\$4.1M) actuals vs. Liquidity Plan:
 - a. (\$1.6M) in unfavorable variance in operating receipts from patient collections driven by delays on payment from insurance companies, together with a slowdown in volume and elective procedures.
 - b. (\$1.8M) unfavorable variance in the timing of disbursements for Purchase Services.
 - c. (\$0.7M) unfavorable variance in all other operating expenses.
2. Cardio is expected to hit the target in LP of \$37.4 by the end of FY23.



B. Headcount / Payroll

1. Headcount FTEs: decreased from 514 to 511 from end of Q2-22 to end of Q2-23.
 - a. Decrease was driven by attrition factors in current market conditions.
 - b. The downward tendency experienced during FY22 due to COVID-19 restrictions has normalized.
 - c. Cardio needs around 520 positions to cope with the current volume.
2. Payroll disbursements are forecasted to be \$29.3M for FY23. YTD payroll is \$14.1M. These amounts exclude the special payments of \$3.2M regarding Upside Participation and Government Classification bonuses.



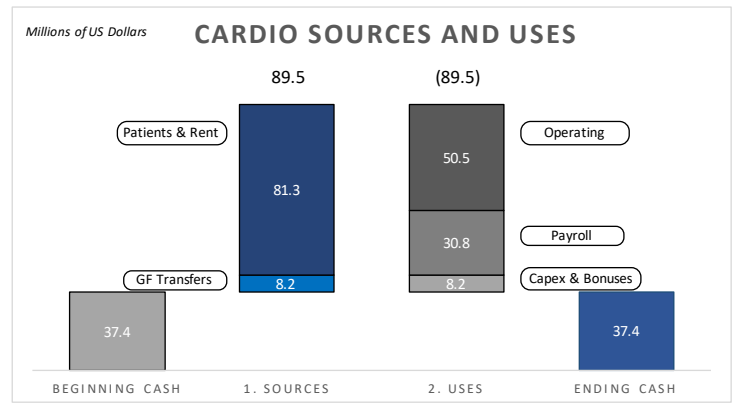
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$89.5M:

- a. Operating patient collections of \$81.3M, including \$1.0M from rental receipts.
- b. Other receipts of \$8.2M, consisting of \$5.0M in a special intragovernmental transfer set aside for capital expenditures, \$1.6M for the Upside Participation Bonus, and \$1.6M of bonuses as part of the government’s Classification and Compensation Plan.

2. Uses (\$89.5M):

- a. Operating disbursements of (\$50.5M), comprised of purchase services of (\$27.9M), professional services of (\$8.1M), materials and supplies of (\$7.3M), facilities of (\$5.6M), and (\$1.6M) from all other operating disbursements.
- b. Payroll and related costs of (\$30.8M), including Pay-Go retirement contributions of (\$1.5M).
- c. Special transfers of (\$8.2M) consisting of (\$5.0M) for CapEx expenditures, (\$3.2M) to cover for the Upside Participation and Government Classification bonuses.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

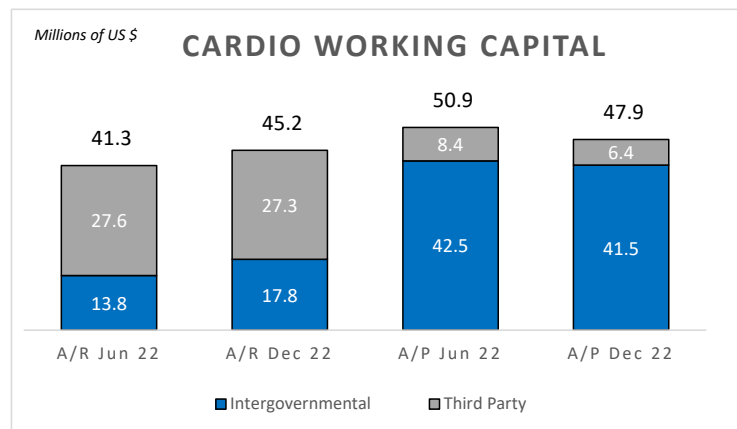
- a. \$3.8M increase from end of Q4-22 to end of Q2-23.
 - i. \$4.0M from intragovernmental accounts, driven by payable balance to ASES (“Mi Salud”).
 - ii. (\$0.2M) from third party payables driven by commercial plans.
 - iii. Total amounts presented here-in does not consider potential uncollectible accounts, which management estimates at around \$25M.

2. Accounts Payable:

- a. (\$3.0M) decrease from end of Q4-22 to end of Q2-23
 - i. (\$2.3M) from paydowns of prior years’ debt in supplies’ distributors driven by Cardinal Health, J&J, Abbott Medical, and Medtronics.
 - ii. (\$0.7M) decrease in intergovernmental payables.

3. Working Capital:

- a. Working capital changes through Dec-22 were unfavorable by (\$6.8M) as the combined effect of amounts above.



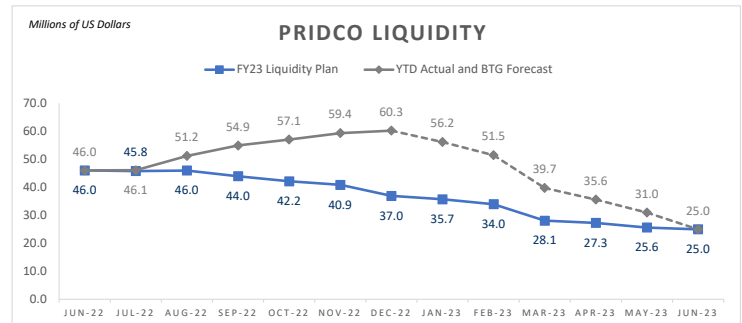
VIII. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION (“PRIDCO”)

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: Year to date, operating cash increased by \$14.2M, from \$46.0M to \$60.2M, exclusive of incentive funds, which are restricted sources/uses of cash. Solid rental receipts, together with controlled operating costs, and delays in CapEx investments were enablers to this upside. Versus Liquidity Plan, there is an upside of \$22.5M as detailed in Section A below. PRIDCO received a special transfer from the General Fund of \$0.1M as part of the Upside Participation Bonus included in resolution 415 of the House of Representatives, which was disbursed by end of Q2.

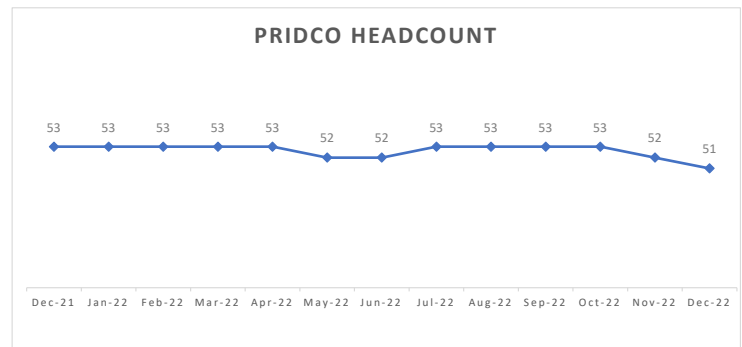
A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. \$22.5M unrestricted actuals vs. Liquidity Plan:
 - a. \$8.2M favorable variance in operating results: controlled operating costs favorable by \$5.1M, and higher rent receipts of \$3.1M.
 - b. \$9.4M from delays CapEx disbursements.
 - c. \$3.9M from proceeds on sales of properties.
 - d. \$1.0M from budgetary reserve and other non-operating activities.
2. PRIDCO expects to end FY23 in line with the Liquidity Plan target of \$25.0M.



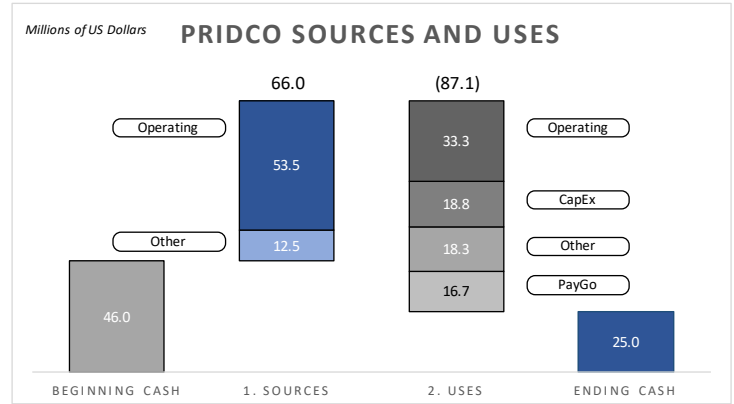
B. Headcount / Payroll

1. Headcount FTEs: has remained stagnant for the last 13 months, decreasing only 2 positions from 53 on Q2-22 to 51 at the end of Q2-23.
2. Payroll: disbursements are forecasted to end FY23 at \$8.0M. YTD payroll is \$4.0M. Both amounts exclude the \$0.1M regarding the Upside Participation Bonus.



