December 31, 2018

GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

Component Unit Liquidity

FOR THE MONTH ENDED DECEMBER 31, 2018

DISCLAIMER

This presentation was prepared and is being published by the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") as part of its ongoing evaluation of financial matters of the Government of Puerto Rico, its public corporations and instrumentalities (collectively, the "Government"). Government creditors and other third parties should not rely on the information included in this presentation to purchase or sell any security or make any investment decision regarding securities issued by the Government. The amounts shown on this presentation are based on information obtained by AAFAF from governmental instrumentalities and financial institutions as of the dates indicated. AAFAF has not validated all of the information received and, as a result, cannot and does not assume any responsibility for the accuracy of such information. As additional information becomes available, there could be material changes to the information contained herein.

This presentation contains certain "forward-looking" statements and information (including the liquidity projections set forth herein). These forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties, estimates, expectations and assumptions by AAFAF and the Government that are difficult to predict, inherently uncertain and some of which are beyond the control of AAFAF and the Government. Information that subsequently becomes available may have a material impact on the liquidity projections set forth herein.

Certain amounts shown in this presentation are for specific periods or as of specific dates. Cash flows and account balances are expected to change, potentially materially, on a day to day basis based on, among other things, the receipts and disbursements of funds by the Government, which can be affected by a number of factors, including judicial determinations.

Any statement as to the restricted or unrestricted nature of any amounts is preliminary and subject to further analysis.

The amounts shown in this presentation (including those related to the cash receipts, disbursements, accounts receivable, accounts payable and account balances) have not been confirmed through an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants or any other organization. Accordingly, none of AAFAF, the Government, and each of their respective officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates (collectively, with AAFAF and the Government, the "Parties") express an opinion or any other form of assurance on the financial or other information contained in this presentation.

The Parties make no representation or warranty, express or implied, to any third party with respect to the information contained in this presentation, and all Parties expressly disclaim any such representations or warranties.

The Parties do not owe or accept any duty or responsibility to any reader or recipient of this presentation, whether in contract or tort, and shall not be liable for or in respect of any loss, damage (including without limitation consequential damages or lost profits) or expense of whatsoever nature of such third party that may be caused by, or alleged to be caused by, the use of this presentation or that is otherwise consequent upon the gaining of access to this document by such third party.

Following Hurricane Maria, the systems and communications of some component units were adversely affected, which in turn affected the timing, reliability and integrity of information and data. Continuous efforts are being made to enhance data integrity progressively.

This presentation may contain capitalized terms that are not defined herein, or may contain terms that are discussed in other documents or that are commonly understood. You should make no assumptions about the meaning of capitalized terms that are not defined, and you should consult with AAFAF should clarification be required.

The Parties do not undertake any duty to update the information contained in this presentation.

By receiving this document, the recipient shall be deemed to have acknowledged and agreed to the terms and limitations described in these disclaimers.

GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
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.
ASEM	Puerto Rico Medical Services Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASES	Puerto Rico Health Insurance Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASSMCA	Administration of Mental Health and Anti-Addiction Services of Puerto Rico.
ATI	Puerto Rico Integrated Transit Authority.
ATM	Maritime Transportation Authority.
BBA	Bi-Partisan Budget Act of 2018.
BDE	Economic Development Bank of Puerto Rico.
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	Clinical Medical Services provides an Integrated Home Health Delivery System consisting of Durable Medical Equipment, Respiratory Equipment, Home Health, Orthotics, Prosthetics and Home Infusion Services.
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.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
DDEC	Puerto Rico Department of Economic Development and Commerce, a public corporation and a component unit of the Commonwealth of Puerto Rico.
DMO	Direct Marketing Organization.
DPO (Intergovernmental)	Days Payable Outstanding [Intergovernmental Payables divided by trailing 12 months PayGo Charges plus Facilities/Rent Payments multiplied by 365].
DPO (Third Party)	Days Payable Outstanding [Third Party Payables divided by trailing 12 months Operating Disbursements, not including Payroll Costs, PayGo, Christmas Bonus, or Facilities/Rent Payments multiplied by 365].
DSO (Intergovernmental)	Days Sales Outstanding [Intergovernmental Receivables divided by trailing 12 months Intergovernmental Receipts multiplied by 365].
DSO (Third Party)	Days Sales Outstanding [Third Party Receivables divided by trailing 12 months Third Party Receipts multiplied by 365].
DTPR, Hacienda	Puerto Rico Department of Treasury.
FEMA	Federal Emergency Management Agency coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
FOMB	Financial Oversight and Management Board of Puerto Rico.
Fondo	Puerto Rico State Insurance Fund Corporation, a public corporation and a component unit of the Commonwealth of Puerto Rico.
FTA	The Federal Transit Administration provides financial and technical assistance to local public transit systems, including buses, subways, light rail, commuter rail, trolleys and ferries. FTA also oversees safety measures and helps develop next-generation technology research.
General Fund	The Commonwealth's principal operating fund.

HFA	Puerto Rico Housing Finance Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HTA	Puerto Rico Highways and Transportation Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HUD	Department of Housing and Urban Development responsible for national policy and programs that address U.S. housing needs, improve and develop communities, and enforce fair housing laws.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.
Invest Puerto Rico	Nonprofit investment organization created by Act 13-2017 to promote Puerto Rico as a competitive investment jurisdiction to attract new business in order to drive economic development.
IXS	Marketing contract through advertising company KOI IXS for Puerto Rico.
MCO	Managed care organization.
MMIS	Medicaid Management Information System.
New Insurance Project	A new business venture for Fondo in which the corporation is partnering with private insurers through a commission-based model to market and sell its products to potential new customers.
Operating Disbursements	Includes payroll and related costs, material and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
Operating Receipts	Revenues collected from operations.
PayGo Charges	Puerto Rico pension system that is funded through a pay-as-you-go system pursuant to Act 106-2017. Retirement benefits expenses of covered government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
PBA	Puerto Rico Public Buildings Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
PBM	Pharmacy Benefit Manager in Puerto Rico.
Platino	Medicaid + Medicare dual-eligible populations.
Ports	Puerto Rico Ports Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
PRIDCO	Puerto Rico Industrial Development Company, a government-owned corporation dedicated to promoting Puerto Rico as an investment destination for companies and industries worldwide.
PRITA, ATI	Puerto Rico Integrated Transit Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Salud	SSS-Salud, or “Triple-S Salud,” the largest health insurance company in Puerto Rico.
Tourism	Tourism Company of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico.
TSA	Treasury Single Account, the Commonwealth’s main operational bank account (concentration account) in which a majority of receipts from Governmental funds are deposited and from which most expenses are disbursed. TSA receipts include tax collections, charges for services, intergovernmental collections, the proceeds of short- and long-term debt issuances and amounts held in custody by the Secretary of the Treasury for the benefit of the Commonwealth’s fiduciary funds. A portion of the revenues collected through the TSA corresponds to the General fund. Other revenues include federal funds and special revenues conditionally assigned by law to certain agencies or public corporations that flow through the TSA.
UDH	Hospital Universitario, a hospital affiliated with UPR and part of the Department of Health.
UPR	University of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico.
VTP	Voluntary Transition Program, as established by AAFAF Administrative Orders 2017-05, 2018-03, 2018-04, 2018-05, 2018-06, and 2018-13.
WIOA	The Workforce Innovation and Opportunity Act is a United States public law that replaced the previous Workforce Investment Act of 1998 as the primary federal workforce development legislation to bring about increased coordination among federal workforce development and related programs.

INTRODUCTION

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

This report presents information with respect to 15 select CUs. These CUs prepared their individual Liquidity Plans at the beginning of the fiscal year, and updated these plans based on actual results as of the end of August 2018. The remaining 10 months of the current fiscal year were projected based on the government's budget submission dated September 7, 2018, and are used as the benchmark against which monthly results are measured (the "Liquidity Plans"). The CUs will reevaluate liquidity forecasts after each quarter of the fiscal year in order to assess assumptions made in developing these Liquidity Plans, and to take into account any material changes that may arise as a result of reapportionments in the Commonwealth's fiscal year 2019 Budget. The liquidity information is presented in this document under section "A" for each CU.

The forecasts contain projections of cash receipts (which include revenues collected from operations; intergovernmental receipts – General Fund appropriations and other transfers from Central Government, municipalities, and public corporations; disaster relief receipts – federal emergency funds, insurance proceeds related to Hurricanes Irma and Maria, and other federal funds), and cash disbursements (which include operating payments – e.g. payroll and related costs, PayGo charges, purchased services, professional services, transportation expenses, disaster relief disbursements – e.g. expenditures related to the damages caused from Hurricanes Irma and Maria), and CapEx.

The CUs are also expected to report monthly headcount figures in order to monitor changes in staff levels and their actual and projected effects on payroll costs. This information is presented in the document under section "B" for each CU.

A Full Year FY19 Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of July 1, 2018 and forecasted ending cash at June 30, 2019. This information is presented in the document under section "C" for each CU. For the balance of the fiscal year, there is a forecast provided for each CU taking into consideration timing and permanent variances, based on conversations with CU finance and accounting leaders.

This report also contains pertinent working capital information for the CUs. Where available, the CUs have provided monthly information on Accounts Payable and Accounts Receivable. Figures are unaudited and subject to change. This information is presented in the document under section "D" for each CU.

The report contains two Appendix items. The first of these Appendix items is a cash reconciliation. A bridge is provided between the actual cash data provided by the CUs as of December 28, 2018 and the December 2018 AAFAF reported figures represented in the "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities," which was released on December 31, 2018. The second Appendix item is a consolidated view of CU headcount and payroll information, which is based on information provided by CU Management.

TABLE OF CONTENTS

EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF DECEMBER 28, 2018

Millions of US Dollars

COMPONENT UNIT	HIGHLIGHTS	FY19 BEG. BALANCE	ACTUAL 12/28/18 (a)	FY19 F'CAST Y/E BALANCE
PUERTO RICO PORTS AUTHORITY ("PORTS") (b)	YTD, Ports has only received 25% of federal grant receipts forecast which are earmarked to fund the Culebra Ferryboat Ramp Repair project. To date, Ports has disbursed $3.3M towards the project, $5M behind plan through 12/28. Full year cash burn attributable to an increase in Ports insurance premiums, along with an increase in purchased service expenses.	27.5	22.9	7.6
MEDICAL SERVICES ADMINISTRATION ("ASEM")	YTD liquidity has slightly declined as enhanced collections related to past due receivables have been more than offset by payment of prior period payables. Cash burn for the rest of the year is due to deficits from intragovernmental institutions whose payments are expected to fall short of prior year's already depressed level by $8.2M.	11.8	9.4	(1.4)
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	YTD liquidity increased primarily due to federal grant receipts received from work petitioned in FY18. PRITA has significant risk due to operating receipts being less than operating disbursements. FY19 ending cash deficit attributable primarily to PayGo contributions not forecasted in the original liquidity plan.	11.0	25.3	(0.3)
STATE INSURANCE FUND CORPORATION ("FONDO")	YTD liquidity has increased, driven by seasonal timing of collections for premiums - major invoice and collection periods are July/August and January. A new e-payment system has accelerated the timing of some of these collections. Cash burn for the remainder of the year will be driven by Fondo catching up on payments for PayGo and other operating disbursements, as disbursements will outpace the slower collections after January due to seasonality.	127.2	230.1	216.6
HEALTH INSURANCE ADMINISTRATION ("ASES")	YTD liquidity has increased slightly, but is below July through October levels primarily due to the delays in federal funding as result of CMS' certification of the new healthcare model. No federal funding was received for the months of November or December. ASES' cash balance normally ranges from $200-$300M.	54.3	72.9	255.4
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	Through December, HTA received approximately $59.1M in intergovernmental transfers and CapEx funding. YTD, liquidity remains higher than forecast primarily due to lower CapEx spend in comparison to funding through month-end December FY19; spend is expected to increase in Q3 and Q4 of FY19.	252.8	377.6	356.9
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	YTD, PBA expected to receive $61.7M disaster related funds which has yet to come in. Decrease in liquidity for the remainder of the year is due to operating disbursements being higher than operating receipts including intergovernmental rent payments.	44.2	64.0	36.5
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	YTD liquidity has increased marginally due to negative working capital effects of $7M, offset by higher patient activity levels. Ignoring working capital effects, Cardio's performance has benefited from higher patient activity levels and collections which are expected to continue through year end. Cardio remains challenged by labor shortages, as headcounts have dropped by 12% since Jul-17. Labor shortages at Cardio may have an impact on patient revenue long-term as certain minimum staffing ratios per patient are required to generate Cardio's patient services.	8.7	9.5	12.6
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	YTD liquidity has remained level through the year, primarily due to PRIDCO's deferring its PayGo obligations. It should be noted that PRIDCO's cash flow is insufficient to pay its PayGo obligation and fund the trustee debt reserve by end of FY19. As result, PRIDCO does satisfy its full debt reserve obligations which were $9.1M through Dec-18 YTD, but targets a 50% payment level for PayGo with any unpaid portions being continually accrued. Per PRIDCO's debt agreement, any trustee rental receipts are pledged for trustee debt reserve before meeting any of its operating expenses.	9.4	9.5	(4.3)
HOUSING FINANCE AUTHORITY ("HFA")	YTD liquidity declined primarily due to the timing of Federal Fund disbursements, which are timing related and expected to reverse during the balance of FY19. The negative variance is expected to persist through the remainder of FY19, but will be partially offset due to net Balance Sheet receipts.	79.8	74.7	60.2
PUERTO RICO TOURISM COMPANY ("TOURISM")	YTD liquidity has decreased slightly due to disbursements relating to the marketing contract from FY18. If slot machine and room tax collections continue to increase while Tourism continues to cut costs in purchased and professional services, year-end cash may outperform the current forecast.	40.3	37.5	37.0
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	YTD liquidity has increased due to fewer disbursements than expected for professional service fees.	36.9	39.6	28.6
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	YTD liquidity has decreased slightly, primarily due to lower management fee receipts and fewer federal grant receipts than forecast during the first half of FY19.	14.1	13.9	11.5
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	YTD liquidity has remained approximately even, and an expected decline in FY19 liquidity due to the completion of past due CapEx projects.	15.1	15.0	13.3
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	YTD liquidity has increased, primarily driven by higher than expected collections from the School Cafeteria program. ADEA will continue to work with the Department of Education to collect on past due balances. At month-end December, YTD liquidity is $16.3M. Cash build for the balance of FY19 is driven by remaining collections in prior year Cafeteria receipts.	45.2	63.0	68.8

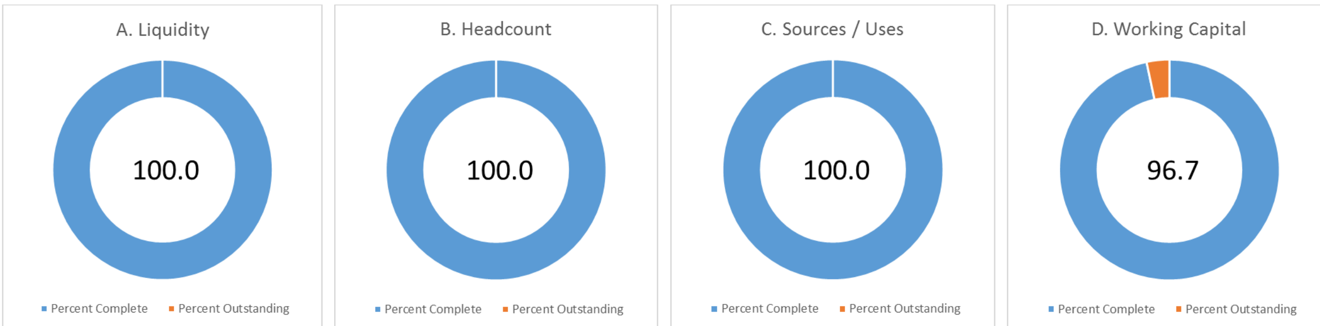
Notes:

(a) For reporting purposes, December month end actual balances were taken as of the last Friday of the month, or December 28, 2018.

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

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

Each of the Component Units provided data for the month of December 2018. Data was broken into four sections, and included: A. Liquidity information, B. Headcount information, C. Sources / Uses of Funds, and D. Working Capital information. The 15 CUs included in this report were 100% compliant in providing data for A. Liquidity, B. Headcount, and C. Sources / Uses. Data for D. Working Capital was not provided for all 15 CUs – see note (a) below.



Notes:

(a) Working Capital data is missing for the following CUs:

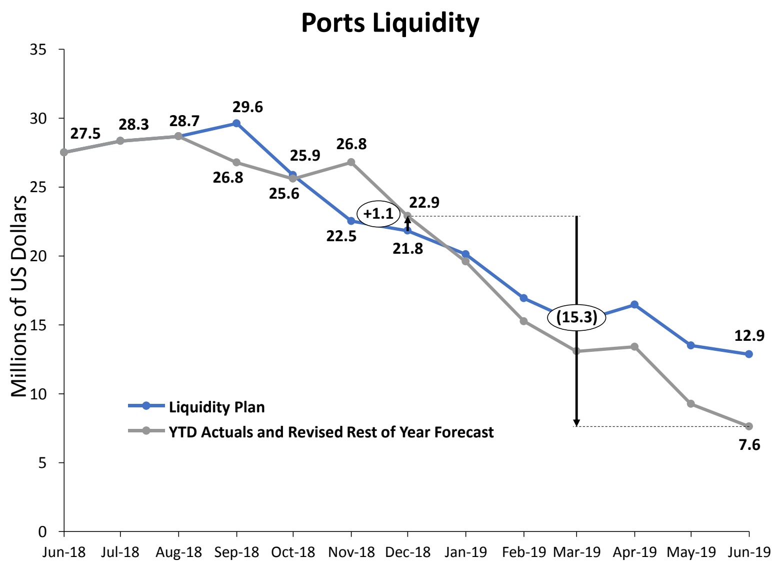
- *ADEA, specifically the accounts receivable and accounts payable details.*

I. PUERTO RICO PORTS AUTHORITY ("Ports")

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

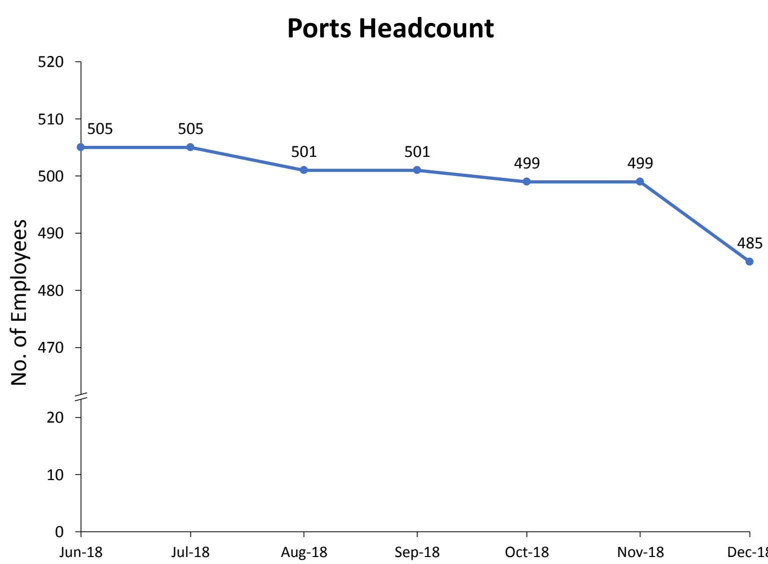
Key Takeaways: Through December, Ports has had a favorable variance of $4.3M in operating receipts of which $1.3M is permanent due to collections in prior year aviation receivables. On disbursements, CapEx payments have been slow due to a delayed commencement of the Culebra Ferryboat Ramp project, causing a temporary favorable variance of $5.0M in CapEx YTD. YTD ending cash balance for Ports is $22.9M.

