



David A. Skeel Jr.
Chair

Members

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Robert F. Mujica Jr.
Executive Director

BY ELECTRONIC MAIL

June 30, 2023

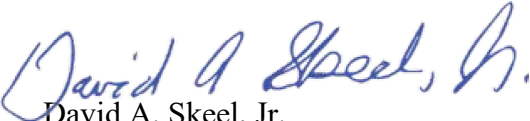
Honorable Pedro R. Pierluisi Urrutia
Governor of Puerto Rico

Dear Governor Pierluisi:

Pursuant to a Resolution, a copy of which is attached hereto as **Exhibit A** (the “Resolution”), adopted by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), and Section 202(f) of the Puerto Rico Oversight, Management, and Economic Stability Act, the Oversight Board hereby issues to the Governor this compliance certification that the Fiscal Year 2024 budget for the Puerto Rico Sales Tax Financing Corporation (“COFINA”), attached as **Exhibit 1** to the Resolution (the “Fiscal Year 2024 Budget for COFINA”), is a compliant budget as set forth in the Resolution.

The Oversight Board looks forward to working with you and COFINA to implement fully the Fiscal Year 2024 Budget for COFINA for the benefit of the people of Puerto Rico.

Sincerely,


David A. Skeel, Jr.

Andrew G. Biggs
Arthur J. González
Antonio L. Medina
John E. Nixon
Justin M. Peterson
Betty A. Rosa

Hon. Pierluisi Urrutia
June 30, 2023
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CC: Mr. Robert F. Mujica Jr.
Hon. Omar Marrero Díaz

EXHIBIT A

FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO

June 29, 2023

**RESOLUTION CERTIFYING THE FISCAL YEAR 2024 BUDGET
FOR THE PUERTO RICO SALES TAX FINANCING CORPORATION**

WHEREAS, on June 30, 2016, the federal Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) was enacted;

WHEREAS Section 101 of PROMESA created the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”);

WHEREAS Section 202 of PROMESA establishes a multi-step procedure for the development, review, and approval of a budget for covered instrumentalities of the Commonwealth of Puerto Rico;

WHEREAS, on September 30, 2016, the Oversight Board designated the Puerto Rico Sales Tax Financing Corporation (“COFINA”) as a covered territorial instrumentality pursuant to Section 101(d)(1) of PROMESA;

WHEREAS, by letter dated March 6, 2023, the Oversight Board, pursuant to Section 202(a) of PROMESA, provided notice of the schedule for developing, submitting, approving, and certifying the Fiscal Year 2024 budget for COFINA;

WHEREAS, on April 20, 2023, pursuant to Section 201(f) of PROMESA, the Oversight Board certified a fiscal plan for COFINA (the “2023 COFINA Fiscal Plan”) as jointly developed by the Governor and the Oversight Board;

WHEREAS, Section 202(f) of PROMESA establishes that the Governor and the Oversight Board may jointly develop a budget for covered instrumentalities of the Commonwealth of Puerto Rico;

WHEREAS, pursuant to Section 202(f) of PROMESA, the Oversight Board and the Governor jointly developed a Fiscal Year 2024 budget for COFINA, attached hereto as Exhibit 1, that: (i) is compliant with the 2023 COFINA Fiscal Plan; and (ii) reflects a consensus among the Oversight Board and the Governor (the “Fiscal Year 2024 Budget for COFINA”);

NOW, THEREFORE, IT IS HEREBY RESOLVED that, pursuant to Section 202(f) of PROMESA, the Oversight Board shall submit to the Governor the Fiscal Year 2024 Budget for COFINA, and such budget shall be (i) deemed to be approved in consensus between the Oversight Board and the Governor; (ii) the subject of a compliance certification, which shall be issued by the Oversight Board to the Governor; and (iii) in full force and effect beginning on July 1, 2023.

Puerto Rico Sales Tax Corporation Budget

The amount of \$1,683,594 is budgeted for the expenditures of Puerto Rico Sale Tax Corporation (“COFINA,” for its Spanish acronym”) herein for the fiscal year ending June 30, 2024.