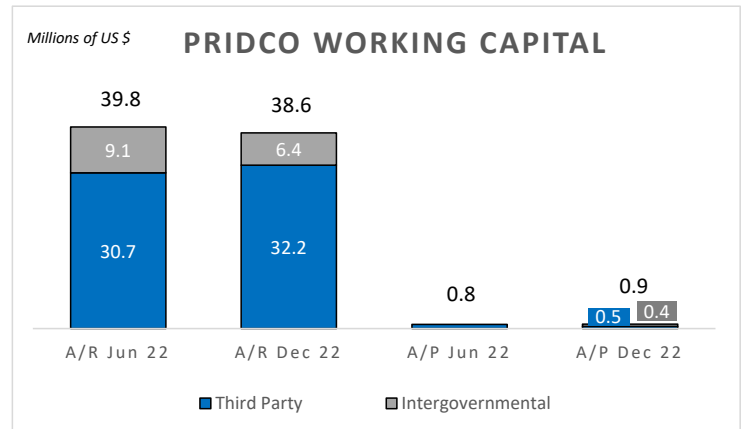
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$66.0M:
 - a. \$53.5M of operating receipts, consisting of the following: \$38.6M trustee property rent; \$14.3M non-trustee property rent; and \$0.6M of bond income and rent.
 - b. \$12.5M from other receipts: \$12.1M from proceeds on properties sales and interest income, and \$0.3M from Bond income deposits, and \$0.1M of FEMA receipts.
2. Uses (\$87.1M):
 - a. (\$33.3M) of operating disbursements, consisting of the following: (\$15.0M) purchased services; (\$8.0M) payroll and related costs; (\$6.0M) DEDC management fee; (\$1.5M) professional services; and (\$2.8M) for all other operating expenses.
 - b. (\$18.8M) in CapEx investments.
 - c. (\$18.3M) from non-operating disbursements: (\$5.2M) of net transfers to restricted accounts, (\$5.1M) of budgetary reserve, (\$4.4M) of PRIICO Mortgage Payments, and (\$3.6M) of payments to bondholders.
 - d. (\$16.7M) of PayGo contributions and past due PayGo liability payments.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. (\$1.2M) decrease from end of Q4-22 to end of Q2-23 driven by intergovernmental accounts (\$2.7M), partially offset by an increase of \$1.5M in third party/vendor.
2. Accounts Payable:
 - a. \$0.1M increase from end of Q4-22 to end of Q2-23 as the net result of \$0.5M increase in intergovernmental accounts, and (\$0.4M) decrease in third party/vendor payables.
3. Working Capital:
 - a. \$1.2M favorable variance in working capital from to the above changes in accounts.



IX. 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.

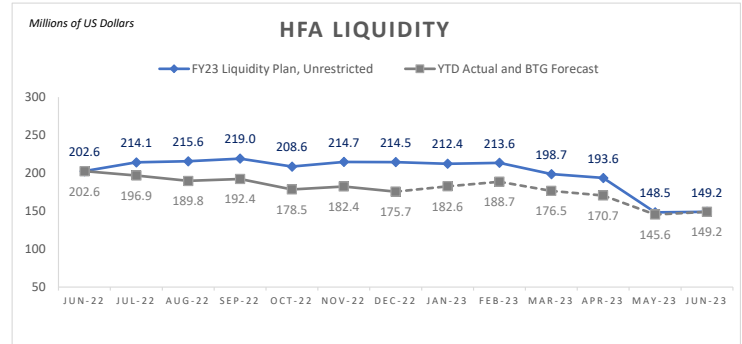
Key Takeaways: Year to date, cash decreased by (\$26.9M), from \$202.6M to \$175.7M. Decrease was mainly driven by movement in balance sheet items (\$31.9M), and disaster relief disbursements (\$21.6M). These were partially offset by a favorable combined effect of \$26.6M in all other receipts and disbursements. HFA received \$0.5M as part of the Upside Participation Bonus as per resolution 415 of the House of Representatives, which were disbursed in December.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. \$(38.8M) actuals vs. Liquidity Plan

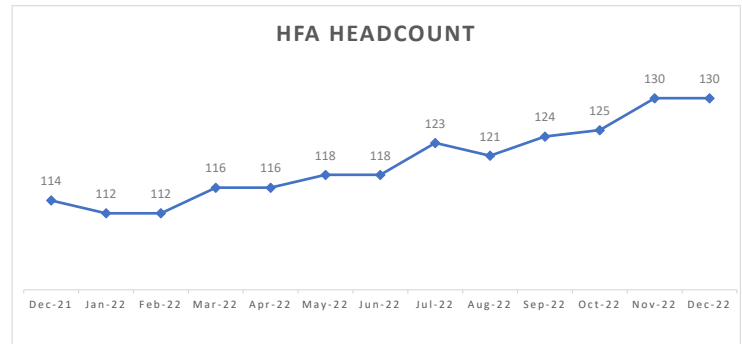
- (\$29.5M) unfavorable in net balance sheet activity,
- (\$14.9M) unfavorable from net disaster relief funds,
- (\$7.1M) unfavorable net effect from the Community Development Block Grant (CDBG), and other federal funds programs.
- \$10.6M net favorable variance in operating receipts and disbursement, and
- \$2.1M in favorable debt-related disbursements.

- HFA expects to end FY23 in line with the target in Liquidity Plan of \$149.2M. Disaster reliefs receipts are expected to increase for the second semester, and operating results should continue with the current upward trend. These will help to cover the YTD gap shown above.



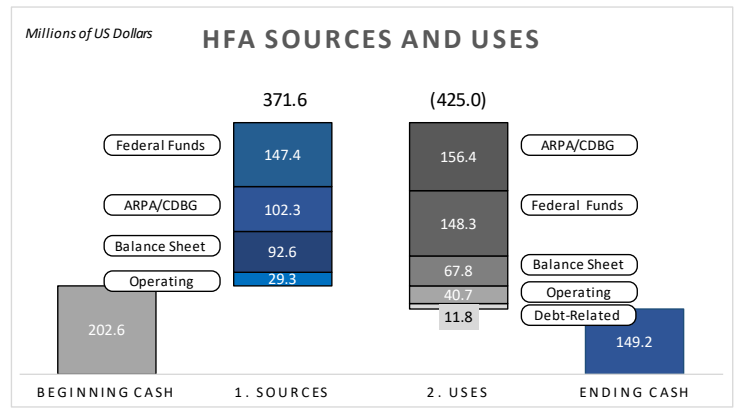
B. Headcount / Payroll

- Headcount FTEs: increased from 114 to 130 from end of Q2-22 to end of Q2-23. This tendency should increase further based on operating needs.
- Payroll: Disbursements are forecasted to be \$11.3M for FY23. YTD payroll for the first semester of FY23 is \$4.6M. Both amounts exclude the \$0.5M of the Upside Participation Bonus.



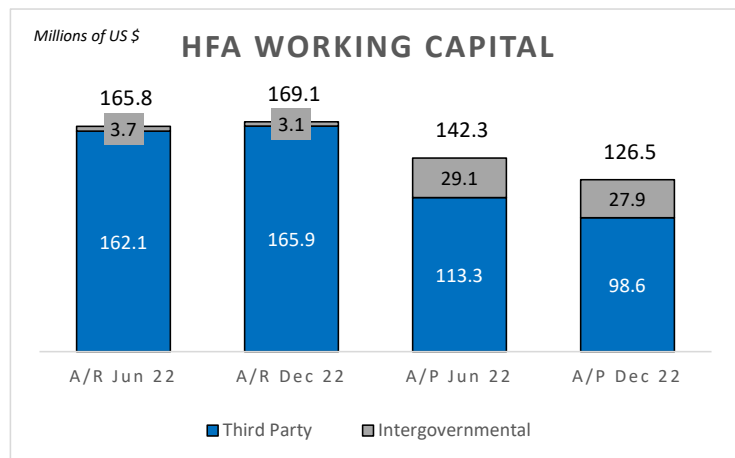
C. Full Year FY23 Sources and Uses of Funds

- 1. Sources \$371.6M:
 - a. \$147.4M in federal funds from HOME and HUD.
 - b. \$102.3M in federal funds from ARPA and CDBG.
 - c. \$92.6M in balance sheet receipts.
 - d. \$29.3M in operating receipts.
- 2. Uses (\$425.0M):
 - a. (\$156.4M) in federal funds from ARPA and CDBG.
 - b. (\$148.3M) in federal funds from HOME and HUD.
 - c. (\$67.8M) in balance sheet disbursements.
 - d. (\$40.7M) in operating disbursements.
 - e. (\$11.8M) in debt service disbursements.