A. FY19 Operating Liquidity – Actuals[1,2] vs. Forecast



1. $1.1M YTD actuals vs. Liquidity Plan:
   a. $4.3M in operating receipts of which $1.3M is permanent as Ports has collected on prior year aviation receivables from multiple vendors. The remaining balance of $3.0M is timing related and expected to reverse in Q3 of FY19.
   b. $0.3M timing variance in other receipts, which are expected to reverse during the balance of FY19.
   c. ($2.9M) variance in disaster-related receipts driven by an unbudgeted permanent variance in insurance premiums, which increased following claims from hurricanes during FY18.
   d. ($5.7M) timing variance in operating disbursements, primarily related to variances in PayGo, Payroll, and other operating payments. These variances are expected to reverse in FY19.
   e. $5.0M timing variance in CapEx, due to a delay in start-up of the Culebra Ferryboat cargo ramp repair project. Variance is expected to reverse during the balance of FY19.
2. ($15.3M) forecast Jan-19 through Jun-19 cash burn:
   a. $52.9M in forecasted total receipts driven by: $44.9M in operating receipts, $7.0M in federal grant receipts and other, and $1M in FEMA receipts.
   b. ($68.2M) in forecasted total disbursements driven by: ($51.3M) in operating disbursements and ($16.9M) in CapEx.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 505 to 485 from Jun-18 to Dec-18.
   a. Decrease in headcount is primarily driven by the Voluntary Transition Program, or VTP.
2. Payroll: Disbursements are forecast to be $28.9M for FY19. YTD payroll is $14.3M.
   a. YTD Ports has a ($1.2M) timing variance in Payroll as it has paid one-time severance costs associated with VTP. Variance is expected to reverse in FY19 as incremental savings in payroll – as a result of reduced headcount – will accrue for the remainder of FY19.

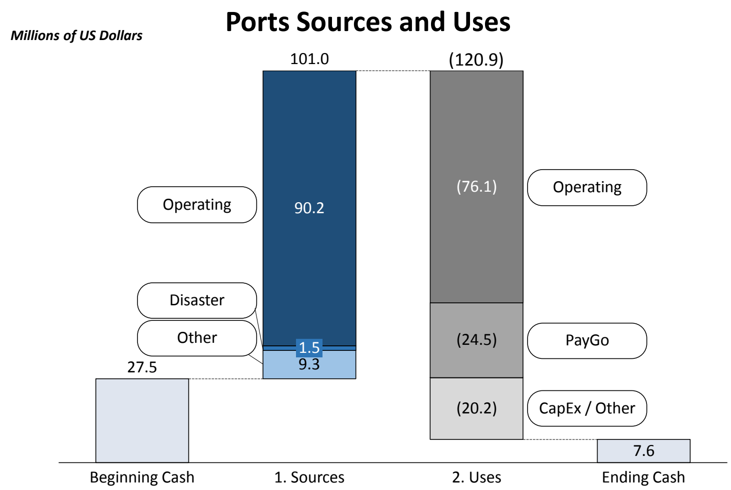
---

[1] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

[2] FY19 beginning balance adjusted from $29.0M to $27.5M due to the FY18 transfer from the BDE account to a CapEx account related to Culebra Ferryboat.

I. PUERTO RICO PORTS AUTHORITY ("Ports") (Continued)

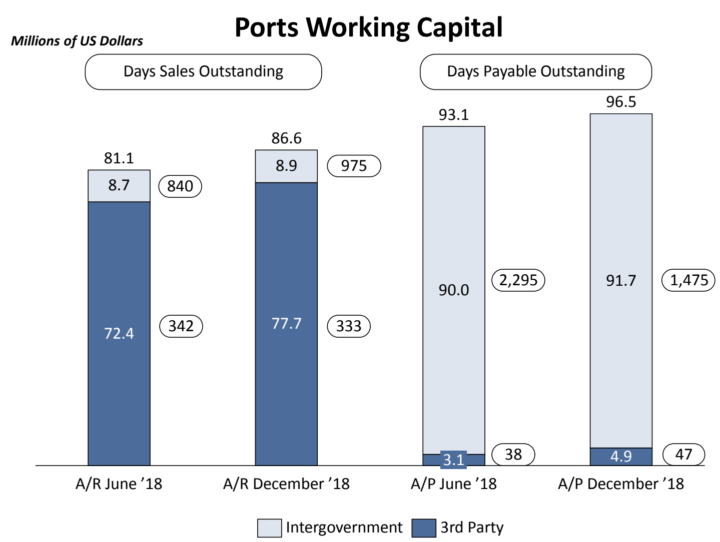
C. Full Year FY19 Sources and Uses of Funds



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

1. Sources $101.0M:
   a. Operating receipts total $90.2M, comprised of $76.6M in maritime receipts, $13.4M in airport receipts and $0.2M in other receipts.
   b. Disaster-related receipts of $1.5M are a result of FEMA funds. FEMA funds are a pass through, and therefore have no impact on forecasted cash.
   c. Federal and other funds total $9.3M.
2. Uses (S120.9M):
   a. Operating disbursements of ($76.1M), driven primarily by payroll, including Christmas Bonus, of ($31.9M), professional services ($18.7M), PREPA/PRASA ($9.5M), other operating payments of ($9.2M), materials and supplies of ($1.7M), purchased services of ($4.3M), transportation and media ads of ($0.5M).
   b. PayGo disbursements of ($24.5M). YTD, Ports has disbursed $7.2M in FY19 PayGo charges, and is forecasted to disburse the remaining FY19 obligation of $17.3M.
3. Other including CapEx:
   a. CapEx of ($20.2M), of which approximately $3.3M has been disbursed YTD. Ports is expected to fund $11.0M of CapEx from internal funds, including $9.6M derived from a restricted account now considered in the cash balance, with the remaining $9.2M funded through federal grants. Of those federal grants, $2.2M has been received YTD, with the remaining $7.0M forecast to be received in FY19.

D. Accounts Receivable / Accounts Payable[3]



1. Accounts Receivable:
   a. $5.5M increase from Jun-18 to Dec-18 driven almost entirely by an increase in third party receivables.
   b. Third party DSO decreased from 342 to 333 in the same time period due to an increase in Ports' third party receipts base.
   c. Intergovernmental receivables grew by $0.2M.
2. Accounts Payable:
   a. $3.4M increase from Jun-18 to Dec-18 driven by a $1.8M increase in third party payables.
   b. Third party DPO over the same time period has grown from 38 to 47 days, primarily due to payments withheld from insurance providers which are expected to be paid in FY19.
3. Working Capital:
   a. The change in net working capital through Dec-18 was an unfavorable $2.1M as receivables grew more than payables over the same time period.

---

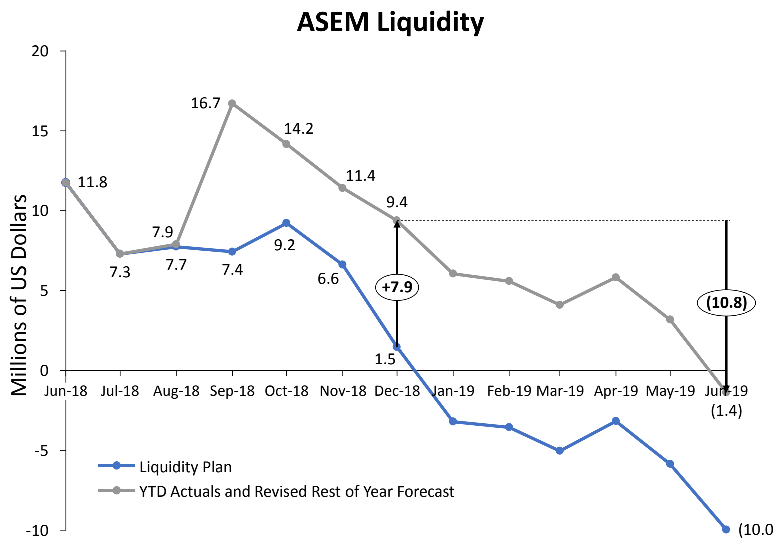
[3] Figures are unaudited and subject to change.

II. MEDICAL SERVICES ADMINISTRATION ("ASEM")

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

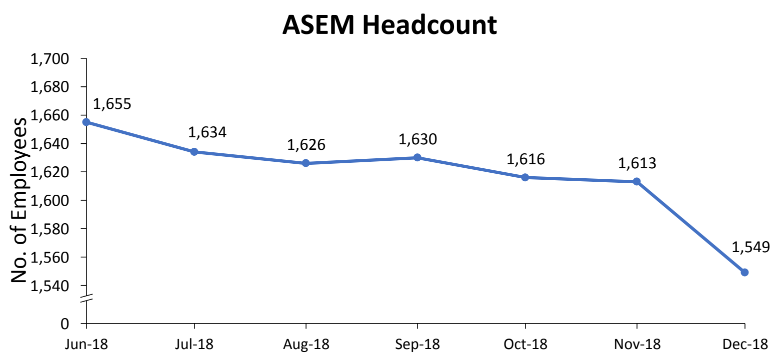
Key Takeaways: FY19 intergovernmental institutional collections are currently projected at $45.3M vs. $53.5M in the prior year. These collections have been challenged historically and contributed to ASEM's liquidity issues in FY18. However in September, ASEM received an unexpected payment on a past-due receivable of $9.7M from UDH and Pediatrico, ASEM's largest institutional customers, relating to FY15 purchases. This improves the year-end outlook of ASEM's cash position to ($1.4M) from ($10.0M) included in the Liquidity Plan. This outlook is inclusive of both a projected paydown of $16.5M in payables from prior years, consisting of $8.2M in supplier payables and $8.3M in employee withholdings not remitted.

A. FY19 Operating Liquidity – Actuals[4] vs. Forecast



1. $7.9M YTD actuals vs. Liquidity Plan:
   a. $9.8M in intergovernmental institution debt repayment, fully driven by collections on FY15 receivables related to UDH and Pediatrico, projected to be permanent favorable variances.
   b. ($1.8M) in intergovernmental institutions receipts, the majority of this variance driven by the timing of payments from Pediatrico ($1.1M), ASSMCA ($0.8M), and Salud ($0.7M), and other offsetting timing variances among multiple institutions of $1.0M.
   c. ($1.2M) in unfavorable third party medical plan receipts, which is timing related.
   d. $0.8M in favorable operating disbursements, which are timing related.
   e. $0.2M in transfers from/(to) the restricted cash account.
2. ($10.8M) forecast Jan-19 through Jun-19 cash burn:
   a. Remaining year cash burn is primarily due to an operating deficit from intergovernmental institutions, whose payments are expected to fall short of prior year's already depressed level by $8.2M. This deficit is largely addressed through contributions from the General Fund, though it still falls short of ASEM's requirements.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 1,655 to 1,549 from Jun-18 to Dec-18.
   a. Per management, 62 FTEs have departed due to participation in the VTP program. The remaining FTEs have departed due to normal turnover processes. Vacancies are not addressed due to a hiring freeze imposed by the government, which explains the large decline in headcounts.
   b. Professional contract services are used to address vacancies. Despite this, YTD professional fees are favorable by $2.5M due to $1.0M in A/P growth from UPR and ASEM's reduced spending on professional fees in the beginning of the year due to a reduced operating budget which was subsequently increased. UPR provides physician services to ASEM.
2. Payroll: Disbursements are forecast to be $104.0M for FY19. YTD payroll is $48.5M.
   a. YTD payroll run-rate is not in-line with the full year forecast due to falling headcounts at ASEM.

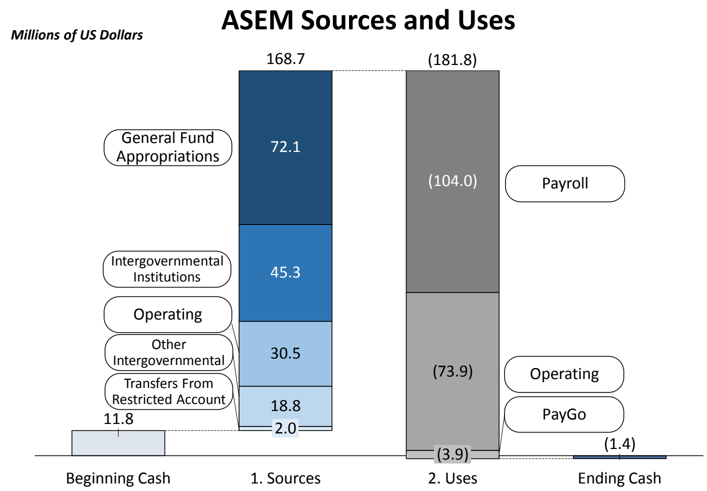
---

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

II. MEDICAL SERVICES ADMINISTRATION ("ASEM") (Continued)

C. Full Year FY19 Sources and Uses of Funds

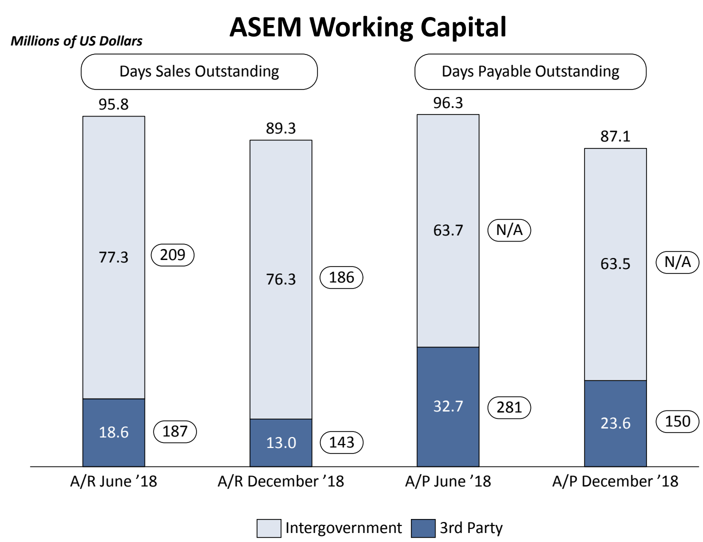
1. Sources $168.7M:
   a. Intergovernmental receipts account for $136.3M, or 81% of receipts, $45.3M of which relate to intergovernmental institutions. The remainder includes other intergovernmental revenue consisting of physician, medical plans, and institutional debt repayment totaling $18.8M, and the net appropriation from the General Fund of $72.1M from the Central Government.
   b. Operating receipts including third party payors and other income represent $30.5M, or 18%.
   c. Transfers from ASEM's restricted account represent $2.0M.
2. Uses ($181.8M):
   a. ($177.9M) in operating disbursements for FY19, driven by payroll of ($104.0M), as well as vendor payments of ($73.9M), the key components of which are: materials and supplies ($7.6M), facilities and payments for public service ($5.0M), professional fees ($19.5M), purchased services ($5.5M), and other operating payments ($36.3M) comprised of donations and subsidies, prior years' accounts payable, interest and banking fees, and other expenses.
   b. PayGo is ($3.9M) for FY19. The actual PayGo obligation is estimated to be approximately ($28.3M), though this obligation is netted against a $24.4M allocation from ASEM's total General Fund appropriation of $96.6M.



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

D. Accounts Receivable / Accounts Payable[5]

1. Accounts Receivable:
   a. $6.5M decrease from Jun-18 to Dec-18 driven by a $0.9M decrease in intergovernmental receivables and a $5.6M decrease in third party receivables.
   b. The $5.6M decrease in third party receivables is primarily driven by third party physician and medical plans.
2. Accounts Payable:
   a. $9.2M decrease from Jun-18 to Dec-18 primarily driven by a pay down of third party payables of ($9.1M) from prior years' accumulated payables balances.
3. Working Capital:
   a. Changes are unfavorable by $2.7M, representing approximately 1.5% of FY19 uses of cash.



[5] Figures are unaudited and subject to change.

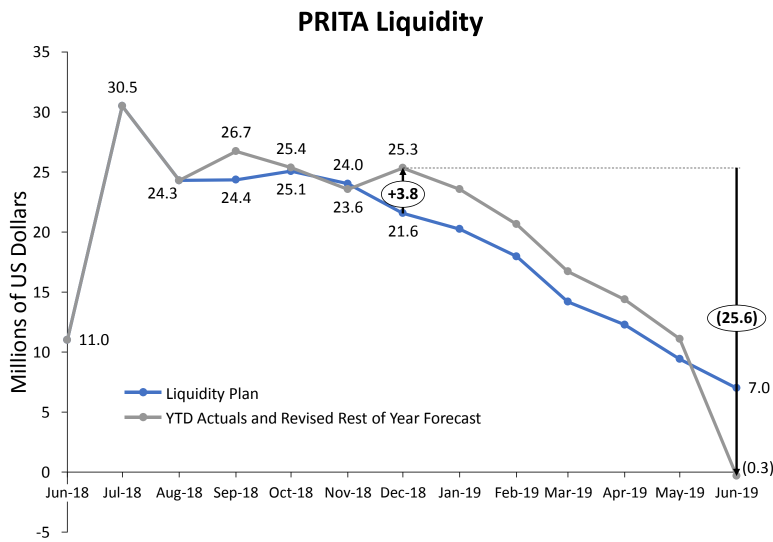
III. PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")

Primary Business Activity: PRITA serves as the Commonwealth's central transit authority and is tasked with operating its network of public transit buses and certain maritime vessels.

Key Takeaways: YTD net cash flow for PRITA is positive at $3.8M primarily due to federal grants from the FTA received from prior year's work which was not considered in the forecast. CapEx through December month end remains higher than the Liquidity Plan as PRITA continues to fund a private ferry service while one of its cargo ferries remains inoperable. The funds were provided by the central government in a one-time special appropriation earlier this fiscal year. PRITA is forecast to end FY19 in a cash deficit of ($0.3M) primarily driven by its PayGo obligation.

A. FY19 Operating Liquidity – Actuals[6] vs. Forecast

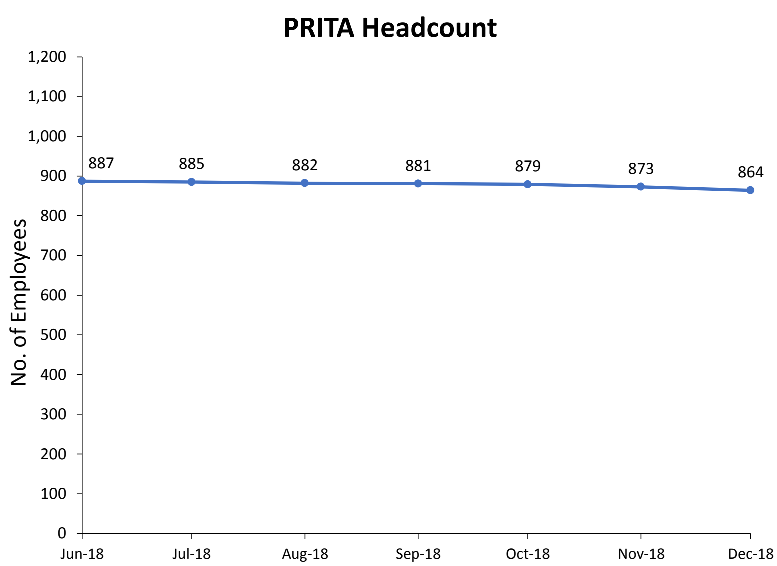
1. $3.8M YTD actuals vs. Liquidity Plan:
   a. $3.5M in operating receipts of which $3.3M is permanent due to an insurance settlement receipt collected by ATM which was not considered in the forecast.
   b. $1.7M timing variance in intergovernmental receipts, expected to reverse during the balance of FY19.
   c. $3.3M variance in federal grant receipts, which is timing and expected to reverse in FY19.
   d. $2.8M variance in operating disbursements is timing related, and expected to reverse in FY19.
   e. ($7.6M) timing variance in CapEx as PRITA continues to fund a private ferry service. Disbursements were forecast to occur later in the fiscal year and will reverse during the balance of FY19.