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Section 1.- The following amounts are authorized for the expenditures of COFINA set forth herein for the fiscal year ending June 30, 2024 (“FY2024”):

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1	Puerto Rico Sales Tax Financing Corporation (COFINA)		
2	A. <i>Payroll</i>		152,994.00
3	i. Salaries	125,000.00	
4	ii. Salaries for trust employees	-	
5	iii. Overtime	-	
6	iv. Christmas bonus	-	
7	v. Healthcare	-	
8	vi. Other benefits	27,994.00	
9	vii. Early retirement benefits & voluntary transition program	-	
10	viii. Other payroll	-	
11	B. <i>Payments to PayGo</i>		-
12	C. <i>Facilities and utility payments</i>		18,000.00
13	i. Payments to PREPA	-	
14	ii. Payments to PRASA	-	
15	iii. Payments to PBA	18,000.00	
16	iv. Other facility costs	-	
17	D. <i>Purchased services</i>		802,000.00
18	i. Shared services provided by AAFAF	72,000.00	
19	ii. Directors and Officers insurance policy	730,000.00	
20	E. <i>Transportation</i>		20,000.00
21	F. <i>Professional Services</i>		445,000.00
22	i. Legal professional services	100,000.00	
23	ii. Finance and accounting professional services	225,000.00	
24	iii. Trustee fees - BNYM	30,000.00	
25	iv. Financial services implementation	-	
26	v. Website expense	30,000.00	
27	vi. Other professional services	60,000.00	
28	G. <i>Other operating expenses</i>		245,600.00
29	i. Board of Directors	225,000.00	
30	ii. Other Operating Expenditures	20,600.00	
31	Total Puerto Rico Sales Tax Financing Corporation (COFINA)		1,683,594.00

Section 2.- Any expenditure cannot exceed the lower of: (1) the amount authorized in this budget for the corresponding government entity and concept of expenditure or (2) the corresponding resources available to COFINA in FY2024.

Section 3.- All authorized budget amounts, for any prior fiscal year that are not authorized or certified in this joint resolution, are eliminated and no carry over of such funds may be used, except for the following which the Oversight Board redeploys as current appropriations, subject to Oversight Board adjustment at any time: (1) appropriations authorized in the fiscal year to carry out capital expenditures that have been encumbered, accounted for and kept on the books, but not exceeding two fiscal years on the books; (2) appropriations in the certified budget for equipment with procurement cycles that extend beyond the end of the fiscal year, which are encumbered on or before June 30, 2024 and (3) the portion of the appropriations authorized for the fiscal year that have been encumbered on or before June 30 of such fiscal year which shall be kept in the books for 60 days after the termination of that fiscal year and after those 60 days no amount shall be drawn against such portion for any reason. This restriction on the use of unused authorized prior fiscal year amounts shall not apply to orders by the United States district court with jurisdiction over all matters under Title III of PROMESA.

Section 4.- COFINA is authorized to use prior year surpluses to the extent investment earnings are not sufficient to fund the FY2024 operating budget appropriations.

Section 5.- The appropriations approved in this budget may only be reprogrammed with the prior approval of the Oversight Board. For the avoidance of doubt, this prohibition includes any reprogramming of any amount, line item or expenditure provided in this budget, regardless of whether it is an intra-agency reprogramming. Reprogramming, also known as reapportionments, may be made into spend concepts and/or objects not explicitly listed in the FY2024 certified budget resolution as long as such requests are submitted to and approved by the Oversight Board.

Section 6.- Pursuant to Section 203 of PROMESA, COFINA must submit to the Oversight Board, no later than 15 days after the last day of each quarter of FY2024, a budget to actual report, along with an explanation of relevant variances as provided in the certified Fiscal Plan. The Oversight Board may determine to provide COFINA with a template to be used for such reporting, in which case any quarterly budget to actual reports submitted by COFINA must be submitted consistent with such reporting template.

Section 7.- In conjunction with the reports required by Section 6, a certification to the Oversight Board must be included stating that no authorized budget amount of any previous fiscal year (except for those covered by the exceptions mentioned herein) has been used to cover any expenditure unless authorized by the approval of the Oversight Board.

Section 8.- The Executive Director of COFINA shall be responsible for not spending or encumbering during FY2024 any amount that exceeds the authorized budget amounts. This prohibition applies to every budget amount authorized herein, including amounts for payroll and related costs. The Executive Director of COFINA shall also certify to the Oversight Board by September 30, 2023, that no amount was spent or encumbered that exceeded the authorized budget amount in the certified budget for FY2024.

Section 9.- The Oversight Board reserves the right to, in its sole discretion, issue a notice to the Governor, pursuant to PROMESA Section 202(a), setting forth a schedule for revising COFINA's budget.

Section 10.- The COFINA budget shall be adopted in English and Spanish. If in the interpretation or application of the budget a conflict arises between the English and Spanish texts, the English text shall govern.

Section 11.- The COFINA budget for FY2024 shall take effect on July 1, 2023.