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. \$3.3M increase from end of Q4-22 to end of Q2-23 driven by the third-party sector +\$3.8M (mainly loan receivables), which was partially offset by a decrease in amounts due to the federal government (\$0.5M).
- 2. Accounts Payable:
 - a. (\$15.8M) decrease from end of Q4-22 to end of Q2-23 driven by third party/vendors (\$14.7M), further enhanced by a decrease in intergovernmental payables (\$1.1M).
- 3. Working Capital: changes were unfavorable by (\$19.1M) for the first semester of FY23 due to the above changes.



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

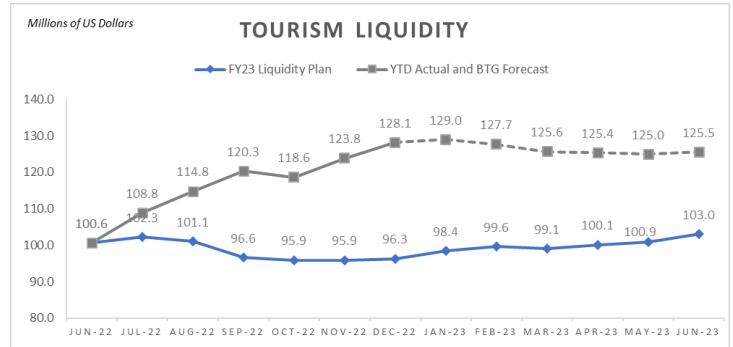
Primary Business Activity: Tourism’s purpose is to promote the tourism industry of Puerto Rico.

Key Takeaways: Year-to-date, cash increased by \$27.5M, from \$100.6M to \$128.1M. Solid operating receipts of \$84.8M from a higher volume of tourists visiting Puerto Rico, new air and cruise line routes, supported by a sound marketing campaign. Controlled operating disbursements (\$57.3M) also contributed for such a rise, including (\$15.2M) transferred to restricted funds. Tourism received and disbursed \$0.6M as part of the Upside Participation Bonus included in resolution 415 of the House of Representatives, which was disbursed by end of Q2.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

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

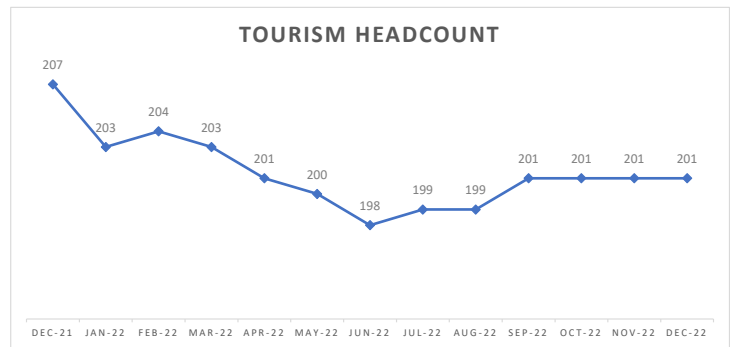
- a. \$30.5M in favorable operating receipts variance, (net of waterfall disbursements). Hotel room taxes collections (net) were favorable to forecast by \$24.3M. Slot machine collections (net) were favorable to forecast by \$5.1M. Remaining upside includes the \$0.6M received from GF for the Upside Participation Bonus that was not in the Liquidity Plan, and +\$0.5M in other receipts.
- b. \$1.3M favorable in net operating expenses driven by a delay in transfers to Hacienda of \$3.0M regarding last fiscal year room tax reserve. This was partially offset by higher marketing expenses to support income growth (-\$1.1M), and disbursement of the Upside Participation Bonus (-\$0.6M) in December.



- 2. Projected receipts for total year of \$141.7M, net of waterfall disbursements, are anticipated to exceed operating disbursements of (\$58.4M), transfers to the CCDA of (\$28.0M) and the Room Tax reserve of (\$30.3M) from last FY.
 - a. Ending cash balance for the FY2023 is forecasted at \$125.5M, which is \$22.5M or 22% above Liquidity Plan.

B. Headcount / Payroll

- 1. Headcount FTEs: Decreased from 207 to 201 from end of Q2-22 to end of Q2-23. This reduction was due to normal attrition factors and operating needs.
- 4. Payroll: Disbursements are forecasted to be \$12.1M for FY23. YTD disbursements amounted to \$5.6M. Both amounts exclude the \$0.6M of the Upside Participation Bonus.



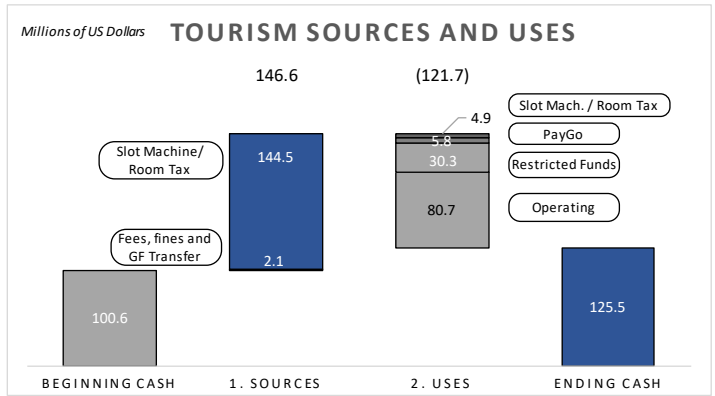
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$146.6M:

- a. Operating receipts of \$144.5M; \$88.4M or 60% of total receipts are from hotel room taxes, and \$56.1M or 38% came from slot machines via the Gaming Commission. Tourism funds entirety its operations and intergovernmental obligations to CCDA through waterfall distributions.
- b. Miscellaneous receipts of \$1.5M from vendor’s fees and fines.
- c. General Fund transfer of \$0.6M regarding the Upside Participation Bonus.

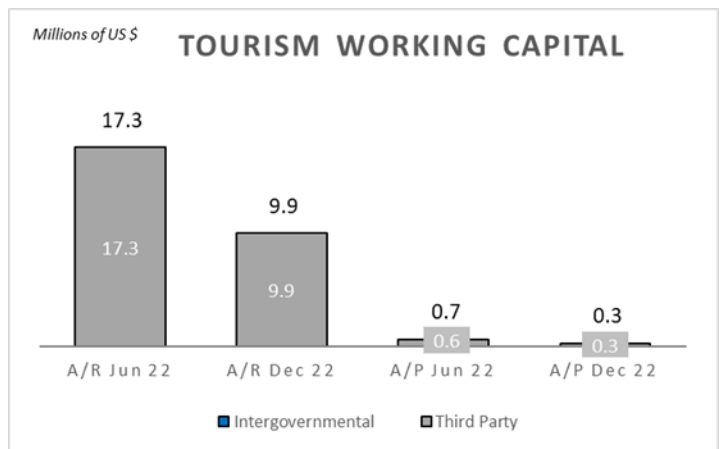
2. Uses (\$121.7M):

- a. Hotel room taxes waterfall disbursements of (\$4.9M). Hotel room taxes funds are disbursed to CCDA and intercompany marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements are distributed.
- b. Operating disbursements of (\$80.7M), built from payroll and related costs of (\$12.7M), appropriations to the DMO of (\$28.0M), media/ads of (\$10.5M), purchased services of (\$5.3M), professional services of (\$4.5M), and other operating payments of (\$19.7M) consisting of facilities rent, event and promotions costs, air access incentives, utilities, transportation costs.
- c. PayGo contributions of (\$5.8M).
- d. Transfers to CCDA debt service reserve account of (\$30.3M) as per Law 272 of 2003.



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable: (\$7.5M) decrease from end of Q4-22 to end of Q2-23 in hotel room taxes.
- 2. Accounts Payable: (\$0.3M) decrease from end of Q4-22 to end of Q2-23 across small 3rd party accounts.
- 3. Working Capital: changes were favorable by \$7.2M for the first semester of FY23 due to the above changes.