2. ($25.6M) forecast Jan-19 through Jun-19 cash burn:
   a. The decline in cash through year end is due to negative operating cash flow of $15.4M, which is largely driven by PayGo expense.
   b. The remaining $10.3M is due to CapEx spend (ATM – ferries), which is on schedule to disburse in FY19.

B. Headcount / Payroll

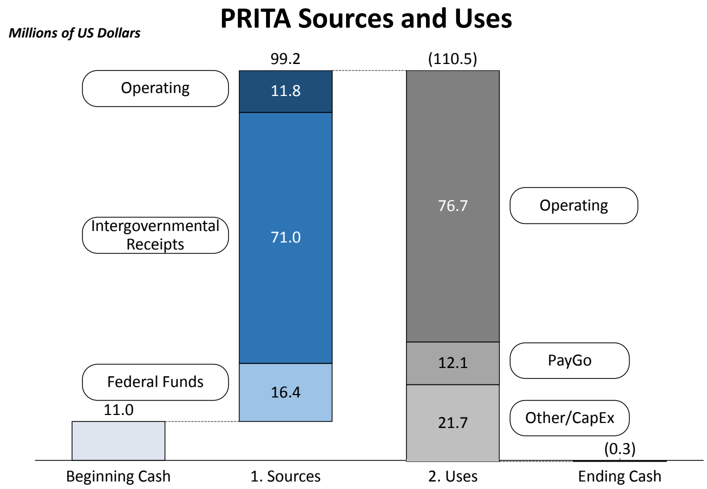
1. Headcount FTEs: Decreased from 887 to 864 from Jun-18 to Dec-18.
2. Payroll: Disbursements are forecast to be $48.1M for FY19. YTD payroll is $21.9M.
   a. YTD payroll actual spend is lower than forecast due to lower overtime expenses at ATM. The variance is considered timing, however, as AMA is expected to pay $0.9M in judgments for wage claims filed on behalf of employees in calendar year 2018, reversing the savings in overtime expenses.



---

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

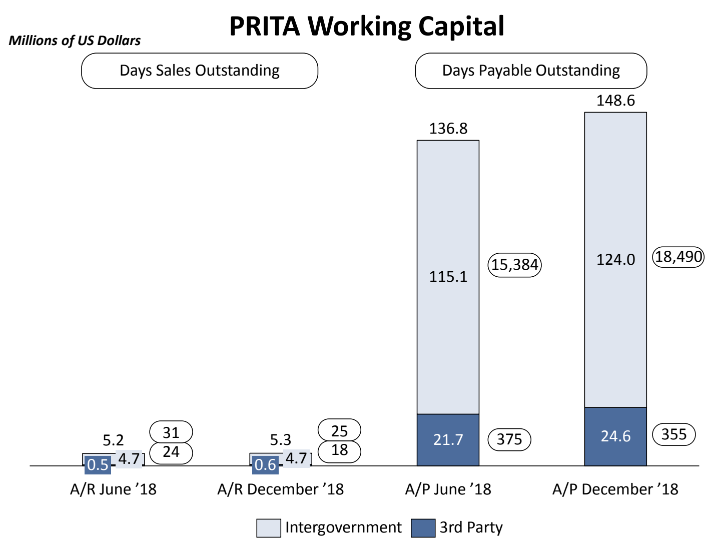
C. Full Year FY19 Sources and Uses of Funds



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

1. Sources $99.2M:
   a. Operating receipts of $11.8M, composed primarily of ferries/cargo (41%), bus fares (26%), and miscellaneous receipts (33%).
   b. Intergovernmental receipts of $71.0M with 52% coming from cigarette taxes, 26% from General Fund appropriations, and 22% from a special government appropriation specifically marked for CapEx.
   c. FTA federal fund grants of $16.4M.
2. Uses (S110.5M):
   a. Operating disbursements total ($76.7M), of which payroll, including Christmas Bonus, is ($48.2M). Materials and Supplies are ($12.2M), purchased services are ($6.5M), facilities for payments to public services are ($3.1M), professional services are ($2.8M), and all other operating disbursements are $(4.0M).
   b. PayGo is ($12.1M), of which ($0.4M) has been disbursed YTD.
   c. CapEx is projected to be ($21.7M), of which ($11.4M) has been disbursed YTD.

D. Accounts Receivable / Accounts Payable[7]



1. Accounts Receivable:
   a. $0.1M increase from Jun-18 to Dec-18 driven by an increase in third party receivables.
   b. Intergovernmental receivables remained flat.
   c. DSO in the same time period fell by 6 days, from 24 to 18, due to an increase in PRITA's third party receipts base.
2. Accounts Payable:
   a. $11.8M increase from Jun-18 to Dec-18 driven by an increase in intergovernmental payables of $8.9M and third party payables of $2.9M.
   b. Third party DPO decreased from 375 to 355 in the same time period due to an increase in PRITA's third party expense base, primarily driven by materials and supplies and purchased services.
3. Working Capital:
   a. $11.7M source of cash since Jun-18 as PRITA stretched payables by $11.8M; slightly offset by a $0.1M increase in receivables.

---

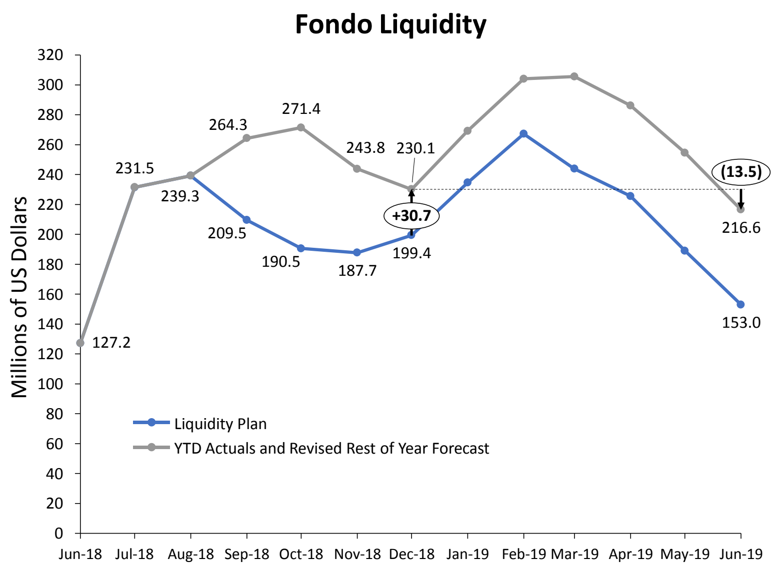
[7] Figures are unaudited and subject to change.

IV. PUERTO RICO STATE INSURANCE FUND CORPORATION ("Fondo")

Primary Business Activity: Fondo provides workers' compensation and disability insurance to public and private employees, and 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. Fondo also provides medical services to its insured population.

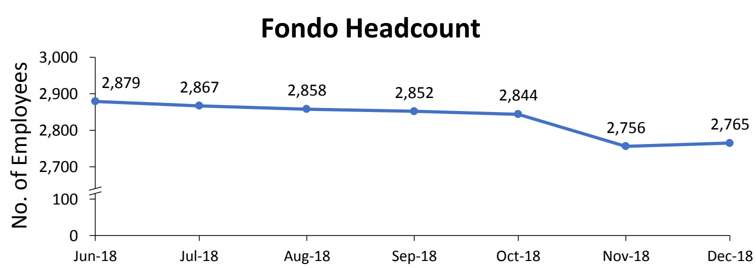
Key Takeaways: Through December, Fondo has generated $102.9M in cash, and ended December with $230.1M in available cash. The liquidity position was higher due to seasonality; premium collections typically occur in July and August and again in January. Overall collections related to insurance premiums are projected to increase over the prior year FY18 due to post-hurricane reconstruction efforts driving increased economic activity, including higher employment, and consequently the need for more workers' compensation insurance.

A. FY19 Operating Liquidity – Actuals[8] vs. Forecast



1. $30.7M YTD actuals vs. Liquidity Plan:
   a. $7.3M favorable variance in premiums collections due to the new online advance payment system driving accelerated collections from employers in FY19, which is reversing.
   b. $9.4M favorable timing variance in PayGo charges, which is expected to reverse during FY19.
   c. $6.5M favorable timing variance in purchased services and medical supplies; variance is expected to reverse in FY19 as no payments were made for two weeks in Dec-18 due to tax negotiations and systems delays.
   d. $5.9M favorable variance in claims-related disbursements which may be permanent.
   e. $2.0M favorable timing variance in CapEx spending is expected to reverse in Feb-19 or Mar-19 when Fondo makes final payment related to the building of the Industrial Hospital.
   f. ($2.5M) unfavorable permanent variance in unfunded disaster spend related to building repairs from hurricane damage: it is currently uncertain if and how much Fondo would receive in reimbursement funds from FEMA or its insurance providers.
   g. ($2.2M) unfavorable timing variance in payroll and related costs, which is expected to reverse the week ending 1/4.
   h. ($1.8M) unfavorable timing variance in intergovernmental disbursements, which is expected to reverse in FY19 as Fondo makes these payments in accordance with various legislation.
   i. $5.8M variance in other disbursements is timing related.
2. ($13.5M) forecast Jan-18 through Jun-19 cash burn:
   a. Fondo's liquidity position is typically impacted by the seasonal insurance premium invoicing, which occurs only twice per year, typically in July and January. Subsequently, after January, normal operating expenses will outpace collections, which are expected to be minimal given the seasonal trend.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 2,879 to 2,765 from Jun-18 to Dec-18.
   a. 86 employees entered the VTP Phase III and are no longer part of Fondo's recorded headcount total as of 12/31.
2. Payroll: Disbursements are forecast to be ($215.5M) for FY19. YTD payroll is ($109.8M).
   a. YTD payroll is currently above forecast due to timing of wage disbursements.
   b. Fondo expects to realize $0.6M savings from medical insurance plan benefits and other related costs no longer obligated to all 120+ VTP participants.
   c. Christmas bonus payments ($1.7M) were disbursed in the week ending 12/7 and were in line with forecast.

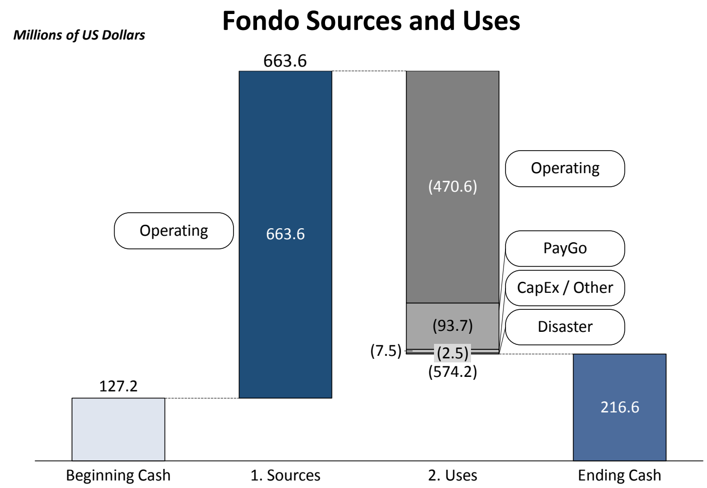
---

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

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

C. Full Year FY19 Sources and Uses of Funds

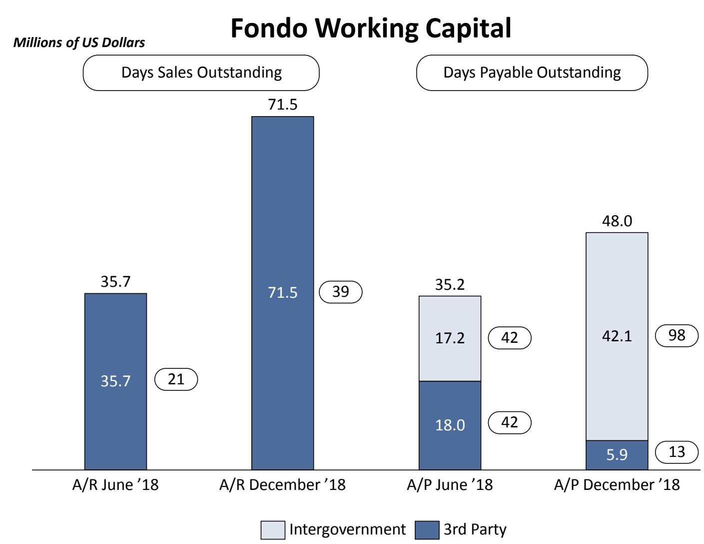
1. Sources $663.6M:
   a. Premium collections account for 100% of operating receipts.
2. Uses ($574.2M):
   a. Operating expenses total ($470.6M), of which payroll is ($215.5M) and claims-related disbursements are ($81.6M). Excluding these two expenses, the majority of Fondo's operating expenses consist of: payments made to other government entities as determined by laws, and expenses pertaining to medical services, such as purchased services, equipment, and supplies. The biggest unknown variable in cash disbursements has been the level of claims paid out, and from year to year, there may be material differences in the level of claims given that Fondo's insurance products provide unlimited benefits.
   b. PayGo disbursements are projected to amount to ($93.7M) in FY19. Fondo made one payment of ($7.5M) related to the Jun-18 PayGo invoice in Jul-18 and two payments totaling ($14.0M) for FY19. In FY18, Fondo consistently made its required PayGo contributions, with the exception of Jun-18's contribution amount, which rolled over into FY19 as mentioned previously.
   c. CapEx is projected to be ($10.0M) in FY19. YTD CapEx spend amounts to ($8.0M) related to the Industrial Hospital construction.
   d. Disaster-related spend is ($2.5M) YTD related to building repair work after the hurricanes.
   e. Other amounts to ($2.5M).



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

D. Accounts Receivable / Accounts Payable[9]

1. Accounts Receivable:
   a. $35.8M increase from Jun-18 to Dec-18 driven by third party receivables increases due to the July premiums invoicing period.
   b. There will be a material reduction in these receivables as payments for these invoices become due in Jan-19.
2. Accounts Payable:
   a. $12.8M increase from Jun-18 to Dec-18 driven by a $24.9M increase in intergovernmental payables from Jun-18 to Dec-18, consisting mostly of accrued payables pertaining to PayGo. Increase partially offset by paydowns to medical supplies and prescription drug vendors as well as building contractor groups.
   b. There are invoice delays on part of PayGo, and Fondo is currently behind forecast with regard to its contributions.
3. Working Capital:
   a. Unfavorable by $23.0M as increases in accounts receivable pertaining to premiums collections have outpaced the accrued amounts owed to intergovernmental entities, particularly PayGo payments owed to Hacienda.



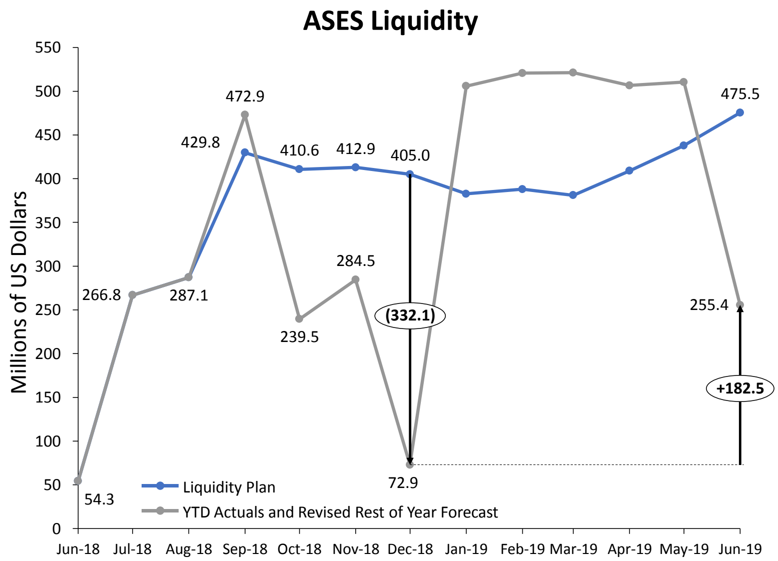
[9] Figures are unaudited and subject to change.

V. HEALTH INSURANCE ADMINISTRATION ("ASES")

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

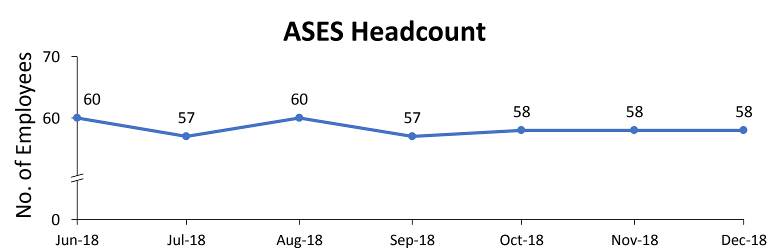
Key Takeaways: Due to changes brought about by BBA 2018[10], ASES is eligible to receive up to $4.6B in supplemental federal funding and is subject to new matching rates for Medicaid through Sep-19. As a result, federal funding is higher and state funding sources are reduced in FY19 relative to FY18. ASES's unfavorable ($332.1M) cash position at the end of December vs. Liquidity Plan is due to delays in federal funding receipts as a result of the CMS certification process of the new health plan model.

A. FY19 Operating Liquidity – Actuals[11] vs. Forecast



1. ($332.1M) YTD actuals vs. Liquidity Plan:
   a. ($380.6M) Federal funds: delayed due to the CMS certification process of the new health plan model.
   b. ($50.1M) Other intergovernmental funding: ($43.8M) relates to receipts from municipalities and employers which is expected to be permanently unfavorable. Per recent Puerto Rico legislation, CRIM receipts have been suspended through Sep-19.
   c. $107.0M MCO Premiums: this variance is timing related and is expected to fully reverse by year end. The variance is largely due to delays in obtaining enrollment verifications for ASES members in Nov-18 and Dec-18 due to changes brought about by new health plan model.
   d. $8.4M other variances mainly related to prescription drug rebates and other income which are timing related.
2. $182.5M forecast Jan-19 through Jun-19 cash build:
   a. Change in cash reflects $70.1M from the original forecast and $112.0M in incremental cash changes from the original forecast.
   b. For the six-month period ending Jun-19, ASES is expected to generate $299.4M in favorability from federal funding, primarily due to federal funding delays occurring in the 1st half of FY19.
   c. Offsetting these changes are unfavorable changes from MCO premiums of ($142.8M) due to catch-up payments from Nov-18 and Dec-18 caused by delays in enrollment verification of ASES members. In addition, municipalities and employers are expected to be unfavorable by ($51.9M) due to the suspension of CRIM receipts.
   d. The net of YTD and projected variances indicates a decline in cash of $220.0M by year end relative to the Liquidity Plan, which is mainly due to the timing of federal funds from Jun-19 falling into FY20.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 60 to 58 from Jun-18 to Dec-18.
   a. Hiring process is underway but subject to numerous government approvals and requirements which defer the onboarding of new FTEs.
2. Payroll: Disbursements are forecast to be $6.0M for FY19. YTD payroll is $1.8M.
   a. Payroll: YTD run-rate of payroll is below the annual forecast due to the delayed onboarding of new FTEs per the BBA's requirements for new departments: MMIS and Fraud Detection. The delay is due to various government and OMB approval processes required before the new FTEs can be hired.
   b. Payroll is expected to increase significantly in the second half of FY19 as new FTEs are added to comply with elements of BBA 2018.