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

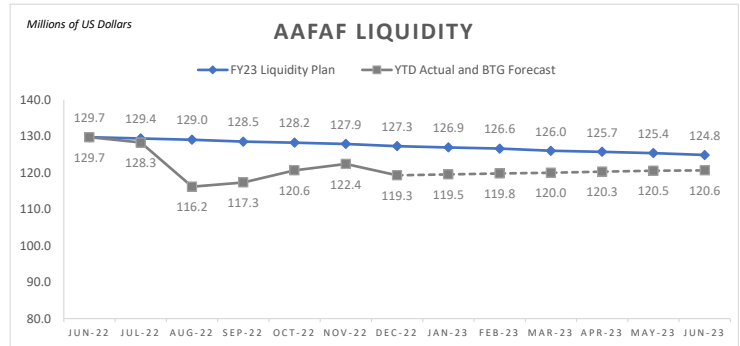
Primary Business Activity: AAFAF acts as fiscal agent, financial advisor, and reporting agent for the Government of Puerto Rico and certain related entities. It was established pursuant to the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act.

Key Takeaways: Year to date, cash decreased by (\$10.4M), from \$129.7M to \$119.3M. Downside was mainly created by payments related to last FY: professional services invoices (\$5.0M), and the return of Title III funds surplus (\$4.2M). This was further impacted by the timing of all other operating lines (\$1.2M). Versus Liquidity Plan, YTD variance is (-\$8.0M), which includes the (-\$9.2M) of payments of FY22 mentioned above that were not included in the LP, partially offset by a positive timing in other operating lines (+\$1.2M). AAFAF received a special transfer of \$0.4M from GF to cover the Upside Participation Bonus as per resolution 415 of the House of Representatives. They were already disbursed by the end of December 2022.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

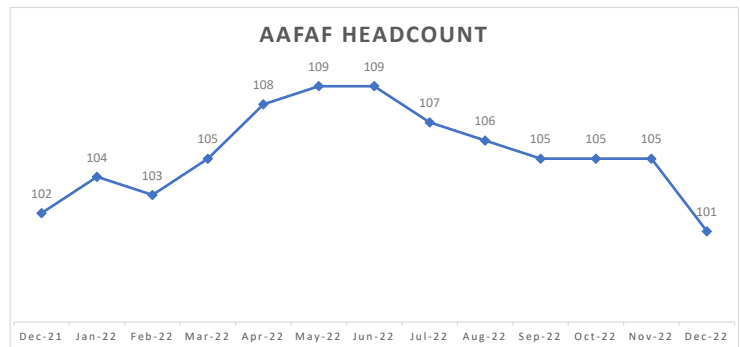
1. (\$11.2M) YTD actual vs. Liquidity Plan:

- (\$18.3M) unfavorable variance in Professional Services including Title III. This was mainly driven by invoices paid for during Q1 2023 that pertains to last fiscal year.
 - (\$4.2M) in transfer out of FY22 Title III funds surplus to Treasury that was not forecasted.
 - +\$9.0M favorable variance in the timing of Purchase Services.
 - +\$2.0M favorable variance in intergovernmental receipts including Title III appropriations.
 - +\$0.3M favorable in other operating disbursements.
2. AAFAF is expected to end FY23 with \$120.5M, which is (\$4.2M) under the Liquidity Plan driven by the transfer out of Title III funds surplus from last fiscal year. The expectation is to maximize savings for the rest of the year, and cover for the downside in the first semester of FY23.



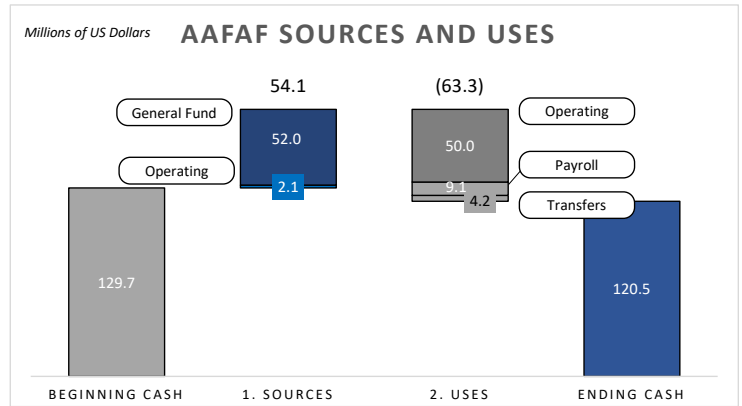
B. Headcount / Payroll

- Headcount FTEs: decreased from 102 to 101 from end of Q2-22 to end of Q2-23 due to attrition factors.
- Payroll: Disbursements are forecasted at \$8.7M for FY23. YTD payroll is \$5.1M. Both amounts exclude the Upside Participation Bonus of \$0.4M.



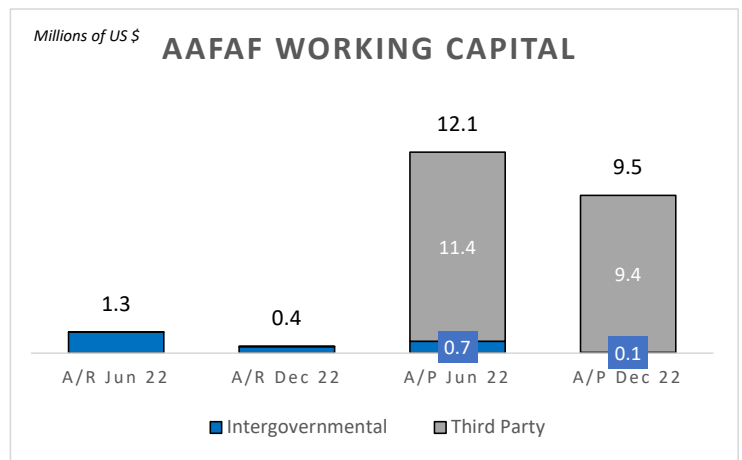
C. Full Year FY23 Sources and Uses of Funds

- 1. Sources \$54.1M:
 - a. General Fund appropriations of \$52.0M, which includes the \$0.3M of the Upside Participation Bonus.
 - b. Operating receipts of \$2.1M consisting of fiscal agency fees and interest income.
- 2. Uses (\$63.3M):
 - a. Operating disbursements of (\$50.0M), consisting of professional services of (\$44.7M) including last FY invoices of (\$5.0M), purchased services of (\$3.1M), the budget reserve of (\$1.3M) and other costs of (\$0.9M) including facilities, materials, and others.
 - b. Payroll and related costs of (\$9.1M).
 - c. Transfer out of (\$4.2M) regarding FY22 surplus of Tittle III funds.



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. (\$0.9M) decrease from end of Q4-22 to end of Q2-23 driven by intergovernmental accounts.
- 2. Accounts Payable:
 - b. (\$2.6M) decrease from end of Q4-22 to end of Q2-23: (\$1.9M) in third party payables, and (\$0.7M) in intergovernmental accounts.
 - c. Working Capital: changes were unfavorable by (\$1.7M) year to date, due to the above changes.



XII. 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.

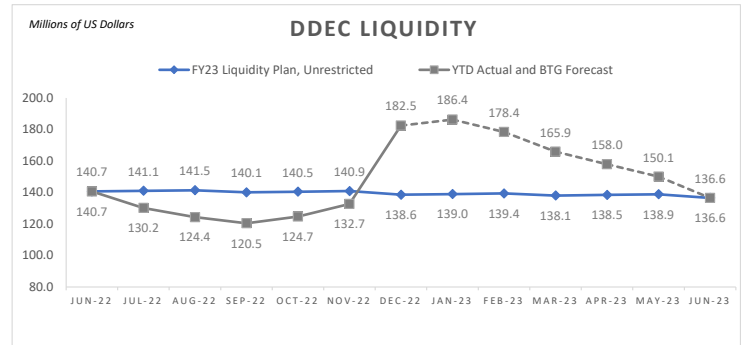
Key Takeaways: Year-to-date, total cash increased by \$65.4M, from \$128.9M to \$194.3M. This was driven by a special GF transfer of \$50.0M designated to incentives for: 1) the local film industry (\$37.0M), 2) small local businesses that were affected by hurricane Fiona (\$10.0M), and 3) life science program (\$3.0M). Variance was further improved by incentives received that pertain to prior FY (\$7.8M). To note, \$135.6M of total cash on hand is restricted for specific DDEC’s operating purposes. Unit received a special transfer of \$1.6M from GF to cover the Upside Participation Bonus as per resolution 415 of the House of Representatives. They were already disbursed by the end of December 2022.