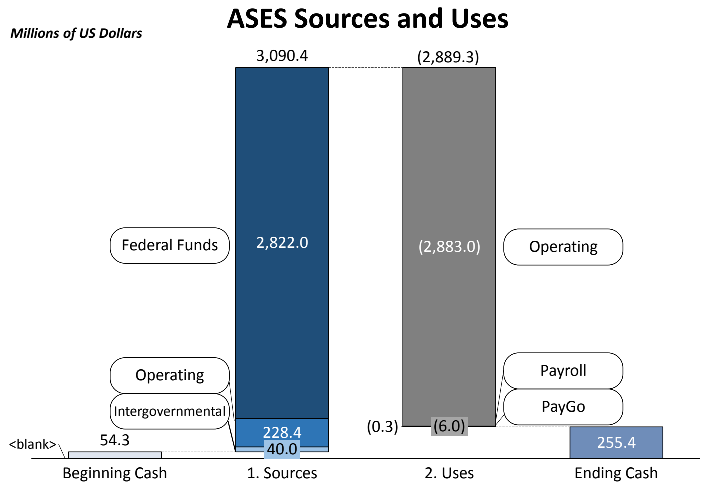
---

10 Bi-Partisan Budget Act of 2018.

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

C. Full Year FY19 Sources and Uses of Funds

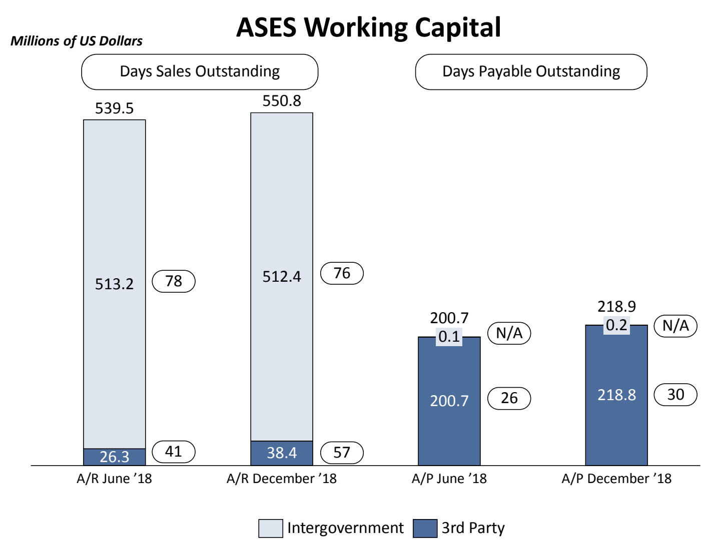
1. Sources $3,090.4M:
   a. Federal funding makes up $2,822.0M of receipts. Third party operating receipts consist of drug rebates of $216.7M and other income of $11.6M. The intergovernmental receipts of $40.0M are related to state funding of $15.2M and $24.8M of municipality and employer receipts.
2. Uses ($2,889.3M):
   a. Operating disbursements are primarily related to healthcare premiums and related costs ($2,863.9M). The largest component of healthcare premiums and related costs are MCO premiums of ($2,767.2M), followed by the PBM administrator and HIV program of ($66.6M) and Platino premiums of ($30.1M).
   b. The remaining disbursements include other operating payments of ($19.1M) which relate to ASES' administrative costs and overhead expenses, payroll of ($6.0M), and PayGo of ($0.3M).



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

D. Accounts Receivable / Accounts Payable[12]

1. Accounts Receivable:
   a. $11.3M increase from Jun-18 to Dec-18 driven by $12.1M in third party receivables, primarily related to prescription drug rebates.
2. Accounts Payable:
   a. $18.2M increase from Jun-18 to Dec-18, driven primarily by third party payables increases of $18.1M. The primary component of third party payables increases are obligations to one particular MCO.
3. Working Capital:
   a. Changes are favorable by $6.9M, representing approximately 0.2% of FY19 sources of cash.



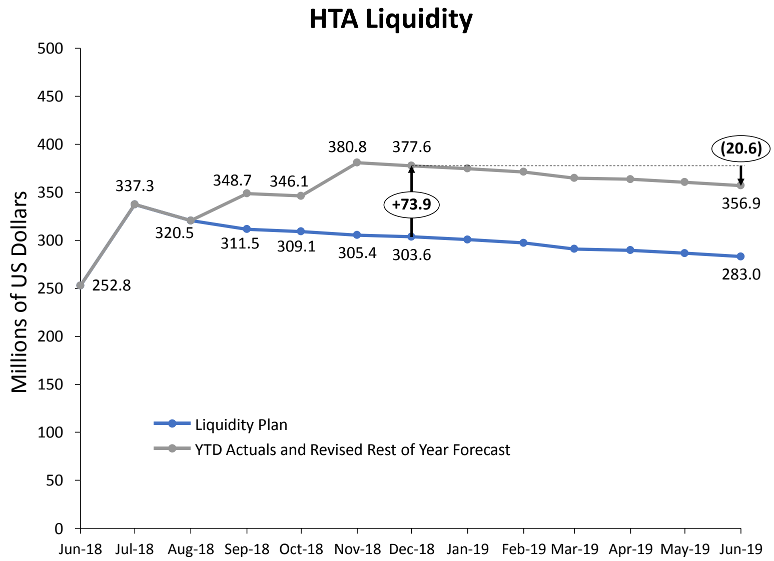
[12] Figures are unaudited and subject to change.

VI. HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")

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

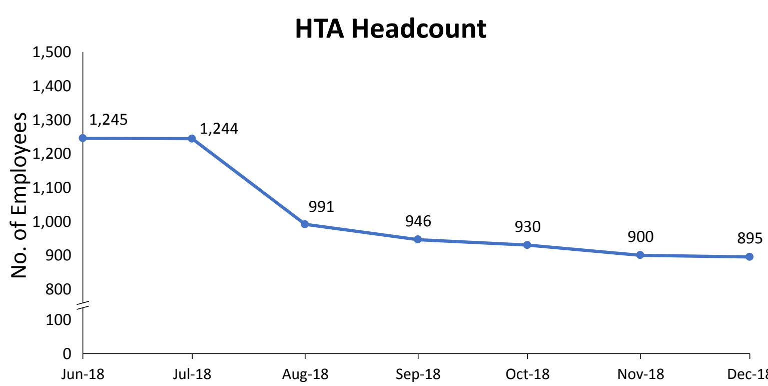
Key Takeaways: In December, HTA continued to receive transfers from the central government for infrastructure projects ahead of schedule, bringing the YTD variance to $59.1M. Receipt of federal grants for CapEx projects has been stalled due to HTA's delay in requesting funds to finance projects given a shortage of qualified, licensed contractors available for such work, thus temporarily contributing to a cash build of $11.8M. YTD ending cash balance for HTA is $377.6M.

A. FY19 Operating Liquidity – Actuals[13] vs. Forecast



1. $73.9M YTD actuals vs. Liquidity Plan:
   a. ($117.4M) in total receipts driven by:
      1. ($2.0M) permanent variance in operating receipts, which are a results of lower collections in Electronic Toll Fines, and higher collections in Toll Fares and Other Income.
      2. $59.1M timing variance in intergovernmental receipts, which include transfers from the central government of $8.1M and funding for infrastructure projects of $51.0M, as HTA has collected on CapEx funding earlier than forecast, which is expected to reverse during the balance of FY19.
      3. ($174.5M) timing variance in federal grant receipts, which is expected to be collected in FY19.
   b. $191.8M in total disbursements driven by:
      1. $5.5M timing variance in operating disbursements, expected to reverse during the balance of FY19.
      2. $186.3M timing variances in CapEx where projects have been delayed due to availability of approved contractors. Funds are expected to be disbursed in FY19.
   c. ($0.5M) timing variance in other inflows/outflows, expected to reverse during the balance of FY19.
2. ($20.6M) forecast Jan-19 through Jun-19 cash burn:
   a. $75.8M in operating receipts.
   b. $89.7M comprised mainly of Puerto Rico Government Infrastructure funding of $41.0M and transfers from Puerto Rico government pass through funds of $48.6M.
   c. $462.4M in federal grant transfers earmarked for CapEx projects.
   d. ($137.6M) in operating disbursements.
   e. ($510.9M) in CapEx disbursements, as delayed projects commence in FY19. Exact timing is still unknown as contractors are still being deployed to deliver projects.

B. Headcount / Payroll



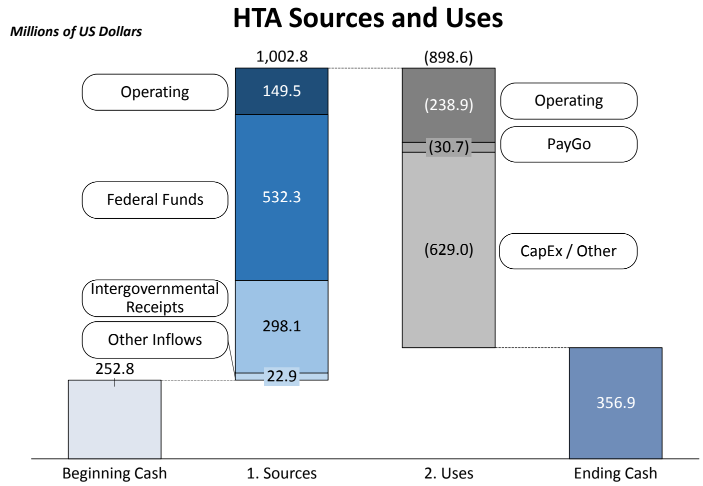
1. Headcount FTEs: Decreased from 1,245 to 895 from Jun-18 to Dec-18.
   a. Decrease in headcount over the course of FY19 is due to the VTP. It is not expected that these positions will be replaced.
2. Payroll: Disbursements are forecast to be $92.3M for FY19. YTD payroll is $46.1M.
   a. YTD payroll represents approximately 49.9% of total forecast FY19 spend and is in line with forecast.
   b. FY19 payroll of $92.3M is slightly higher than FY18 primarily due to the voluntary retirement program's one-time severance costs.

---

[13] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY19 Sources and Uses of Funds

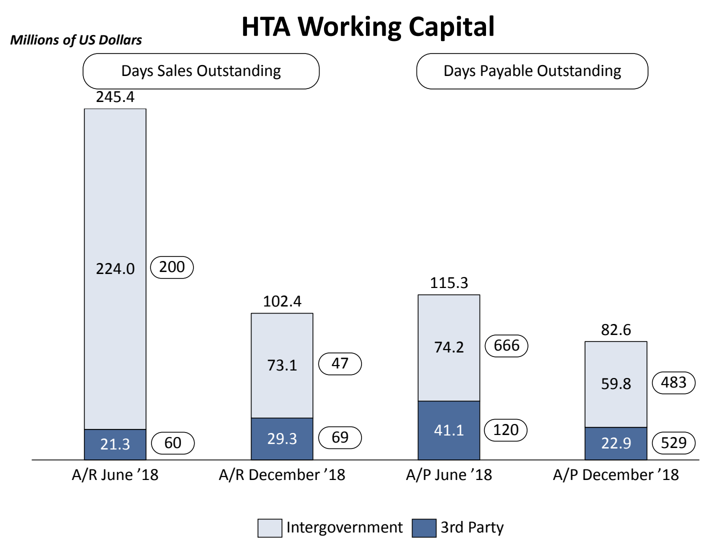
1. Sources $1,002.8M:
   a. $149.5M in operating receipts, with 79% coming from toll fares and 21% from toll fines and other income.
   b. $853.3M in other sources consisting of $298.1M petrol tax; $532.3M from other federal highway authority and federal transportation authority receipts, which includes $228.6M in emergency construction receipts; and $22.9M in other inflows.
2. Uses (S898.6M):
   a. Operating disbursements total ($238.9M), the largest components comprised of payroll at 34% and purchased services at 37%.
   b. PayGo totals ($30.7M).
   c. CapEx/Other total ($629.0M), consisting of CapEx ($369.8M), emergency reconstruction ($235.3M), and other outflows of ($23.9M).



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

D. Accounts Receivable / Accounts Payable[14]

1. Accounts Receivable:
   a. $143.0M decrease from Jun-18 to Dec-18 driven by an audit adjustment to write off retained revenue with the Department of Treasury (Hacienda).
2. Accounts Payable:
   a. $32.7M decrease from Jun-18 to Dec-18 driven by a decrease in third party payables of ($18.3M), along with a decrease in intergovernmental payables of ($14.4M).
3. Working Capital:
   a. Total change in net working capital is heavily influenced by a decrease in receivables due to a write off with the Department of Treasury.
   b. Third party working capital decreased by $26.2M since Jun-18, as receivables increased by $8.0M and payables decreased by $18.2M.



[14] Figures are unaudited and subject to change.

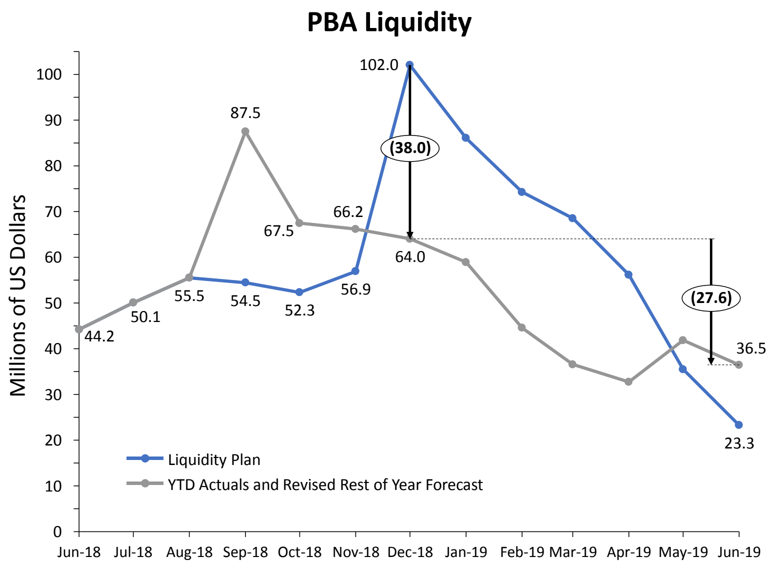
VII. PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")

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

Key Takeaways: In December, PBA was forecast to receive approximately $52.3M in insurance proceeds to cover damages caused by hurricanes Maria and Irma; however, funds have not yet been received, resulting in a ($38.5M) YTD net cash flow versus the Liquidity Plan. Partially offsetting the lack of disaster-related receipts is a temporary delay in PayGo and PREPA/PRASA payments, both of which are expected to normalize beginning in Q3 FY19. December ending cash balance is $64.0M, and year-end cash is forecast to be $36.5M.

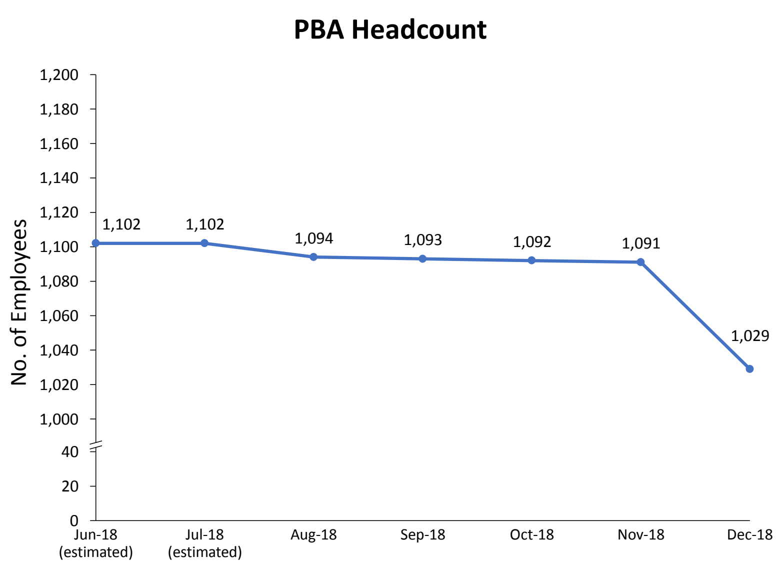
A. FY19 Operating Liquidity – Actuals[15] vs. Forecast

1. ($38.0M) YTD actuals vs. Liquidity Plan:
   a. $1.4M in operating receipts primarily driven by a $1.0M permanent variance as PBA received an insurance settlement which was not forecast.
   b. $21.0M in direct rent and rent transfers from Hacienda of which $13.7M is permanent due to past accounts receivables collections in direct rent and higher rent transfers received from Hacienda vs. what was forecast.
   c. ($61.7M) in disaster-related receipts attributable to a timing variance where $52.3M in insurance proceeds and $9.4M in FEMA receipts have not come in yet. Management expects this variance to reverse in FY19.
2. ($27.6M) forecast Jan-19 through Jun-19 cash burn:
   a. $123.8M in forecast total receipts primarily driven by $0.5M in operating receipts, $59.0M in inter-governmental receipts, and $64.4M in disaster-related receipts.
   b. ($151.4M) in forecast total disbursements driven by ($75.6M) in operating disbursements and ($75.8M) in disaster-related disbursements.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 1,102 to 1,029 from Jun-18 to Dec-18.
   a. Drop in headcount over the course of FY19 is due to VTP. These positions will not be replaced.
2. Payroll: Disbursements are forecast to be $60.3M for FY19. YTD payroll is $29.2M.
   a. FY19 payroll is expected to be $2.4M favorable to forecast as PBA expects to realize savings in its reduced employee benefit costs.
   b. Savings from headcount reduction will be realized in FY20.