A. FY23 Operating Liquidity – YTD Actuals and FY23 Liquidity Plan

1. \$67.5M favorable variance in YTD actuals vs. Liquidity Plan.

- \$39.3M favorable variance in General Fund transfers driven by new incentives for the film industry, small local businesses, and life science program.
- \$20.3M favorable in the timing of incentive payments for renewable energy, and others.
- \$7.8M positive variance from incentives received that pertain to past FY.
- \$0.1M favorable in all other operating expenses, which include purchase services, materials, transportation, among others.

2. For FY23 DDEC began managing the restricted funds of RUMS, FEDE and Bonds income. These used to be managed by PRIDCO in the past. They amount to \$75.2M for the FY23. DDEC expects to hit the Liquidity Plan target of \$136.6M.

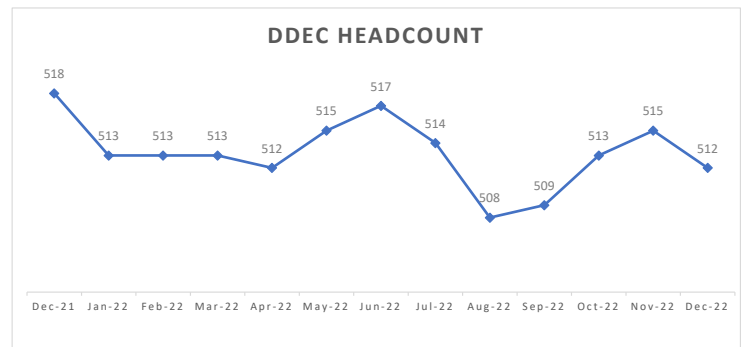


B. Headcount / Payroll

1. Headcount FTEs: decreased from 518 to 512 from end of Q2-22 to end of Q2-23.

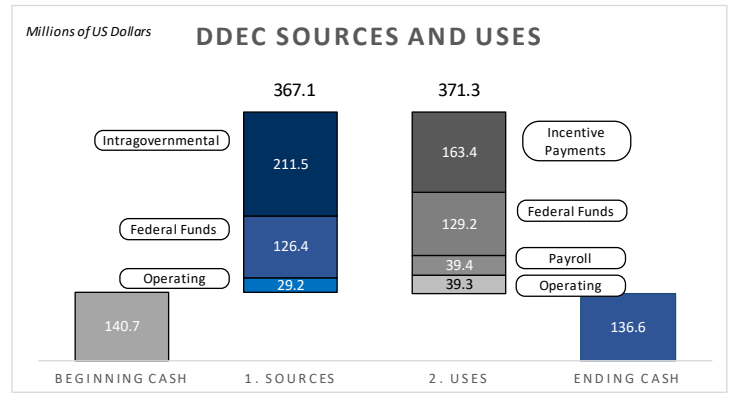
- This was driven by normal attrition factors in the market.

2. Payroll: Disbursements are forecasted at \$33.0M for the FY23. YTD payroll is \$15.4M. Both amounts exclude the \$1.6M regarding the Upside Participation Bonus.



C. Full Year FY23 Sources and Uses of Funds

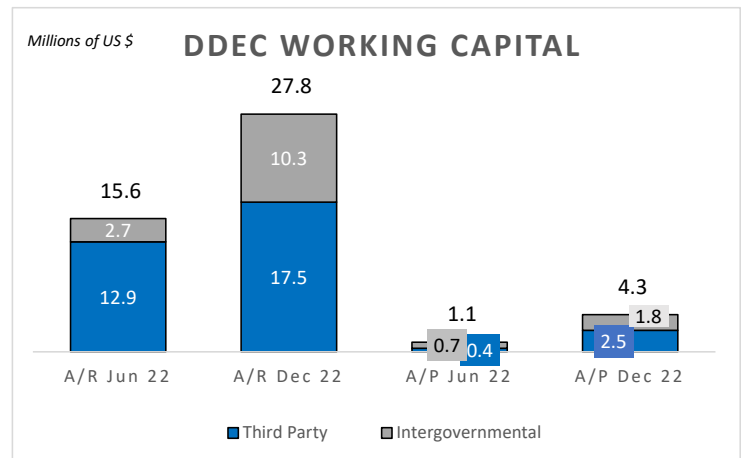
1. Sources \$367.1M:
 - a. \$211.5M in intergovernmental receipts, including: \$86.1M in General Fund appropriations, \$75.2M of FEDE/RUMS, \$42.4M in other incentives as per Act 60-2019, and \$7.8M of incentives pertaining to past FY.
 - b. Federal Funds: \$126.4M including federal grants, and
 - c. \$29.2M in operating receipts consisting of industrial tax exemption fees, rental income, receipts from management fees, and indirect cost reimbursement.



2. Uses (\$371.3M):
 - a. (\$163.4M) in incentive payments including the new incentives for the film industry, small local businesses, and life science program.
 - b. (\$129.2M) in federal funds including (\$15.0M) of CapEx investment.
 - c. (\$39.4M) in payroll and related costs, including (\$4.7M) in PayGo contributions.
 - d. (\$39.3M) in operating disbursements, including: (\$12.9M) in professional services, (\$9.2M) in purchased services, (\$5.4M) in utilities and insurance, (\$2.1M) in media and advertisement, and (\$9.7M) in other operating disbursements.

D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$12.2M increase from end of Q4-22 to end of Q2-23: \$7.5M from intergovernmental accounts, and \$4.7M from third party receivables.
2. Accounts Payable:
 - a. \$3.2M increase from end of Q4-22 to end of Q2-23: \$2.1M from third party accounts, and \$1.1M from intergovernmental receivables.
3. Working Capital:
 - a. Working capital changes were unfavorable by (\$9.0M) year to date, due to the above changes.



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

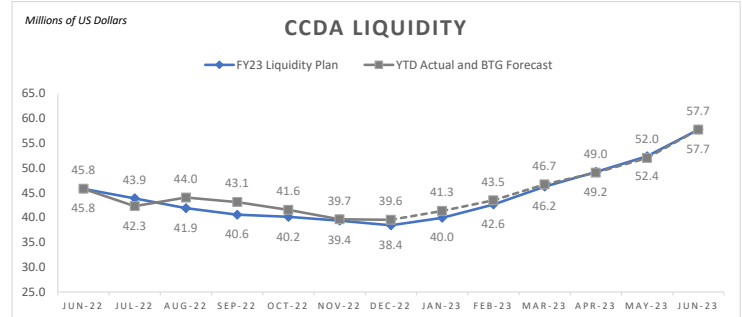
Primary Business Activity: CCDA develops, manages, and oversees the Puerto Rico Convention Center, the Coliseo de Puerto Rico José Miguel Agrelot, Bahía Urbana, and other adjacent hospitality, commercial, and residential developments.

Key Takeaways: Year-to-date, cash decreased by (\$6.3M), from \$45.8M to \$39.6M. This includes utilities activities subsidized from ARPA funds (-\$4.8M), payments pertaining to last FY (-\$2.7M), prepayment of insurance expense (-\$1.8M), and a net benefit from operations (+\$3.0M). Versus Liquidity Plan CCDA shows a favorable variance of +\$1.1M mainly driven by a higher volume of activities at PR Coliseum and the Convention Center. CCDA relies on room tax transfers from Turismo to cover for operating expenses. No funds have been received regarding this as of Dec 30, 2022. To note, about half of CCDA’s reported cash balances consist of non-operating funds for CapEx, promoter ticket sales reserves, and federal funds - ARPA. There are no liquidity concerns forecasted for CCDA.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

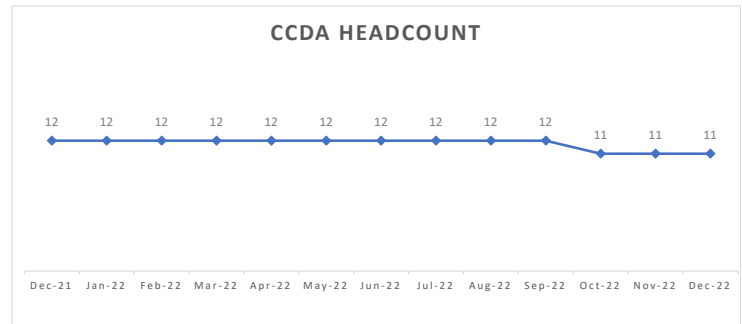
1. \$1.1M YTD actuals vs. Liquidity Plan:

- a. \$24.4M in favorable operating receipts variance driven by higher events held at the Coliseum and the District and Convention Center.
 - d. (\$15.6M) unfavorable variance in Purchased Services coming from volume-based expenses such as concessions, security, ticketing, others, and the insurance payment not included in the Liquidity Plan.
 - e. (\$4.8M) in federally supported projects and activities.
 - f. (\$4.4M) in Facilities driven by last year’s utilities, and higher maintenance expense in line with higher volume of events.
 - g. (0.2M) in CapEx.
 - h. +\$1.7M in other disbursements and transfers in/(out).
2. CCDA expects to end FY23 in line with the Liquidity Plan target of \$57.7M. Activities being subsidized with funds on-hand, will be covered for with incremental activities at the Coliseum and the District and Convention Center.



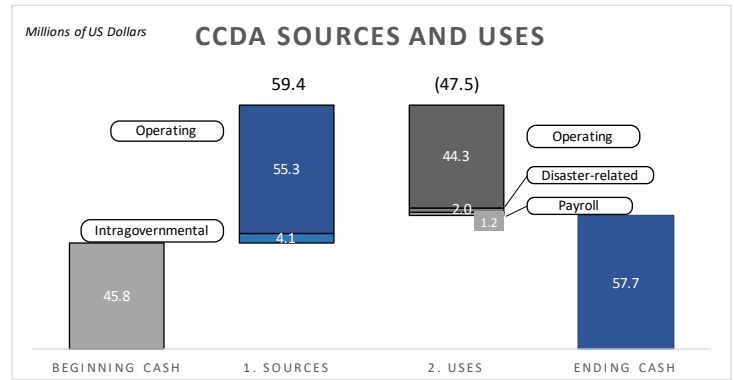
B. Headcount / Payroll

- 1. Headcount FTEs: decreased by one employee from end of Q2-22 to end of Q2-23.
 - a. Headcount only considers administrative employees of the District, excluding employees of the Coliseum and the Convention Center.
- 2. Payroll: Disbursements for the FY23 are forecasted at \$1.2M. YTD payroll is \$0.6M.



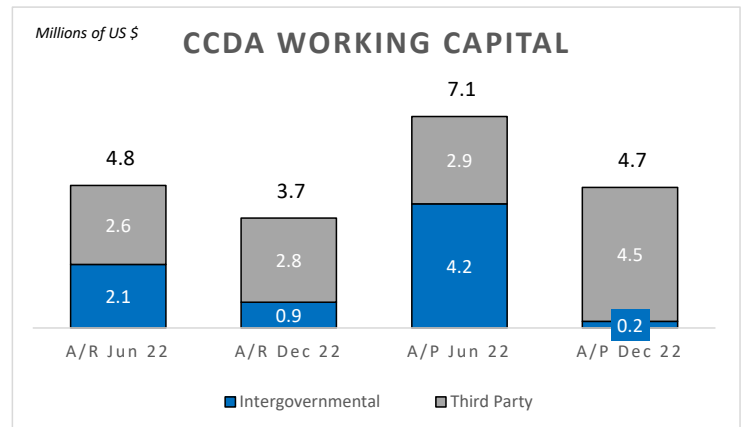
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$59.4M:
 - a. Operating receipts of \$55.3M, consisting of: Coliseum receipts of \$32.4M, Convention Center receipts of \$20.6M, and rental income of \$2.3M.
 - b. Intergovernmental receipts of \$4.1M, including hotel room taxes receipts of \$3.3M from the Tourism Company, and \$0.8M in receipts from tax incremental financing collected from District vendors per Law 157 - 2014.
2. Uses (\$47.5M):
 - a. Operating disbursements of (\$44.3M), consisting of purchased services of (\$32.8M), facilities expense of (\$10.8M), and other operating costs of (\$0.7M).
 - b. Activities financed from disaster-relief funds of (\$2.0M).
 - c. Payroll and related costs of (\$1.2M).



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. (\$1.1M) decrease from end of Q4-22 to end of Q2-23 driven by a (\$1.3M) decrease in intergovernmental accounts, partially offset by an increase of \$0.2M in third-party accounts related to event ticket sales.
2. Accounts Payable:
 - a. (\$2.4M) decrease from end of Q4-22 to end of Q2-23 driven decrease in intergovernmental accounts (\$3.9M) related to paydowns on accrued payables owed to GASNA and PRASA, partially offset by a \$1.5M increase in third party payables related to scheduled events.
3. Working Capital:
 - a. Working capital changes were unfavorable by (\$1.3M) for the first semester of 2023 due to the above changes.



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

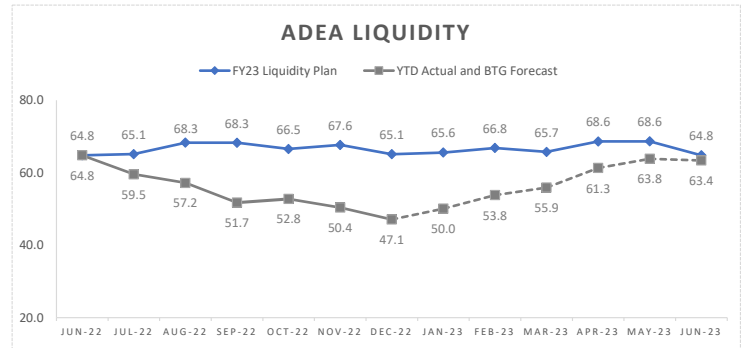
Primary Business Activity: ADEA provides services to the agricultural sector, with the goal of supporting its economic development. Services include rural infrastructure development, providing incentives and subsidies to the industry, agricultural product market making, and other related services.

Key Takeaways: Year to date, cash decreased by (-\$17.7M), from \$64.8M to \$47.1M. This was driven by subsidies and incentives payments (-\$21.0M), partially offset by net operating results and GF appropriations (+\$3.3M). Versus Liquidity Plan, the downside is (-\$18.0M) as detailed in section A below. ADEA paid \$0.8M for the Upside Participation Bonus as per resolution 415 of the House of Representatives, which was funded from a special transfer from the General Fund.

A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. (\$18.0M) actuals vs. Liquidity Plan:

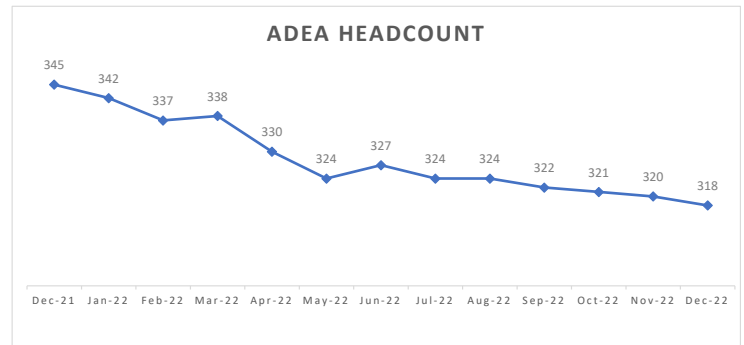
- a. (\$6.9M) unfavorable variance in operating receipts including school cafeterias, coffee market making, and production/distribution of seeds.
- b. (\$5.6M) unfavorable mainly driven by the timing of disbursements in Purchased Services.
- c. (\$4.0M) unfavorable variance from accelerated disbursements in Rural Development incentives and subsidies.
- d. (\$1.5M) unfavorable effect in all other operating disbursements, including the timing related to coffee, seeds and cafeteria receipts, and rural infrastructure expenses.