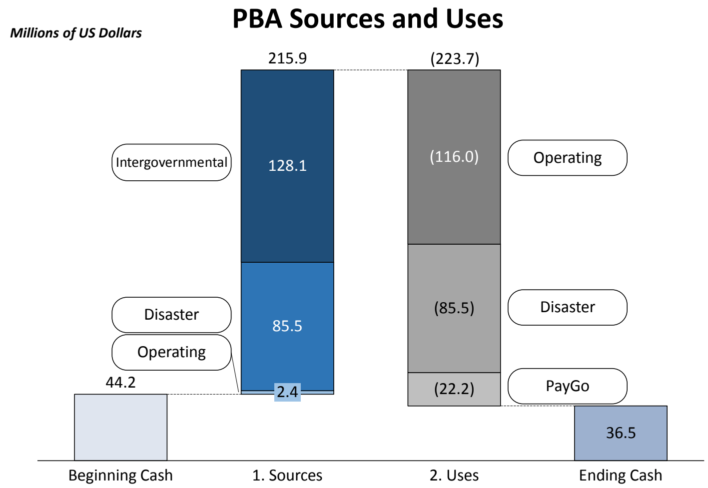


[15] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

VII. PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (Continued)

C. Full Year FY19 Sources and Uses of Funds

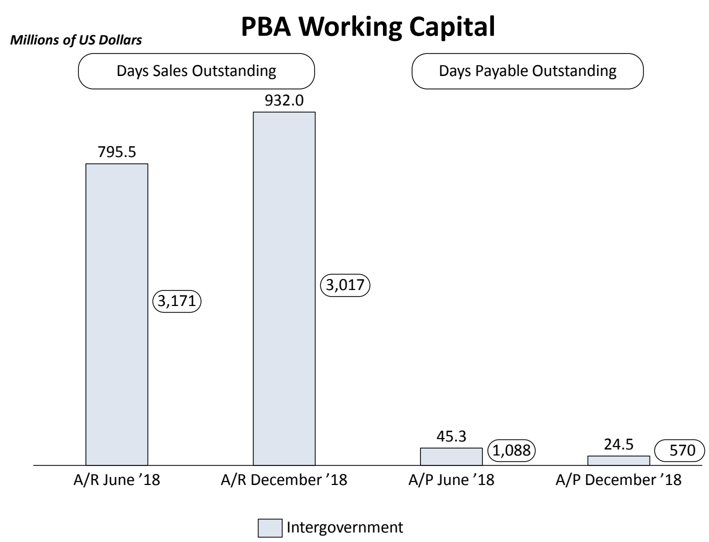
1. Sources $215.9M:
   a. PBA's FY19 receipts consist of intergovernmental receipts of $128.1M, disaster-related receipts of $85.5M that include insurance receipts of $75.0M and FEMA funding of $10.5M, and other operating receipts of $2.4M.
2. Uses (S223.7M):
   a. Operating disbursements total ($116.0M), consisting of payroll ($60.3M), purchased services ($22.5M), facilities and payments to public services ($20.7M), debt services ($7.9M), professional services ($0.9M) and other operating expenses of ($3.7M).
   b. Disaster-related funds and expenses are expected to pass through. PBA projects to receive and disburse $85.5M in FY19. YTD, PBA has received $21.1M in disaster-related receipts and has disbursed $9.7M. The discrepancy between received and disbursed is timing related and expected to reverse in Q3 and Q4 of FY19.
   c. PayGo contributions are forecast to be ($22.2M), with no payments made YTD.



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

D. Accounts Receivable / Accounts Payable[16]

1. Accounts Receivable:
   a. $136.5M increase from Jun-18 to Dec-18 driven by intergovernmental receivables including accrued rent and debt service.
2. Accounts Payable:
   a. $20.8M decrease from Jun-18 to Dec-18 driven by intergovernmental payables primarily due to payments for facilities and public services and a Hacienda write-down in PayGo charges as aged invoices were not valid and did not contain the correct amount.
3. Working Capital:
   a. $157.3M uses of cash for the six months ending Dec-18, largely due to an increase in intergovernmental receivables.



[16] Figures are unaudited and subject to change.

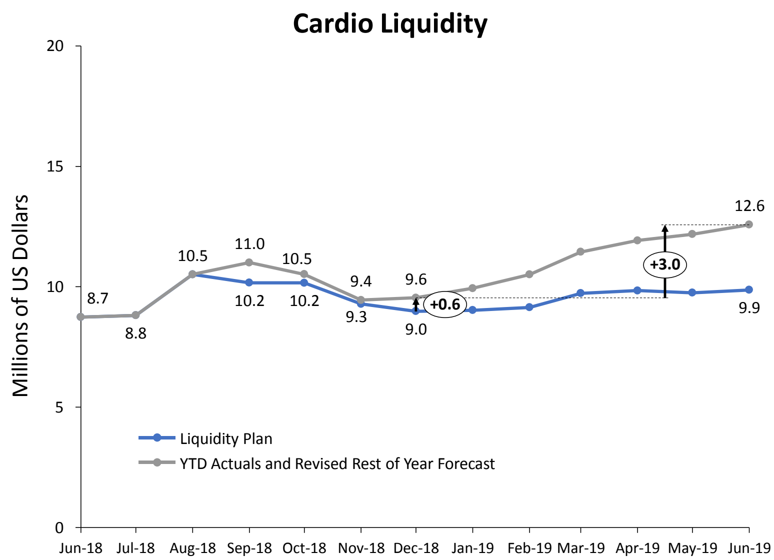
VIII. CARDIOVASCULAR CENTER FOR PUERTO RICO AND THE CARIBBEAN ("Cardio")

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

Key Takeaways: Cardio's collections were strong in the first six months of FY19, with Cardio generating patient collections at an $81.0M annualized rate while increasing accounts receivable by $3.4M, indicating a higher activity level. However, Cardio remains challenged by labor shortages, as headcounts have dropped by 13% since Jul-17. This risk is mitigated by Cardio's policy to actively replace any vacancies occurring during the current year. Despite this, Cardio continues to suffer headcount losses due to a competitive hiring environment for nurses.

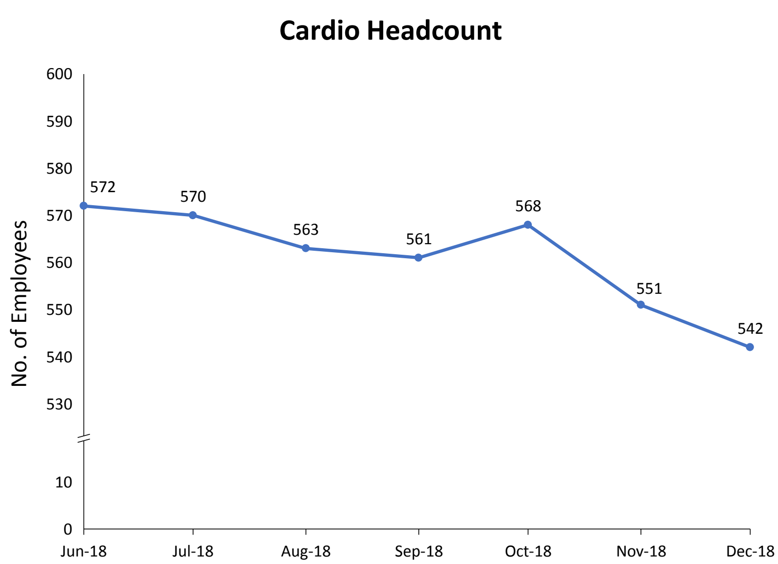
A. FY19 Operating Liquidity – Actuals[17] vs. Forecast

1. $0.6M YTD actuals vs. Liquidity Plan:
   a. $1.1M in receipts are mainly driven by higher patient collections of $0.9M and rental receipts of $0.2M.
   b. $2.3M Payroll permanent favorable variance is impacted by falling headcounts.
   c. $0.2M in PayGo, which is timing related.
   d. ($3.8M) in vendor disbursements are impacted by a third party accounts payable paydown of $3.7M, primarily related to purchased services. Based on historical trends in spending, it is expected that this variance will become permanent.
   e. $0.8M favorable CapEx variance is timing related.
2. $3.0M forecast Jan-18 through Jun-19 cash build:
   a. Continued favorability in patient collections are expected to drive the cash build through year end.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 572 to 542 from Jun-18 to Dec-18.
   a. Cardio has had historical issues with staffing turnover, particularly after Hurricane Maria. For comparison purposes, Cardio had 623 employees at the end of Jul-17, which was pre-Maria.
   b. The continued loss of staff may eventually put Cardio in a strained position to meet the healthcare needs of its patients. This risk is mitigated by Cardio's policy to actively replace any vacancies occurring during the current year. Despite this, Cardio continues to suffer headcount losses due to a competitive hiring environment for nurses.
2. Payroll: Disbursements are forecast to be $28.3M for FY19. YTD payroll is $13.3M.
   a. YTD payroll is behind forecast due to headcount losses occurring during the year.

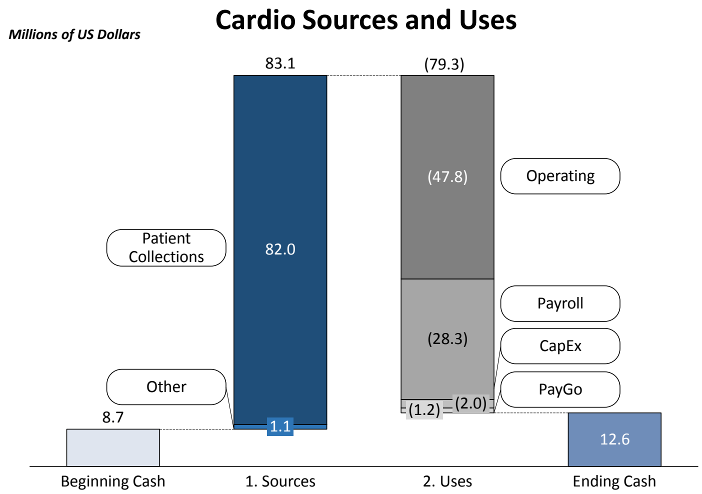


---

[17] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY19 Sources and Uses of Funds

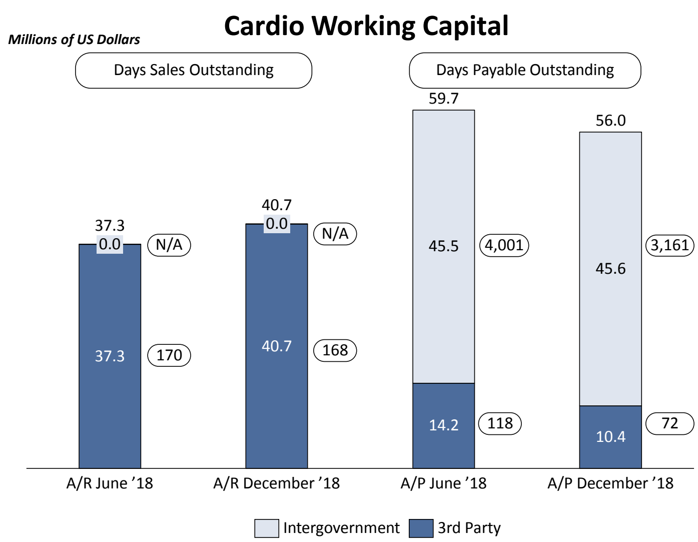
1. Sources $83.1M:
   a. $82.0M, or 99% of sources of funds, is related to patient service collections. The balance of other sources is $1.1M, or 1%, which is primarily rent paid by physicians for office space inside the hospital.
2. Uses (S79.3M):
   a. Operating disbursements total ($76.1M), with Payroll representing ($28.3M), purchased services of ($29.5M), professional fees of ($7.5M), materials and supplies of ($5.5M), facilities and payments for public services of ($4.6M), and other operating expenses of ($0.7M).
   b. CapEx is expected to reach ($2.0M) by the end of FY19.
   c. PayGo disbursements of ($1.2M).



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

D. Accounts Receivable / Accounts Payable[18]

1. Accounts Receivable:
   a. $3.4M increase from Jun-18 to Dec-18 driven by mostly third party receivables.
2. Accounts Payable:
   a. $3.7M decrease from Jun-18 to Dec-18 driven by a $3.8M decrease to third party payables.
3. Working Capital:
   a. Changes were unfavorable by $7.1M, representing 9% of FY19 use of cash.



18 Figures are unaudited and subject to change.

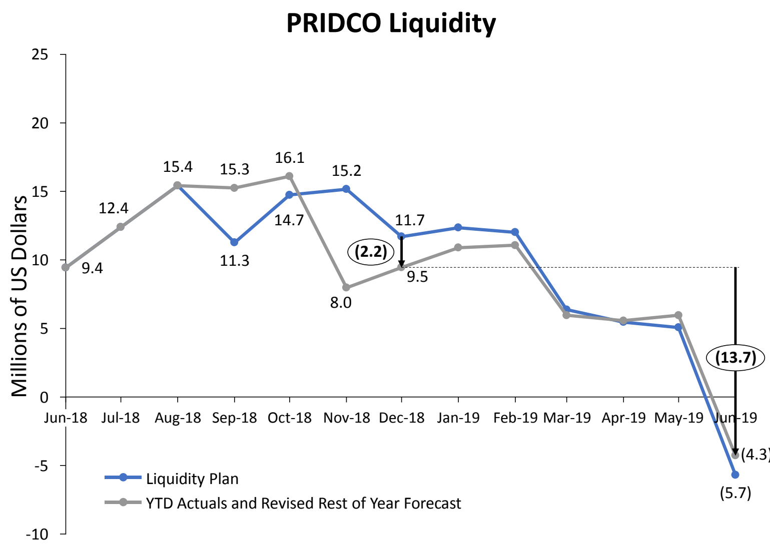
IX. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION ("PRIDCO")

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

Key Takeaways: Due to the impact of Hurricane Maria, rental receipts in FY19 are impacted to the extent certain properties remain unmarketable or are in less than 100% usable condition, resulting in rent-related concessions. PRIDCO continues to make needed Maria-related repairs and maintenance, and has $23.0M in outstanding insurance claims. While PRIDCO expects full reimbursement, the timing of this inflow is uncertain which may impact liquidity as PRIDCO continues to incur these expenses. Due to this and taking into account PayGo obligations, PRIDCO is forecasting a cash deficit for FY19, not including debt reserve obligations. Notwithstanding, from July to November, PRIDCO set aside in a separate bank account $9.1M with respect to debt service obligations.

A. FY19 Operating Liquidity – Actuals[19] vs. Forecast

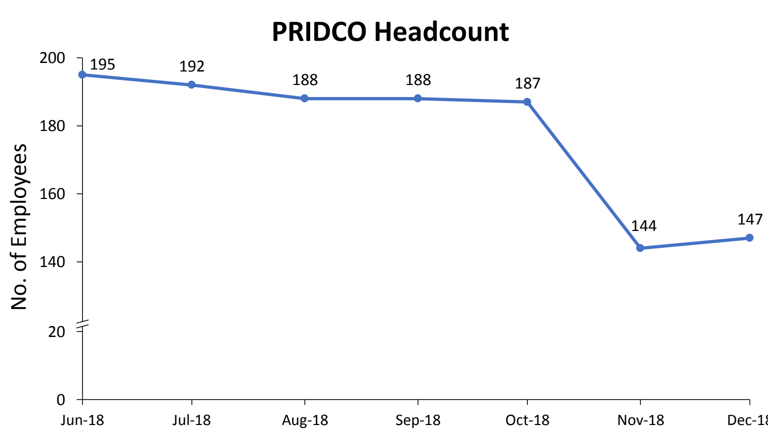
1. ($2.2M) YTD actuals vs. Liquidity Plan:
   a. ($6.7M) in receipts are unfavorable primarily due to the impact of asset sales of ($6.5M).
   b. $4.0M in PayGo charges are favorable results YTD which are currently projected to be timing related. PRIDCO is cash constrained to meet both PayGo and trustee debt service requirements.
   c. ($0.5M) in payroll is timing related, and expected to reverse in FY19.
   d. $0.8M in vendor disbursements is timing related, and expected to reverse in FY19.
   e. ($0.9M) in Maria-related repairs and maintenance, which is timing related, and expected to reverse in FY19.
   f. $1.0M CapEx which is timing related and should reverse by year end.



2. ($13.7M) forecast Jan-18 through Jun-19 cash burn:
   a. Decline in liquidity is driven by amounts placed in restricted accounts assigned to H1 FY19 debt obligations ($9.0M) and PayGo ($14.4M). YTD payments for PayGo total $1.2M.
   b. $9.1M was transferred from an unrestricted to a restricted account, but no amounts have been made to the trustee for the PRIDCO debt obligations.

B. Headcount / Payroll

1. Headcount FTEs: Decreased from 195 to 147 from Jun-18 to Dec-18.
   a. The large decline in headcount is related to the transfer of 42 employees from PRIDCO's business development department to DDEC, a related entity providing management services to PRIDCO.
2. Payroll: Disbursements are forecast to be $14.6M for FY19. YTD payroll is $7.8M, and expected to be in line with the forecast.
   a. Despite the loss of FTEs, PRIDCO will retain responsibility for its payroll through at least Q2 FY19. In addition, payroll was tracking at a higher run rate than forecast and is ($0.5M) unfavorable December YTD. Accordingly, payroll is expected to remain in line with the original forecast, despite these changes.

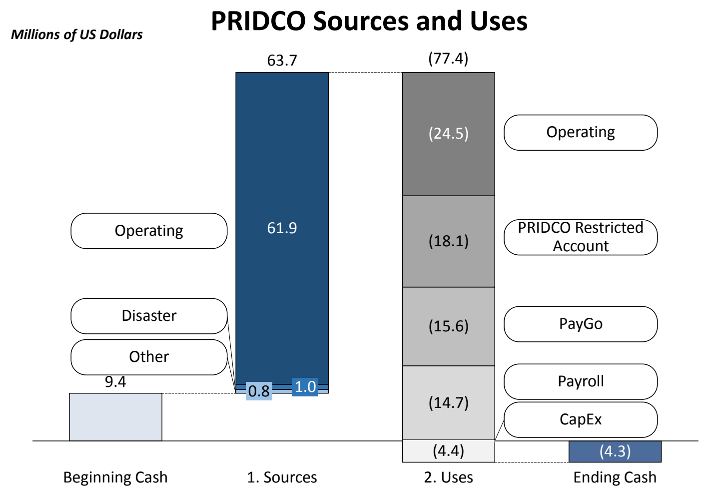


---

[19] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY19 Sources and Uses of Funds

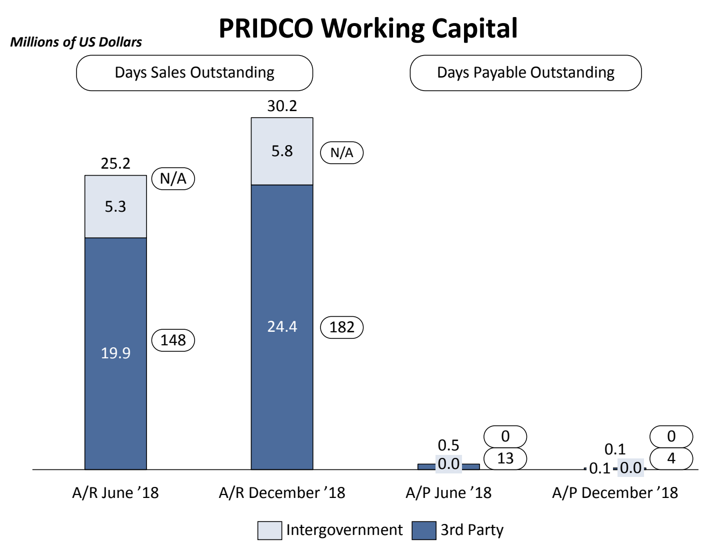
1. Sources $63.7M:
   a. Primary sources of cash are operating receipts of $62.1M consisting of: rental receipts for $46.7M, asset sales for $10.7M, and other receipts for $4.5M. In addition, there are $1.0M in net insurance-related disaster proceeds and $0.8M in other related to net transfers in/(out).
2. Uses (S77.4M):
   a. Primary uses of cash are operating expenditures of ($24.5M), PRIDCO restricted account of ($18.1M), PayGo of ($15.6M), payroll and related expenses of ($14.7M), and CapEx of ($4.4M).