2. ADEA expects to end FY23 (-\$1.4M) versus Liquidity Plan driven by low receipts from school cafeterias.

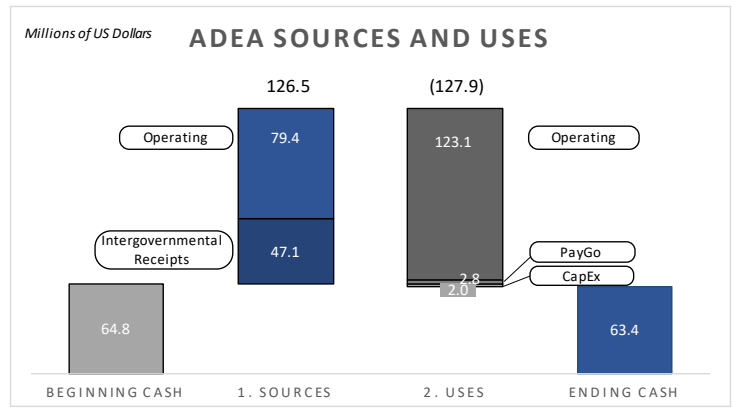
B. Headcount / Payroll

- 1. Headcount FTEs: decreased from 345 to 318 from end of Q2-22 to end of Q2-23.
 - a. Decrease in headcount is related to the movement of PREPA employees to other agencies and/or private positions, together with normal market turnover.
- 2. Payroll: Disbursements are forecasted at \$16.0M for FY23. YTD payroll is \$8.4M. Both amounts exclude the Upside Participation Bonus of \$0.8M.



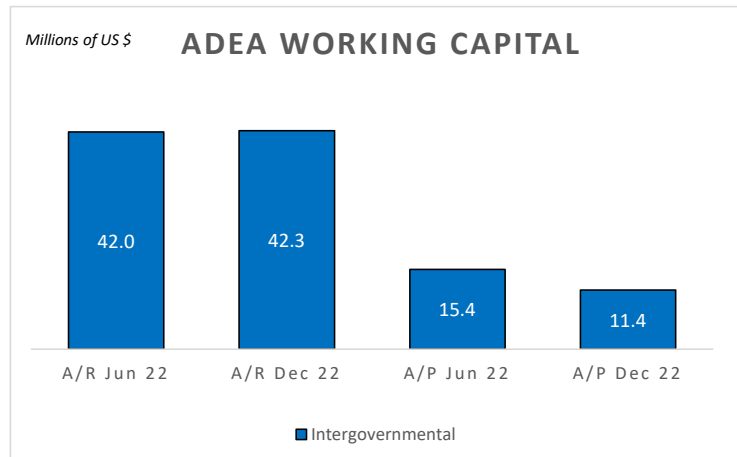
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$126.5M:
 - a. \$79.4M in operating receipts comprised of \$58.4M in coffee market making operations, and \$20.9M in other operating receipts from the production and distribution of seeds, and school cafeteria programs.
 - b. \$47.1M from General Fund appropriations.
2. Uses (\$127.9M):
 - a. (\$123.1M) in operating disbursements including (\$52.2M) in school cafeteria and coffee programs, and rural infrastructure outflows, (\$43.5M) in subsidies and incentives programs, (\$16.0M) in payroll and related costs, and (\$11.4M) in all other operating expenses including purchase services, transportation, material/supplies, among others.
 - b. (\$2.8M) in PayGo contributions.
 - c. (\$2.0M) in disbursements for CapEx projects.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$0.3M increase from end of Q4-22 to end of Q2-23.
2. Accounts Payable:
 - a. (\$4.0M) decrease from end of Q4-22 to end of Q2-23
 - i. (\$6.2M) decrease in Fondo 10 payables, which includes ASUME, retirement plan, office supplies, security, utilities, and professional services disbursements.
 - ii. \$2.2M increase in Fondo 30, which includes coffee, school cafeterias, trees & seeds.
3. Working Capital: changes were unfavorable by (\$4.3M) year to date, due to the above changes.



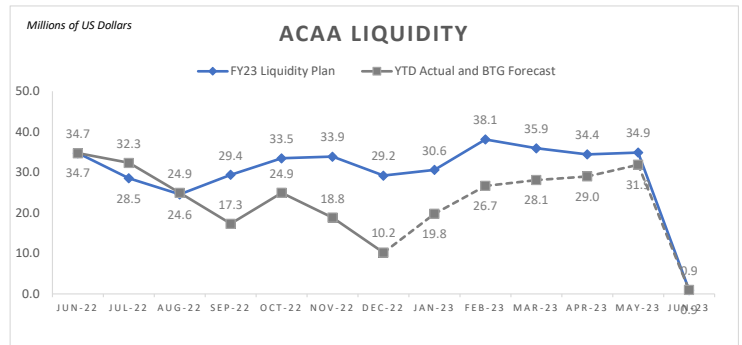
XV. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION (“ACAA”)

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: Year to date, cash decreased by (\$24.5M), from \$34.7M to \$10.2M. Premium collections received as of the end of December, covers only the period of July to September 2022. Collections of premiums regarding the October to December 2022 period amount to around \$22.1M and will be transferred during January 2023. This was the main driver for such a decrease, together with recurrent operating expenses. ACAA received a special transfer from the General Fund of \$1.3M to cover the Upside Participation Bonus as per resolution 415 of the House of Representatives. They were disbursed already by end of Q2 2023.

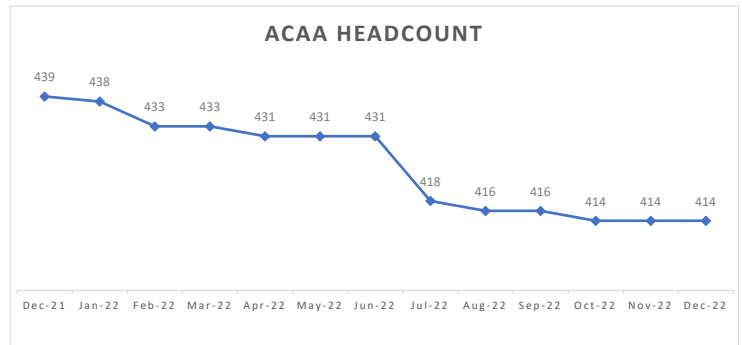
A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan

1. (\$19.0M) actuals vs. Liquidity Plan:
 - a. (\$24.9M) unfavorable for delays in premiums receipts related to Q2.
 - b. \$5.9M favorable in operating expenses mainly due to:
 - i. \$5.1M in claims-related disbursements,
 - ii. \$0.8M in all other operating expenses, which include purchase services, equipment purchases, among other.



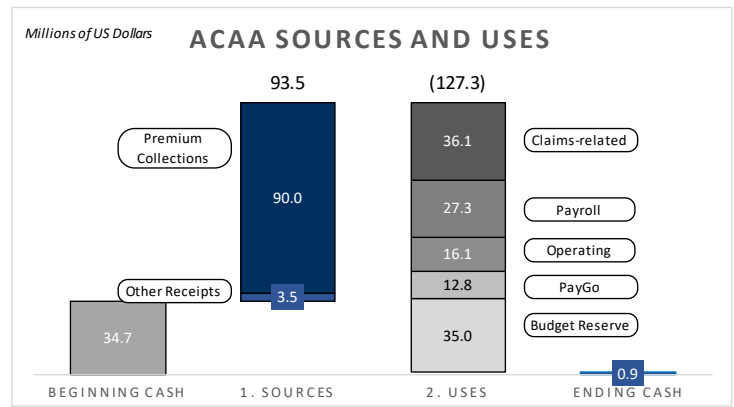
B. Headcount / Payroll

1. Headcount FTEs: decreased from 439 to 414 from end of Q2-22 to end of Q2-23.
 - a. This was mainly due to relocation of PREPA employees to other agencies or to opportunities in the private sector, in addition to normal attrition factors.
 - b. Payroll: Disbursements for the FY23 are forecasted at \$25.9M. YTD payroll is \$13.0M. Both amounts exclude the Upside Participation Bonus of \$1.3M.