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

D. Accounts Receivable / Accounts Payable[20]

1. Accounts Receivable:
   a. $5.0M increase from Jun-18 to Dec-18 driven by a $4.5M increase in third party accounts receivable.
2. Accounts Payable:
   a. $0.4M decrease from Jun-18 to Dec-18, which was entirely third party.
   b. Total DPO decreased from 13 to 4 days.
3. Working Capital:
   a. Changes are unfavorable by $5.4M, representing 6.8% of FY19 uses of cash.



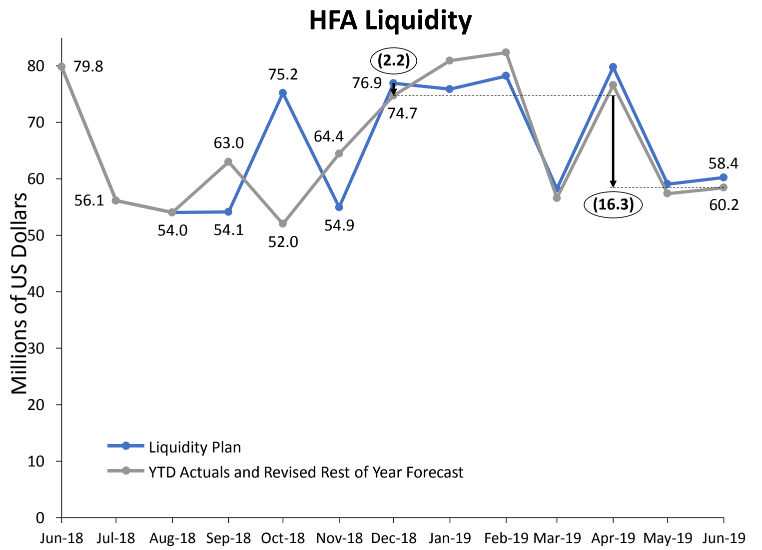
[20] Figures are unaudited and subject to change.

X. PUERTO RICO HOUSING FINANCE AUTHORITY ("HFA")

Primary Business Activity: HFA promotes the development of low-income housing and provides financing, subsidies, and incentives to help those who qualify to acquire or lease a home.

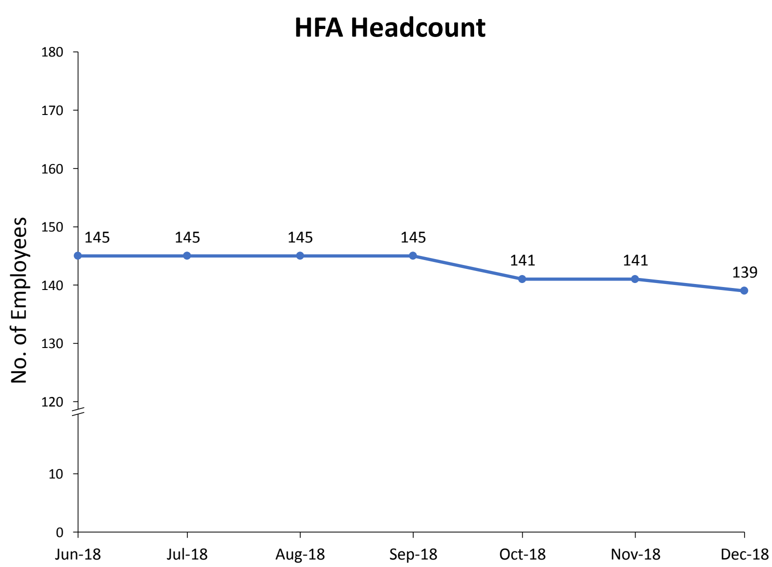
Key Takeaways: Month end December cash balance was $74.7M, while projected Liquidity Plan cash balance as of the same date was $76.9M; the ($2.2M) unfavorable variance was driven primarily by timing of federal fund activity. YTD $5.1M decline in cash is attributed to $9.3M in net federal fund disbursements and $7.4M in debt-related disbursements, partially offset by $5.9M and $5.7M in net balance sheet receipts and operating receipts, respectively. FY19 projected cash inflow includes $74.9M in pass-through proceeds from the Community Development Block Grant ("CDBG") that were awarded for the first time in FY19 and $150.1M in proceeds from HUD. HFA has not received any disbursements of CDBG funds to date, though it expects to receive the total allocation of funds in the current fiscal year. YTD, HFA has received $61.1M in funds from HUD.

A. FY19 Operating Liquidity – Actuals[21] vs. Forecast



1. ($2.2M) YTD actuals vs. Liquidity Plan:
   a. ($30.4M) in net federal fund negative variance relative to the forecast, driven primarily by lower receipts for HUD and CDBG.
   b. $26.3M improvement in net balance sheet disbursements is driven by lower cash disbursements for mortgage and construction loans, in addition to lower investment purchases.
   c. $1.5M positive variance in net operating disbursements, primarily due to lower-than-forecast spend on professional services, payroll, and other operating expenses.
   d. $0.4M positive variance in debt-related disbursements, as principal payments were slightly less than forecast.
2. ($16.3M) forecast Jan-19 through Jun-19 cash burn:
   a. HFA is expected to burn cash throughout the remainder of FY19, driven by $20.7M in net federal fund disbursements and $15.4M in debt-related payments, offset by ($16.2M) in net balance sheet receipts and ($3.6M) in net operating receipts.

B. Headcount / Payroll



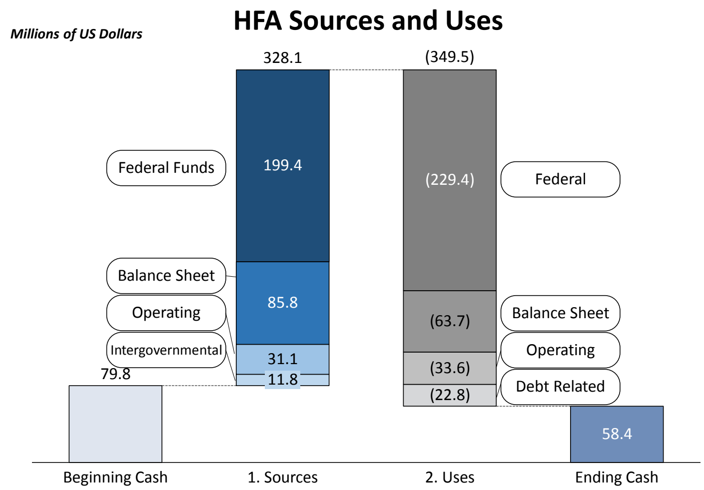
1. Headcount FTEs: Decreased from 145 to 139 from Jun-18 to Dec-18.
   a. Some employees took advantage of the voluntary retirement program.
   b. HFA does not plan on making any additions to the number of FTEs for FY19.
2. Payroll: Disbursements are forecast to be $8.5M for FY19. YTD payroll is $3.5M.
   a. Payroll has been revised from $11.3M in the Liquidity Plan to the current $8.5M to better represent expected FY19 cash disbursements.

---

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

X. PUERTO RICO HOUSING FINANCE AUTHORITY ("HFA") (Continued)

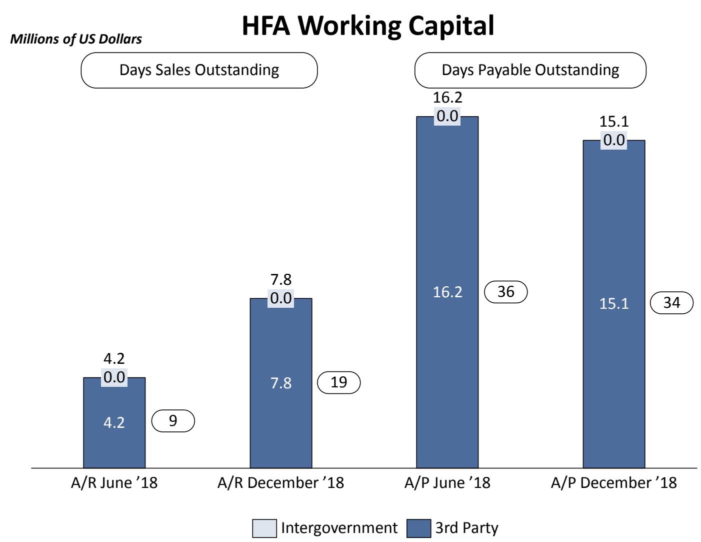
C. Full Year FY19 Sources and Uses of Funds



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

1. Sources $328.1M:
   a. Federal fund receipts of $199.4M will be used by HUD to help low-income homebuyers either purchase a home or subsidize their rent, and by the CDBG program to underwrite mortgages for qualifying low-income homebuyers.
   b. Balance sheet receipts of $85.8M, consisting of principal collected on mortgage loans and proceeds from the redemption of investments; as well as operating and intergovernmental receipts of $42.9M, consisting primarily of interest income on loans, deposits, and investments.
2. Uses (S349.5M):
   a. Total disbursements consist of: ($229.4M) of federal funds; balance sheet disbursements of ($63.7M), which will be used to originate mortgage and construction loans and to purchase investments with the proceeds from maturing T-Bills; operating disbursements of ($33.6M), comprised primarily of payroll, professional services, and federal funds used to fund operations; and debt-related disbursements of ($22.8M), which consist of ($20.2M) of principal payments and ($2.5M) of interest payments, for bonds, notes payable, and lines of credit.

D. Accounts Receivable / Accounts Payable[22]



1. Accounts Receivable:
   a. $3.6M increase from Jun-18 to Dec-18 driven by a slowdown in collections of third party receivables.
2. Accounts Payable:
   a. $1.1M decrease from Jun-18 to Dec-18 driven by a reduction in third party payables.
3. Working Capital:
   a. Third Party working capital has been a use of cash, totaling $4.7M.

[22] Figures are unaudited and subject to change.

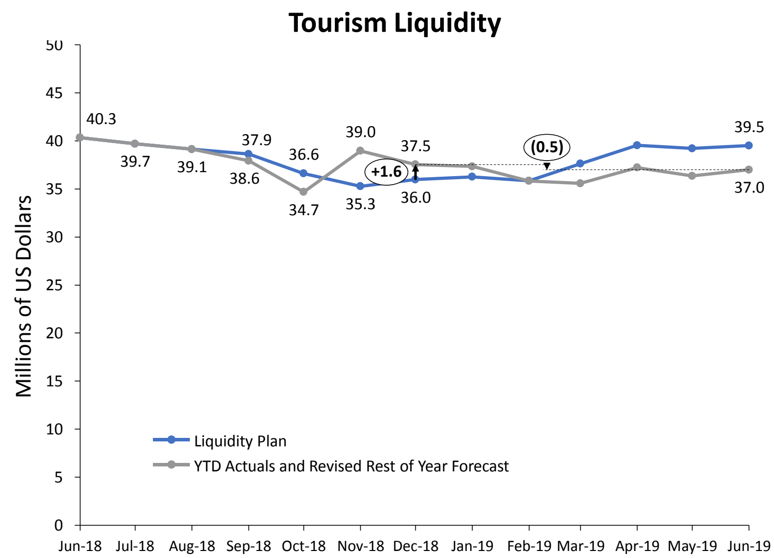
XI. TOURISM COMPANY OF PUERTO RICO ("Tourism")

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

Key Takeaways: Month end cash balance at December is $37.5M. Through its collections from slot machine gambling revenues and room taxes, Tourism funds the entirety of its operations and intergovernmental obligations through various waterfall distributions. Beginning in FY19, Tourism will no longer manage its external marketing campaign, as it is now contracted with the Direct Marketing Organization, or "DMO." Determined by Act 17 (2017), Tourism must pay up to, but not exceed, ($25.0M) this fiscal year to the DMO for contracted services.

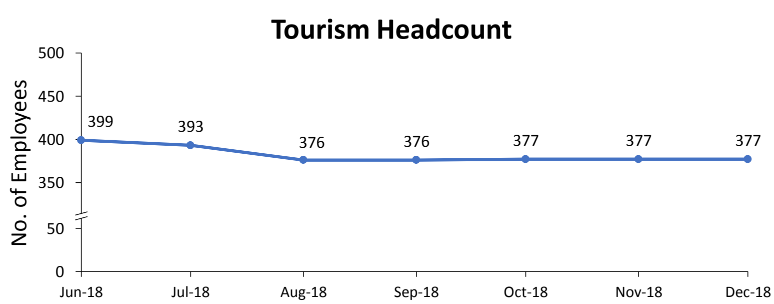
A. FY19 Operating Liquidity – Actuals[23] vs. Forecast

1. $1.6M YTD actuals vs. Liquidity Plan:
   a. $16.0M favorable permanent variance in slot machine collections is due to: increasing play from various contractors and tourists; increase in the average hold rate, or casino gains, of 8.5% to 10.3% from slot machine play from 2017 to 2018, driving more casino profits per machine; and increased enforcement on illegal slot machine operations, which is driving local players into more legitimate venues.
   b. ($16.0M) unfavorable variance in slot machine waterfall disbursements is due to both permanent and timing factors; disbursements are variable with slot machine collections, and as collections increase, so do the disbursements.
   c. ($2.3M) unfavorable permanent variance in media/ ad spend is driven primarily by rollover payments on Tourism's FY18 Marketing Contract ("IXS").
   d. $1.2M favorable permanent variance in payroll and other disbursements, which is outlined in detail below.
   e. $0.6M favorable timing variance in room tax waterfall disbursements, which is expected to reverse in January as Tourism makes the quarterly payment to CCDA, a payment originally forecast to occur in December.
   f. $2.1M favorable variance in other operating expenses driven primarily by timing of PayGo disbursements and delay in professional services and special events spend due to Tourism budget/contract(s) issues, which may become permanent.
2. ($0.5M) forecast Jan-19 through Jun-19 cash burn:
   a. Tourism expects to disburse an additional ($2.7M) pertaining to the FY18 marketing contract – spend previously deferred in FY18 due to hurricanes and was under budgeted in Q1 FY19. This spend may offset by favorable collection trends with regard to slot machine and room tax collections, which may continue to increase and lead to a cash build over FY19.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 399 to 377 from Jun-18 to Dec-18.
   a. Reduction in headcount driven primarily by 21 employees participating in VTP and officially being excluded from the headcount effective Aug-18.
   b. Headcount has remained relatively unchanged since Aug-18.
2. Payroll: Disbursements are forecast to be ($20.4M) for FY19. YTD payroll is ($9.9M).
   a. Tourism expects to disburse additional funds pertaining to its FY18 marketing contract and cruise line contracts that were delayed in FY18 due to the hurricanes and that were underbudgeted in FY19. The projected cash burn may be offset by favorable collection trends with regard to slot machine and room tax collections, which may lead to a cash build over FY19 if collections continue to increase over forecast.

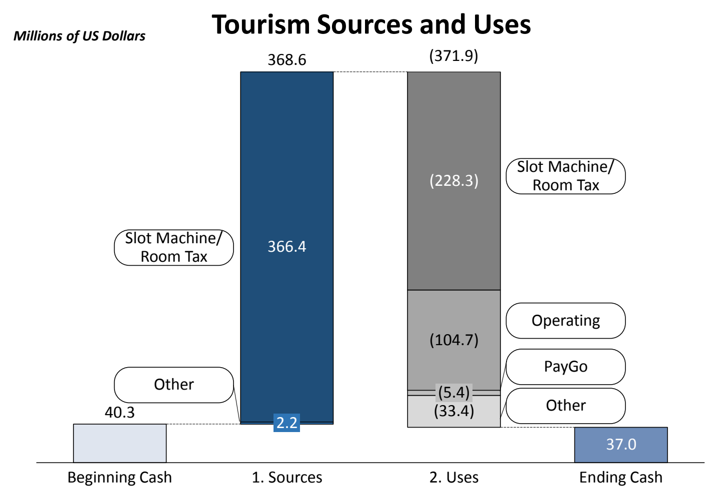


---

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

XI. TOURISM COMPANY OF PUERTO RICO ("Tourism") (Continued)

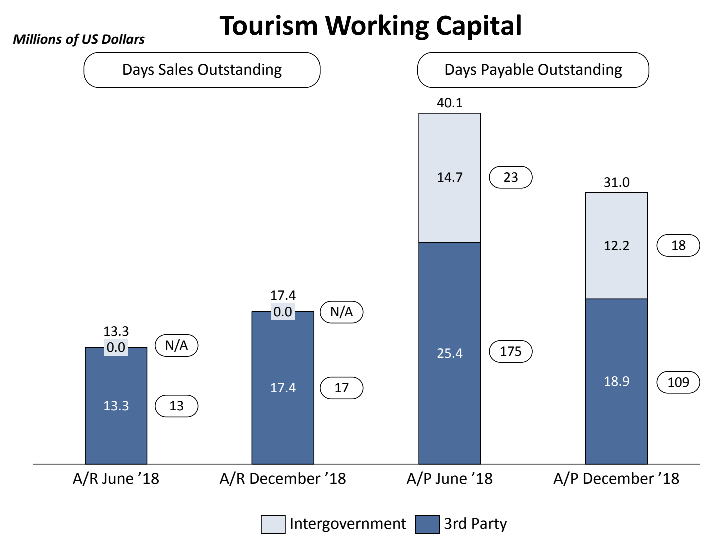
C. Full Year FY19 Sources and Uses of Funds



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

1. Sources $368.6M:
   a. Primary Tourism sources of funds are slot machine revenues of $295.8M, or 80%, and room taxes revenues of $70.7M, or 19%. There is seasonality in the receipt of these funds, which may create temporary timing variances.
   b. Other Receipts total $2.2M, which consist mostly of fares and/or fines charged by Tourism to local street vendors.
2. Uses (S371.9M):
   a. Slot machines and room taxes have disbursements per a waterfall: slot machine funds are disbursed to Hacienda, University of Puerto Rico, and casinos; room tax funds are disbursed to the Convention Center and intercompany marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements of ($222.6M) and ($5.8M) are made.
   b. Operating expenses are projected to be ($104.7M), built from payroll at ($20.4M), subsidies/incentives at ($16.9M), media/ads at ($12.9M), purchased services at ($10.3M), and other operating and DMO expenses of ($44.2M).
   c. Other disbursements are ($33.4M), primarily driven by ($30.3M) in transfers to a restricted account and ($3.1M) in transfers to the Convention Center.
   d. Tourism has made four payments totaling ($1.9M) related to PayGo contributions, which is behind forecast due to a timing issue with PayGo invoicing. FY19 PayGo contributions are expected to total ($5.4M).

D. Accounts Receivable / Accounts Payable[24]



1. Accounts Receivable:
   a. $4.1M increase from Jun-18 to Dec-18 driven by third party receivables increases due to timing of invoicing and collections pertaining to room tax and slot machine collections.
2. Accounts Payable:
   a. $9.1M decrease from June-18 to Dec-18, driven primarily by third party payable decreases of ($6.5M) due to paydowns on the FY18 marketing contract "IXS" and amounts owed to cruise lines incurred in FY18. There was also a decrease in intergovernmental payables ($2.6M) related to payments made to CCDA for amounts owed per room tax waterfall legislation for FY19 and prior years.
3. Working Capital:
   a. Working capital levels have been unfavorable at $13.2M due to Tourism catching up on major spend activities incurred last year, including spend on the marketing contract delayed in FY18 due to the hurricanes.

[24] Figures are unaudited and subject to change.