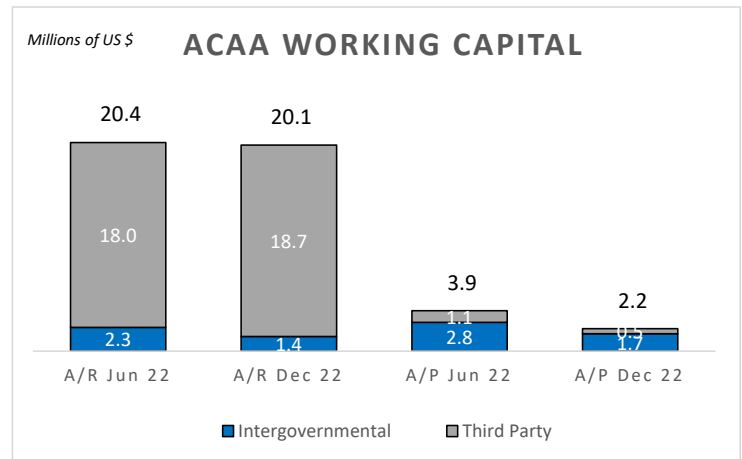
C. Full Year FY23 Sources and Uses of Funds

1. Sources \$93.5M:
 - a. Premium collections of \$90.0M.
 - b. Other receipts of \$3.5M: recoveries of \$1.7M, GF transfer of \$1.4M (Upside Participation Bonus), and rental receipts of \$0.4M.
2. Uses (\$127.3M):
 - a. Claims-related disbursements of (\$36.1M).
 - b. Operating disbursements of (\$16.1M), consisting of purchased services of (\$6.7M), contributions to government entities of (\$2.3M), equipment purchases of (\$2.0M) professional services of (\$1.9M), and other operating costs of (\$3.2M).
 - c. People cost of (\$27.3M): regular payroll and related costs of (\$25.9M), and the Upside Participation Bonus of (\$1.4M).
 - d. PayGo contributions of (\$12.8M).
 - e. Transfers to restricted accounts of (\$35.0M) to cover claims reserves.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. (\$0.2M) decrease from end of Q4-22 to end of Q2-23: (\$0.9M) decrease in intergovernmental accounts, partially offset by \$0.7M increase in third party payables.
2. Accounts Payable:
 - a. (\$1.7M) decrease from end of Q4-22 to end of Q2-23: (\$1.1M) from intergovernmental payables mainly driven by Pay-Go, and (\$0.6M) across third party accounts.
3. Working Capital: changes were unfavorable by (\$1.5M) for the first semester of 2023 due to the above changes.



APPENDIX A: RECONCILIATION BETWEEN HACIENDA/OCFO REPORTED FIGURES AND THE FIGURES IN THIS REPORT
Millions of US Dollars

COMPONENT UNIT	Hacienda/OCFO		Variance	Variance due to:		Comments
	Reported Balance (a)	Actual Balance 12/30/2022 (b)		Other (c)	Non-operational Accounts	
PUERTO RICO PORTS AUTHORITY ("PORTS")	125.7	116.9	8.8	(0.2)	9.0	CU actual cash balance excludes \$9.0M of non-operational funds reserved for CapEx projects. Remaining variance is due to timing differences of payments.
MEDICAL SERVICES ADMINISTRATION ("ASEM")	124.7	7.9	116.8	0.2	116.6	CU actual cash balance does not consider non-operating funds such as CapEx, malpractice insurance reserve, and disaster-related funds (\$0.5M). Remaining variance is due to timing differences of book/bank balances.
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	35.5	17.2	18.3	(0.7)	19.0	\$19.0M balance of reserve for payments to third party operator of Ferry Services, Hornblower Maritime Services (HMS).
STATE INSURANCE FUND CORPORATION ("FONDO")	717.4	662.9	54.4	1.9	52.5	Non-operational funds pertain to COVID-related reserve account established by Act. 56 - 2020, and self insurance for Hospital Professional Liability. Remaining variance is due to timing differences of book/bank balances.
HEALTH INSURANCE ADMINISTRATION ("ASES")	976.3	976.2	0.1	0.1	-	Variance at the end of the reporting period was driven by timing differences of book/bank balances, mainly from outstanding premium payments and rebates.
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	118.5	86.2	32.3	1.2	31.1	Non-operational accounts at PBA are held in reserve for tax escrow and other restricted purposes. Remaining variance is due to timing differences of book/bank balances.
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio")	51.3	31.1	20.2	3.5	16.8	Non-operational funds are reserved for CapEx and investment accounts. Remaining variance is due to timing differences of book/bank balances.
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	88.2	60.3	28.0	0.3	27.6	Non-operational accounts include funds from sale of assets, security deposits and disaster-related proceeds. Remaining variance is due to timing differences of book/bank balances.
HOUSING FINANCE AUTHORITY ("HFA") ^(b)	460.4	175.7	284.8	0.1	284.7	Non-operational includes accounts at Banco Popular Trust Division and Economic Development Bank. Remaining balance is due to timing differences of book/bank balances.
PUERTO RICO TOURISM COMPANY ("TOURISM")	172.9	128.1	44.8	-	44.8	Funds in non-operational accounts consist of \$24.3M in debt service reserve account, \$13.3M in Tourism subsidiary accounts not included as operating cash, and \$7.2M in ARPA funds.
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	202.8	119.3	83.6	2.1	81.5	Non-operational accounts include \$61.1M in federal pass-through funds sourced from the American Rescue Plan Act (ARPA 2021) and \$20.4M from Coronavirus relief funds for PRIFA Project Improvements to Education
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	193.4	60.3	133.1	2.4	130.6	Restricted cash: \$37.0M earmarked for the Film Industry Program, \$33.2M regarding Laws 20 and 60, \$22.2M of ARPA and other federal funds, \$21.3M related to FEDE & RUMS, \$14.1M of COVID-related reserve, and \$2.8M of customers' bails. Remaining variance is due to outstanding checks and other timing book/bank balances differences.
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	50.2	39.6	10.6	(0.0)	10.6	Non-operational accounts include funds from ticket sales that do not belong to CCDA. Remaining variance is due to timing book/bank balances differences.
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	85.1	47.1	38.0	1.9	36.2	Accounts not reported in CU cash balances: \$25.3M in pass through accounts, \$10.7M related to milk subsidies not part of ADEA, and \$0.2M of projects funded from federal funds. Remaining variance is due to timing differences of book/bank balances.
AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA")	152.1	10.2	141.9	4.2	137.8	Non-operational accounts consist of investment accounts managed by a third party to maintain ACAA's claims liability reserve. Remaining variance is due to timing differences of book/bank balances.

Footnotes:

(a) Hacienda/OCFO reported balances at bank accounts as 12/31/22.

(b) Ending cash balance reported in CU's cash flow reports as of 12/30/22.

(c) Include differences due to timing differences between books and bank balances.

APPENDIX B: HEADCOUNT SUMMARY FOR COMPONENT UNITS COVERED IN THIS REPORT

COMMONWEALTH OF PUERTO RICO

COMPONENT UNIT REPORTING

Headcount

	<u>Actual Dec-22</u>
Headcount	
Puerto Rico Ports Authority ("Ports")	512
Medical Services Administration ("ASEM")	1,461
Puerto Rico Integrated Transit Authority ("PRITA")	628
Puerto Rico State Insurance Fund Corporation ("Fondo")	2,500
Health Insurance Administration ("ASES")	71
Puerto Rico Public Buildings Authority ("PBA")	1,411
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	511
Puerto Rico Industrial Development Company ("PRIDCO")	51
Puerto Rico Housing Finance Authority ("HFA")	130
Tourism Company of Puerto Rico ("Tourism")	201
Fiscal Agency and Financial Advisory Authority ("AAFAF")	101
Department of Economic Development and Commerce ("DDEC")	512
Puerto Rico Convention Center District Authority ("CCDA")	11
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	318
Automobile Accident Compensation Administration ("ACAA")	414
Total Component Unit Headcount	<u>8,832</u>

COMMONWEALTH OF PUERTO RICO

COMPONENT UNIT REPORTING

(Figures in \$000's)

	<u>Actual Dec-22</u>	<u>Actual YTD FY23</u>
Payroll and Related Cost Disbursements		
Puerto Rico Ports Authority ("Ports")	(\$4,718)	(\$17,454)
Medical Services Administration ("ASEM")	(15,840)	(52,196)
Puerto Rico Integrated Transit Authority ("PRITA")	(4,292)	(19,820)
Puerto Rico State Insurance Fund Corporation ("Fondo")	(23,538)	(98,919)
Health Insurance Administration ("ASES")	(623)	(2,650)
Puerto Rico Public Buildings Authority ("PSA")	(11,472)	(37,831)
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	(3,662)	(17,357)
Puerto Rico Industrial Development Company ("PRIDCO")	(629)	(4,038)
Puerto Rico Housing Finance Authority ("HFA")	(1,114)	(5,069)
Tourism Company of Puerto Rico ("Tourism")	(1,205)	(6,201)
Fiscal Agency and Financial Advisory Authority ("AAFAF")	(1,540)	(5,488)
of Economic Development and Commerce ("DDEC")	(5,106)	(17,042)
Puerto Rico Convention Center District Authority ("CCDA")	(198)	(618)
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	(1,643)	(9,173)
Automobile Accident Compensation Administration ("ACAA")	(3,776)	(14,348)
Total Unit Payroll and Related Cost Disbursements	<u>(\$79,358)</u>	<u>(\$308,205)</u>