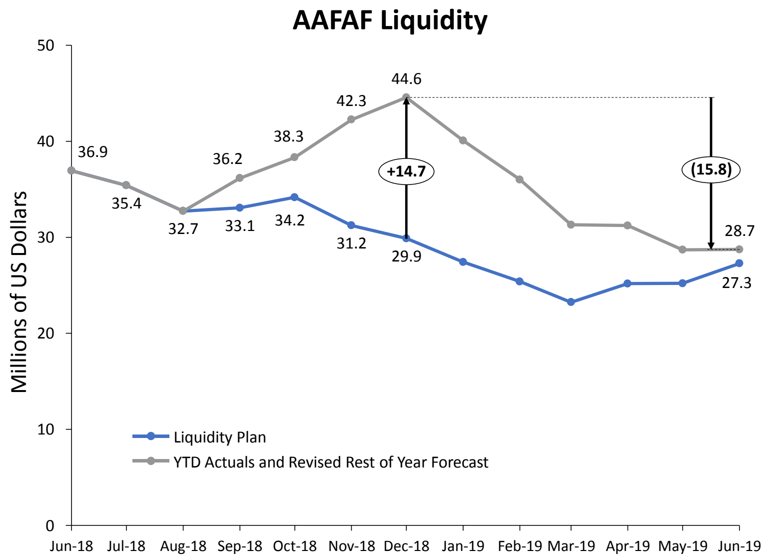
XII. FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")

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

Key Takeaways: AAFAF began FY19 with $36.9M in cash. AAFAF has maintained a higher liquidity position, which is expected to reverse by year end through a catch up in professional service payments and payroll costs. End-of-year liquidity is $1.3M higher than expected, as collections were strong in September of FY19, with AAFAF receiving a reimbursement of $1.3M for an excess payment made in FY18, which is being carried forward as a permanent variance.

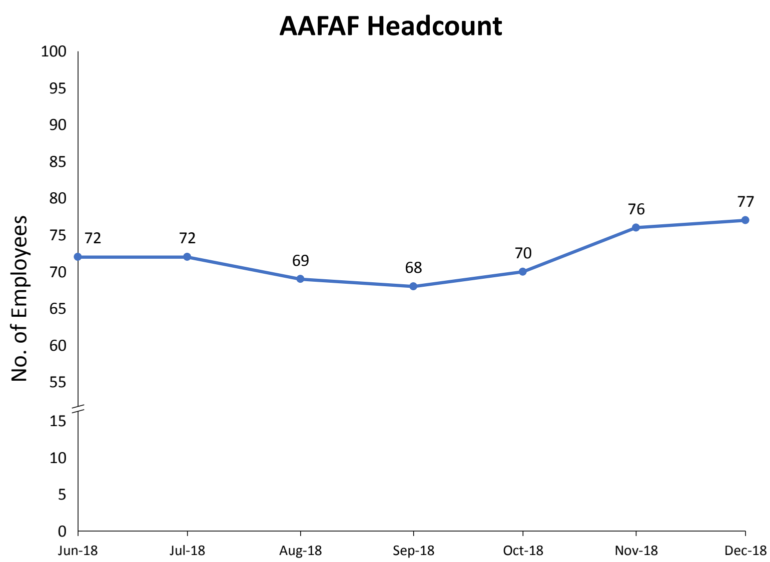
A. FY19 Operating Liquidity – Actuals[25] vs. Forecast

1. $14.7M YTD actuals vs. Liquidity Plan:
   a. $13.5M professional services variance is due to AAFAF paying less-than-expected professional service fees as a result of timing and delayed invoice processing.
   b. $1.4M in other receipts are related to reimbursement of invoices paid to GDB.
   c. ($0.3M) in payroll and related costs from Jun-18 to Nov-18 are a result of increasing headcount.
2. ($15.8M) forecast Jan-19 through Jun-19 cash burn:
   a. Liquidity decline due to reversal of positive timing variance related to professional service fees and expected increases in payroll and related costs.



B. Headcount / Payroll

1. Headcount FTEs: Increased from 72 to 77 from Jun-18 to Dec-18.
   a. Increase in headcount is expected to continue as AAFAF needs additional personnel to provide fiscal services to varying component units.
2. Payroll: Disbursements are forecast to be $7.9M for FY19. YTD payroll is $3.5M.
   a. The yearly run rate is currently below FY19 projection due to decreasing the headcount from Jun-18 to Oct-18; however, with new headcount additions, yearly run rate is expected to increase toward original projections.



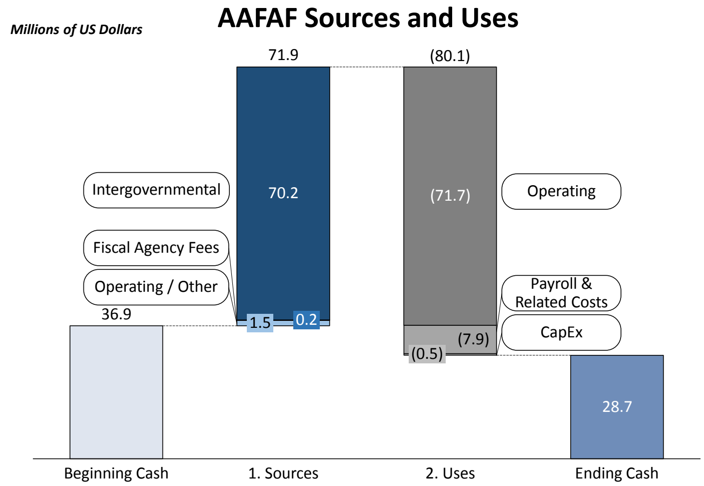
---

[25] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

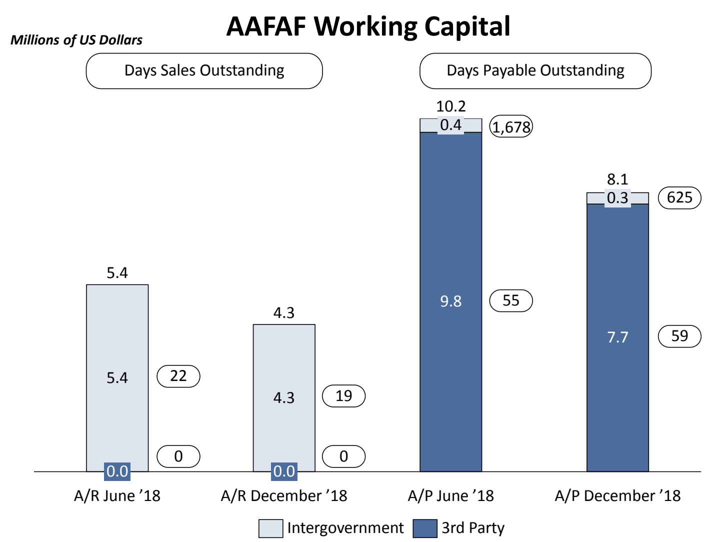
1. Sources $71.9M:
   a. $70.2M General Fund appropriations from the central government are largely being used to administer restructuring efforts and provide financial reporting on behalf of the government.
   b. $1.5M in other receipts are due to the aforementioned reimbursement from GDB for an excess payment to a third party vendor, in tandem with interest income on deposits.
   c. $0.2M in Fiscal Agency fees.
2. Uses (S80.1M):
   a. ($71.7M) in operating disbursements, with professional services ($68.3M) largely comprised of attorneys, accountants, restructuring advisors, etc.; purchased services totaling ($2.3M); facilities payments totaling ($0.9M); and transportation expenses of ($0.2M).
   b. ($7.9M) in payroll and related costs for FY19.
   c. ($0.5M) in CapEx for FY19.



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

D. Accounts Receivable / Accounts Payable[26]

1. Accounts Receivable:
   a. $1.1M decrease from Jun-18 to Dec-18 driven by increased collections from intergovernmental entities.
2. Accounts Payable:
   a. $2.1M decrease from Jun-18 to Dec-18 driven by the pay down of accrued professional service fees.
3. Working Capital:
   a. $1.0M use of cash from Jun-18 to Dec-18 driven by the working capital changes listed above.



---

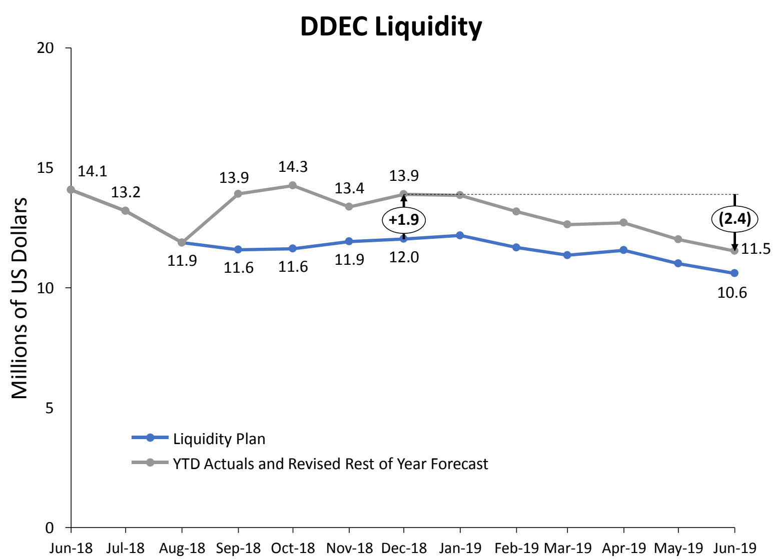
[26] Figures are unaudited and subject to change.

XIII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")

Primary Business Activity: DDEC serves as the umbrella agency for key economic development entities in Puerto Rico. It leads efforts to drive competitiveness through structural reforms, promoting private sector investment, and job growth in critical sectors.

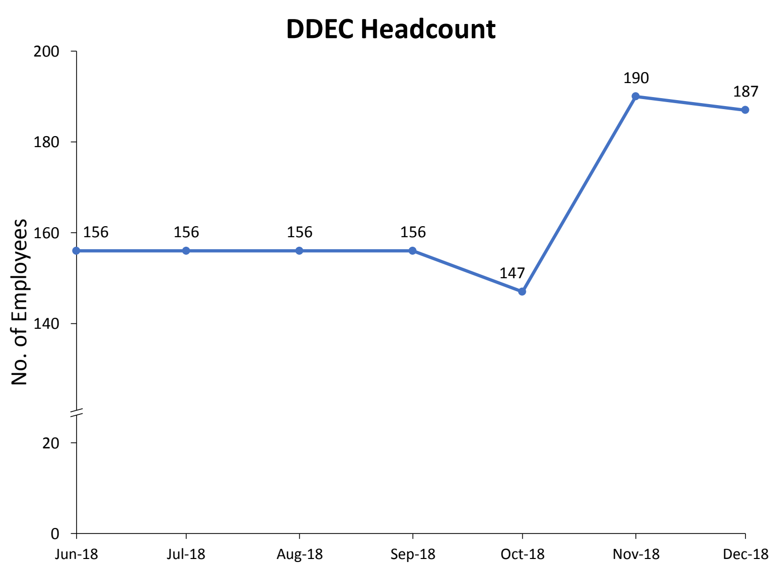
Key Takeaways: DDEC began FY19 with $14.1M in cash, and has generated a favorable $1.9M cash position to forecast. This is primarily due to unexpected Film Program receipts of $1.4M in Sep-18, and an increasing Act 22 fee, in tandem with a favorable variance related to donations, subsidies, and distributions, which is expected to maintain a positive variance for FY19. Material changes in headcount are due to the ongoing consolidation of entities into DDEC, for YTD increases refer to the transfer of business development employees from PRIDCO. Cash flow is expected to be impacted by the DDEC consolidation beginning in Q3 FY19.

A. FY19 Operating Liquidity – Actuals[27] vs. Forecast



1. $1.9M YTD actuals vs. Liquidity Plan:
   a. $1.4M in higher operating receipts due primarily to $1.4M in Film Program Receipts and $1.5M in Act 22 and management fees, offset by less-than-expected cash from management fees of ($1.4M).
   b. ($0.5M) less general fund appropriations due to timing of cash receipts.
   c. ($10.1M) less-than-expected federal grants received; however, this is an expense-driven activity for DDEC.
   d. $11.3M in lower operating disbursements primarily driven by lower than expected federal grants, as well as decreases in purchased services and contributions to nongovernmental entities.
   e. ($0.2M) in greater disbursements relating to federally supported projects, reflecting a permanent variance from the Liquidity Plan.
2. ($2.4M) forecast Jan-19 through Jun-19 cash burn:
   a. Forecast cash reduction is due to donations and investments expected during the second half of FY19 to promote redevelopment and growth on the Island.

B. Headcount / Payroll

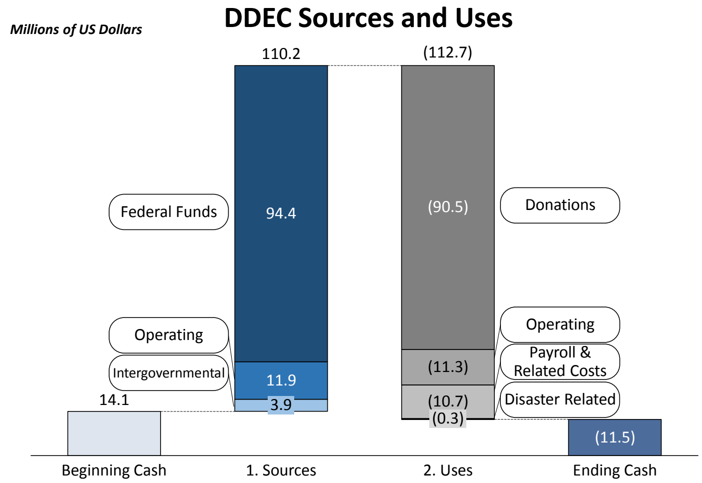


1. Headcount FTEs: Increased from 156 to 187 from Jun-18 to Dec-18.
   a. The increase in headcount is due to the transfer of 42 employees from PRIDCO as a result of DDEC consolidation. Over the next few months, headcount is expected to increase as new entities begin reporting under DDEC.
2. Payroll: Disbursements are forecast to be $10.7M for FY19; however, this number is under review as new employees flow into DDEC from other component units. YTD payroll is $6.8M.
   a. The current payroll run rate exceeds FY19 projections, and is expected to increase as new entities begin reporting under DDEC.
   b. DDEC expects to assume payroll responsibilities for the additional 42 FTEs transferred from PRIDCO in Q3 FY19.
   c. Additional funding for payroll as a result of greater headcount is expected to come from increased management fee receipts and general fund appropriations which are currently being allocated to consolidating component units.

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

C. Full Year FY19 Sources and Uses of Funds

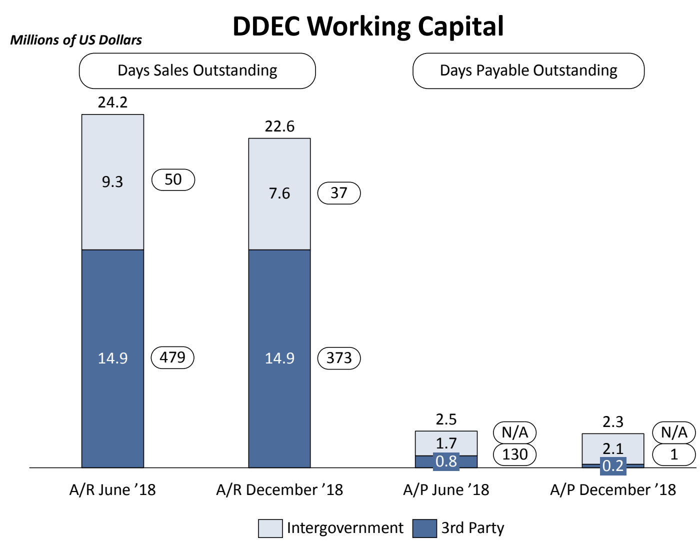
1. Sources $110.2M:
   a. Federal grants represent $94.4M, or 85.6%, of total receipts, which are used for redevelopment efforts on the Island.
   b. Operating receipts are $11.9M, or 10.8% of total receipts, with yearly run rate slightly greater than FY19 projections due to an increasing Act 22 fee.
   c. Intergovernmental receipts are $3.9M, or 3.5% of total receipts.
2. Uses (S112.7M):
   a. Donations, subsidies, and distributions represent ($90.4M), or 80.2%, of total disbursements, which are provided to local areas for redevelopment and to the people through the WIOA.
   b. Operating expenses of ($22.0M), or 19.5%, primarily consist of payroll and related costs of ($10.7M), professional and purchased services combining to ($6.1M), contributions to non-governmental entities of ($1.8M), and additional operating expenses of ($3.4M).
   c. Disaster-related disbursements of ($0.3M) have been incurred during FY19.



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

D. Accounts Receivable / Accounts Payable[28]

1. Accounts Receivable:
   a. $1.6M decrease from Jun-18 to Dec-18 driven by increased collections from operating activities, primarily Film Program Receipts and Act 22 fees.
2. Accounts Payable:
   a. $0.2M decrease from Jun-18 to Dec-18 driven by an increase of payments to third parties, offsetting the increase in purchases toward intergovernmental entities.
3. Working Capital:
   a. $1.4M source of cash as a result of the decrease in accounts receivable outweighing the minor decrease in accounts payable.



[28] Figures are unaudited and subject to change.

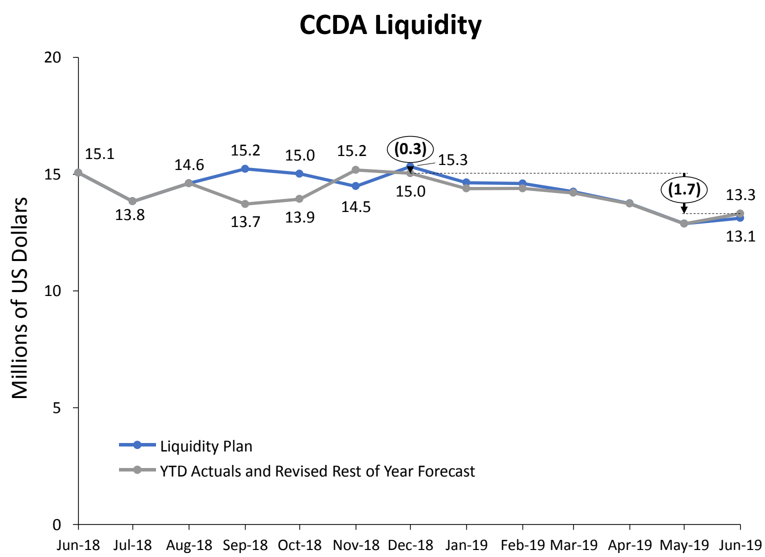
XIV. PUERTO RICO CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")

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

Key Takeaways: CCDA began FY19 with $15.1M in cash after adjusting for previously categorized non-operating bank accounts, whereas the October liquidity report listed a beginning cash balance of $7.6M for FY19. Projected decline in liquidity for the remainder of the year is primarily related to deferred CapEx from FY18 and additional CapEx projects for FY19.

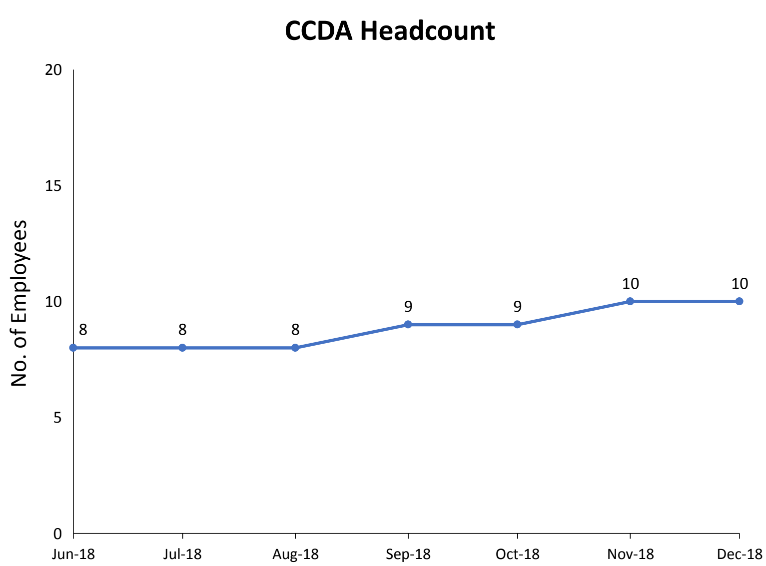
A. FY19 Operating Liquidity – Actuals[29] vs. Forecast

1. ($0.3M) YTD actuals vs. Liquidity Plan:
   a. $0.8M variance relating to an increased amount of concerts taking place during the month of December in the PR Coliseum.
   b. ($1.3M) relating to PR room taxes, driven by Tourism not paying its quarterly payment in the month of December. Payment is expected to be received in February.
   c. $1.1M in disaster-related receipts for expenses made in FY18, which is a permanent variance to the cash flow forecast.
   d. ($0.9M) relating to CapEx due to the completion of projects from both FY18 and FY19 in the cash flow forecast.
2. ($1.7M) forecast Jan-19 through Jun-19 cash burn:
   a. Expected reduction in liquidity is due to completion of past-due and future CapEx projects.



B. Headcount / Payroll

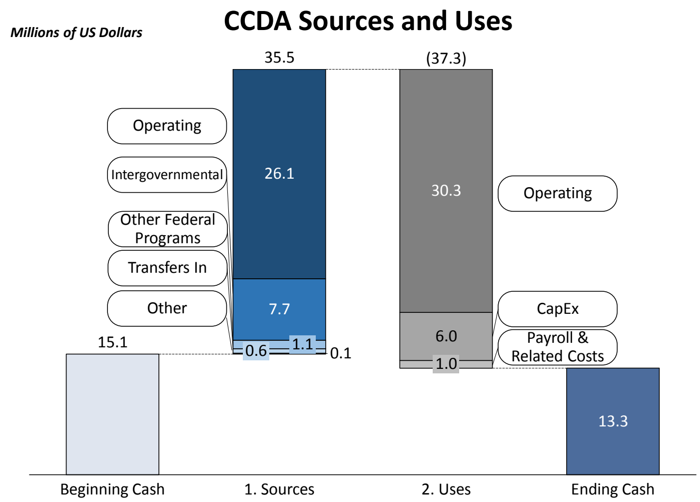
1. Headcount FTEs: Increased from 8 to 10 from Jun-18 to Dec-18.
   a. Expected to increase a total of three FTEs in FY19, of which one more FTE will be filled in H2 FY19. These new FTEs consist of one post in accounting and two posts in operations.
2. Payroll: Disbursements are forecast to be $1.0M for FY19. YTD payroll is $0.4M.
   a. The yearly run rate is slightly behind FY19 projection; however, it is expected to increase as an additional FTE is added during the second half of the fiscal year.



[29] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY19 Sources and Uses of Funds

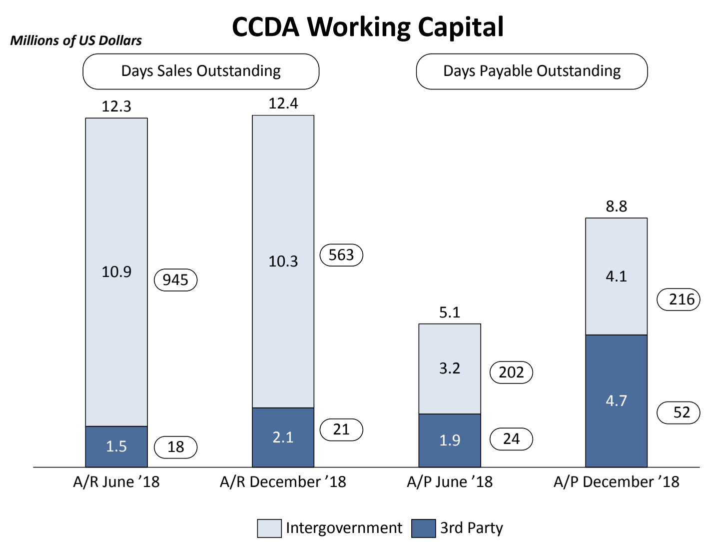
1. Sources $35.5M:
   a. Operating receipts total $26.1M, consisting of income from the PR Coliseum, the Convention Center, and other rental income.
   b. Intergovernmental receipts make up $7.7M of total sources of funds, which relates to room tax payments made to CCDA by the Tourism Company of Puerto Rico.
   c. Disaster-related and other receipts account for $1.0M and $0.1M of total receipts, respectively.
   d. Transfers from restricted accounts to fund CapEx has provided a net source of cash totaling $0.6M.
2. Uses (S37.3M):
   a. Operating expenses combine to ($30.3M), with purchased services and facilities payments accounting for ($29.2M) of total operating expenditures.
   b. Payroll and related costs for FY19 are ($1.0M).
   c. CapEx is a ($6.0M) use of cash, and is utilized for maintaining the quality of owned assets on the Island.



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

D. Accounts Receivable / Accounts Payable[30]

1. Accounts Receivable:
   a. $0.1M increase from Jun-18 to Dec-18 driven by greater third party receipts, offsetting a decrease in intergovernmental accounts receivables.
2. Accounts Payable:
   a. $3.7M increase from Jun-18 to Dec-18 driven by an increase in both third party and intergovernmental payables.
3. Working Capital:
   a. $3.6M source of cash as a result of the accounts receivable and accounts payable changes listed above.



[30] Figures are unaudited and subject to change.

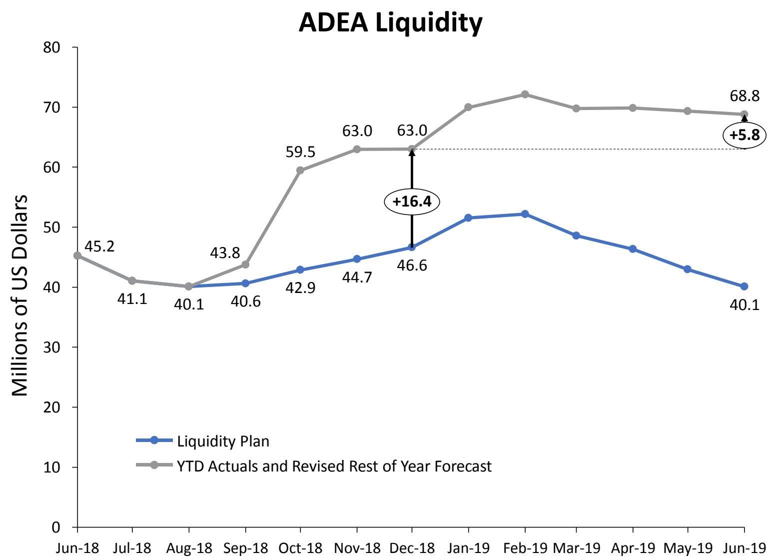
XV. PUERTO RICO ADMINISTRATION FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES ("ADEA")

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

Key Takeaways: Net cash flow generated in December was ($1.9M), primarily driven by timing variances in operating receipts, specifically in school cafeteria receipts as most schools were closed over the holidays. YTD net cash flow is $16.4M higher than forecast, primarily driven by permanent variances in operating receipts and partially offset by timing variances in total disbursements. At December month end, ADEA's cash position is $63.0M.

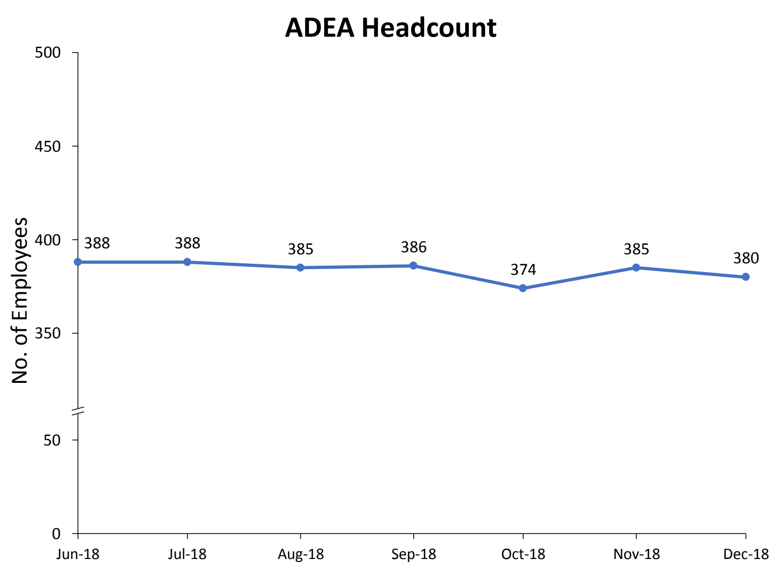
A. FY19 Operating Liquidity – Actuals[31] vs. Forecast

1. $16.4M YTD actuals vs. Liquidity Plan:
   a. $35.9M in operating receipts of which $16.9M is permanent as ADEA has collected on prior year receivables from the Department of Education.
   b. ($1.5M) timing variance in intergovernmental receipts.
   c. ($18.0M) timing variance in operating disbursements, which is expected to normalize in FY19. Variances are primarily driven by PayGo ($2.7M) and other operating expenditures ($11.5M) where disbursements have occurred earlier than forecast.
2. $5.8M forecast Jan-19 through Jun-19 cash build:
   a. $76.2M forecast in total receipts driven by: $42.9M in operating receipts and $33.3M in intergovernmental receipts.
   b. ($70.4M) forecast in total disbursements.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 388 to 380 from Jun-18 to Dec-18.
   a. Drop in headcount is attributable to ADEA's third phase of its VTP program.
2. Payroll: Disbursements are forecast to be $15.0M for FY19. YTD payroll is $7.2M.
   a. Payroll is in line with Liquidity Plan.

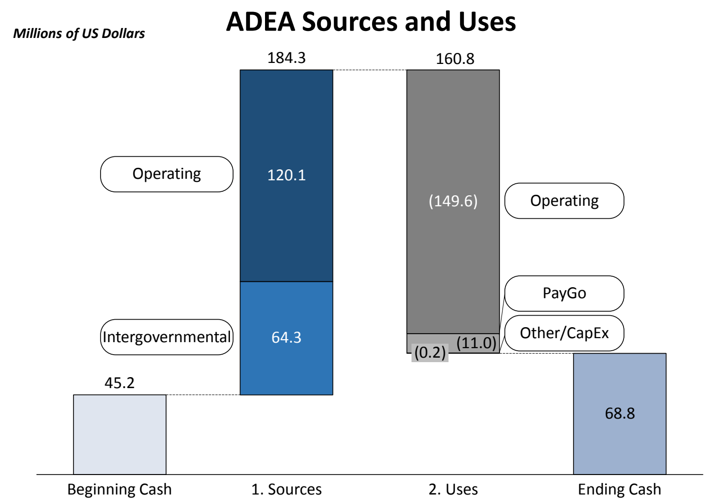


[31] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY19 Sources and Uses of Funds

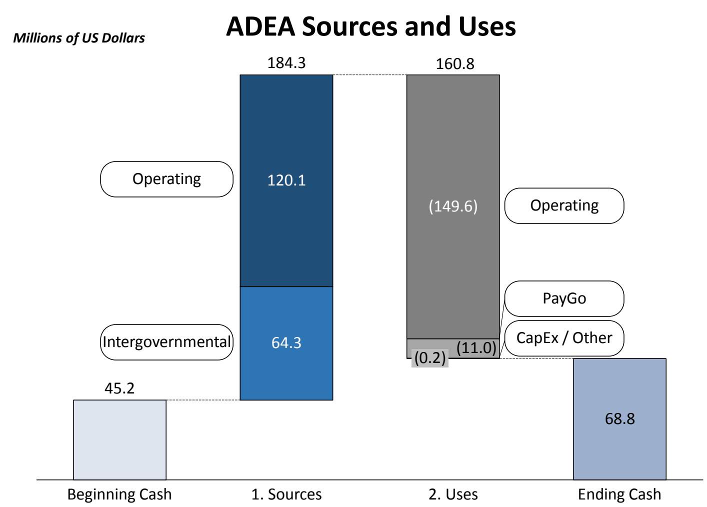
1. Sources $184.3M:
   a. $120.1M in operating receipts comprised of those tied to coffee market making, school cafeteria program, and seed distribution of $117.1M. Pass-through receipts tied to government programs are $2.9M.
   b. $64.3M in intergovernmental transfers.
2. Uses (S160.8M):
   a. ($149.6M) in operating disbursements include ($65.8M) of other operating expenses, along with payroll of ($15.2M), contributions to non-governmental agencies ($47.9), other vendor payments ($12.5M), and facilities and payments to public services ($1.1M). Other expenses, including pass-through disbursements tied to government programs, are ($7.0M).
   b. ($11.0M) in PayGo charges, of which ($2.7M) has been paid YTD.



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

D. Accounts Receivable / Accounts Payable[32]

1. Accounts Receivable:
   a. $17.2M decrease from Jun-18 to Dec-18 driven primarily by collection of prior year receivables related to the school cafeteria program.
   b. DSO days decreased from 137 in Jun-18 to 81 in Dec-18.
2. Accounts Payable:
   a. $7.4M increase from Jun-18 to Dec-18.
   b. DPO increased in the same time period from 42 to 54 days.
3. Working Capital:
   a. The change in net working capital in Dec-18 increased cash by $24.6M since Jun-18, as ADEA collected on receivables and stretched payables.



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

[32] Figures are unaudited and subject to change.

APPENDIX A: RECONCILIATION BETWEEN NOVEMBER 2018 AAFAF REPORTED FIGURES[33] AND THE FIGURES IN THIS REPORT[34]

Millions of US Dollars

COMPONENT UNIT	AAFAF Reported Balance	Actual Balance 12/28/18	Variance	Variance due to: Timing	Variance due to: Non-operational Accounts
PUERTO RICO PORTS AUTHORITY ("PORTS") (a)	30.3	22.9	7.4	2.3	5.1
MEDICAL SERVICES ADMINISTRATION ("ASEM") (b) (c)	28.0	11.4	16.6	0.5	16.0
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA") (d)	15.0	25.3	(10.3)	-	(10.3)
STATE INSURANCE FUND CORPORATION ("FONDO") (b)	230.5	230.1	0.4	0.4	-
HEALTH INSURANCE ADMINISTRATION ("ASES") (b)	73.7	72.9	0.8	0.8	-
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA") (e)	390.8	377.6	13.2	0.1	13.2
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (f)	85.1	64.0	21.1	(0.0)	21.1
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio") (g)	10.5	9.5	0.9	0.1	0.8
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (h)	138.9	9.5	129.4	(0.0)	129.4
HOUSING FINANCE AUTHORITY ("HFA") (b)	75.9	75.3	0.5	0.5	-
PUERTO RICO TOURISM COMPANY ("TOURISM") (i)	106.4	37.5	68.9	0.0	68.9
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	45.2	44.6	0.6	0.9	(0.2)
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC") (j)	-	-	-	-	-
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA") (k)	24.8	15.0	9.8	-	9.8
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	61.5	63.0	(1.6)	(1.6)	-

Notes (12/31/18):

(a) $5.1M of restricted cash is excluded from Ports operating cash.

(b) ASEM, Fondo, ASES , and HFA report book balances.

(c) CU-reported cash does not consider restricted bank accounts, including: CapEx $13.3M, Malpractice Insurance Reserve $2.1M, and FEMA Funding $0.6M.

(d) $10.1M held in a non-operational account which has yet to be programmed with AAFAF.

(e) $13.2M in non-operational account is earmarked for debt service and is not included in HTA's cash flow.

(f) Funds held in non-operational accounts at PBA are earmarked for the following: $12.9M for debt service for bonds pertaining to Resolution 468; $7.8M for debt service for bonds related to Construction Series R and N; and $0.8M in other restricted cash accounts.

(g) CU cash balances do not consider $0.8M in restricted cash.

(h) PRIDCO's reported cash balance does not consider restricted and/or non-operating cash consisting of $129.4M of AAFAF webcash, distributed as follows: Investment Sweep of General Operating Acc PRIDCO Trustee CD/bond reserve accounts $31.7M; FEMA $0.2M; other PRIDCO non-operating/reserve accounts $6.9M; PRIDCO accounts $2.4M; Incentive and Rum Fund accounts managed on behalf of the central government $85.2M.

(i) Funds in non-operational accounts consist of the following: $60.8M in restricted account; $7.8M in Tourism subsidiary accounts not included in Tourism operating cash; and $0.3M in restricted account earmarked for disaster spend and other.

(j) DDEC not included in AAFAF's report as of 12/31.

(k) Non-operational accounts include: $6.5M in special purpose funds from ticket sales that do not belong to CCDA; $2.5M restricted cash for individual local areas and venues; and $0.8M other.

---

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

[34] This report is prepared based on reported operational cash balances as of November 30, 2018, and there are two types of reconciliation differences between the sources of information: timing differences produced by the account delays, or cash being held in nonoperational bank accounts.

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

	FY18 END	FY2019					
COMPONENT UNIT	**M/E Jun-18**	**M/E Jul-18**	**M/E Aug-18**	**M/E Sep-18**	**M/E Oct-18**	**M/E Nov-18**	**M/E Dec-18**
PUERTO RICO PORTS AUTHORITY ("PORTS")	505	505	501	501	499	499	485
MEDICAL SERVICES ADMINISTRATION ("ASEM")	1,655	1,634	1,626	1,630	1,616	1,613	1,549
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA") (a)	887	887	876	881	879	873	864
STATE INSURANCE FUND CORPORATION ("FONDO")	2,879	2,867	2,858	2,852	2,844	2,756	2,765
HEALTH INSURANCE ADMINISTRATION ("ASES")	60	57	60	57	58	58	58
HIGHWAYS AND TRANSPORTATION AUTHORITY ("HTA")	1,245	1,244	991	946	930	900	895
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA") (a)	1,102	1,102	1,094	1,093	1,092	1,091	1,029
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("CARDIO")	572	570	563	561	568	551	542
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO") (b)	N/A	192	188	188	187	144	147
HOUSING FINANCE AUTHORITY ("HFA")	145	145	145	145	141	141	139
PUERTO RICO TOURISM COMPANY ("TOURISM")	399	393	376	376	377	378	377
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	72	72	69	68	70	76	77
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	156	156	156	156	147	190	187
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	8	8	8	9	9	10	10
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	388	388	385	386	374	385	380
TOTAL	**10,073**	**10,220**	**9,896**	**9,849**	**9,791**	**9,665**	**9,504**

Notes:
(a) Estimate for June and July Month End.
(b) PRIDCO not a CU tracked in FY18.
(c) Not all CUs captured multiple pay periods in Oct-18, causing a timing variance and an expected increase in payroll in Nov-18.