GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

Component Unit Liquidity

FOR QUARTER 2: OCTOBER THROUGH DECEMBER 2020

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
ACAA	Automobile Accident Compensation Administration, an agency of the Commonwealth of Puerto Rico.
ADEA	Puerto Rico Administration for the Development of Agricultural Enterprises, a public corporation and a component unit of the Commonwealth of Puerto Rico.
AMA	Metropolitan Autobus Authority.
A/P	Accounts payable.
A/R	Accounts receivable.
ASEM	Puerto Rico Medical Services Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASES	Puerto Rico Health Insurance Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASSMCA	Administration of Mental Health and Anti-Addiction Services of Puerto Rico.
ATI	Puerto Rico Integrated Transit Authority.
ATM	Maritime Transportation Authority.
Bahía Urbana	Waterfront Park in San Juan, Puerto Rico.
CapEx	Capital expenditures.
Cardio	Cardiovascular Center of Puerto Rico and the Caribbean, a public corporation and a component unit of the Commonwealth of Puerto Rico.
CCDA	Puerto Rico Convention Center District Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
CDBG	Community Development Block Grant – Disaster Recovery (CDBG – DR) is a program responsible to ensure decent affordable housing opportunities and provision of services, community assistance, and to expansion and conserve jobs.
CM	Conway MacKenzie, Inc.
CMS	Clinical Medical Services provides an Integrated Home Health Delivery System consisting of Durable Medical Equipment, Respiratory Equipment, Home Health, Orthotics, Prosthetics and Home Infusion Services.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
COVID-19	An infectious disease caused by a newly discovered coronavirus producing symptoms ranging from mild to severe respiratory infection affecting populations worldwide, leading to widespread shutdowns of public and private sector services.
CRIM	Center for the Collection of Municipal Revenues rendering fiscal services in favor of the Municipalities and has the responsibility to notify, assess, collect, receive and distribute the public funds from the property tax, the state subsidy, funds from the Electronic Lottery, and any other funds that are disposed by law for the benefit of the Municipalities of Puerto Rico.
CU	See ‘Component unit.’
DDEC	Puerto Rico Department of Economic Development and Commerce, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Disaster-Related Disbursements	Expenditures related to the damages caused from hurricanes Irma and Maria.
Disaster-Related Receipts	Federal emergency funds, insurance related to hurricanes Irma and Maria.
DMO	Destination Marketing Organization.
FEDE	Special Fund for Economic Development, affiliated with PRIDCO.
FEMA	Federal Emergency Management Agency coordinates the federal government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
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.
Hacienda	District government office of San Juan, Puerto Rico.
HFA	Puerto Rico Housing Finance Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
HHS	The United States Department of Health and Human Services, also known as the Health Department, is a cabinet-level executive branch department of the U.S. federal government with the goal of protecting the health of all Americans and providing essential human services.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.
Liquidity Plan (LP)	Projected cash flows for each component unit, based on their respective government FY21 Budget submission reviewed July 29 and 30, 2020.
Operating Disbursements	Includes payroll and related costs, material and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
Operating Receipts	Revenues collected from operations.
OpEx	Operating expenditures.
OPPEA	Office of the Ombudsman for the Elderly; Oficina Del Procurador De Las Personas De Edad Avanzada of Puerto Rico.
Other Inflows	Sales of toll tags, rental income, and impact fees.
Other Outflows	Payments to suppliers from prior years.
Pandemic	An outbreak of disease prevalent over a whole country or the world.
PayGo	Puerto Rico pension system that is funded through a pay-as-you-go system pursuant to Act 106-2017. Retirement benefits expenses of covered government employers are paid by the central government and reimbursed by the employers, with such funds received by the TSA.
Payroll and Related Costs	Salaries and wages paid to employees, along with taxes and employer matching payments.
PBA	Puerto Rico Public Buildings Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
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.
PRTC	The Puerto Rico Tourism Company, also referred to as "Tourism."
Retiro	The "Employee Retirement System of the Government of the Associated Free State of Puerto Rico" is a retirement and benefits system created by Law 447 of May 15, 1951 and managed by the Administration of Government and Judiciary Employee Retirement Systems.
Tourism	Tourism Company of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico, also referred to as "PRTC."
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.
WIC	Special supplemental health program for women (pregnant and postpartum mothers), infants, and children up to the age of 5 in Puerto Rico.

INTRODUCTION

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

This report is for the second quarter of fiscal year 2021 ("Q2-21"), and presents information with respect to 15 select CUs. Fiscal Year 2021 ("FY21") Liquidity Plans for 15 CUs were completed and reviewed with the team from AAFAF in late July 2020. These final Liquidity Plans are used in this Q2-21 report.

Each of the CUs has reported actual cash flow information through the month of December 2020 ("Dec-20"). Section "A" of this report for each CU provides year-to-date ("YTD") actual information, as well as the CU's Liquidity Plan for the balance of FY21[1]. Analysis in section "A" includes details on actual receipts and expenses through Q2-21, and commentary as to variances for the balance of FY21.

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

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

A Full Year FY21 Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of June 26, 2020 and forecasted ending cash at June 25, 2021. 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 quarterly information on Accounts Payable ("A/P") and Accounts Receivable ("A/R"). Figures are unaudited and subject to change. This information is presented in the document under section "D" for each CU.

The report contains two Appendix items. The first of these Appendix items (Appendix A) is a cash reconciliation. A bridge has between created between the actual cash data provided by the CU as of December 25, 2020 and the December 2020 AAFAF reported figures. The "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities," was released as of December 31, 2020. The second Appendix (Appendix B) item is a consolidated view of CU headcount and payroll information, which is based on information provided by CU management.

[1] For the 15 CUs, references to through Q2-21 in this report refer to the period of June 27, 2020 through December 25, 2020, when the CUs performed their monthly cut off for cash flow reporting purposes.

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EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF December 2020

EXECUTIVE SUMMARY

Component Units Actual Results for the Month of December 2020

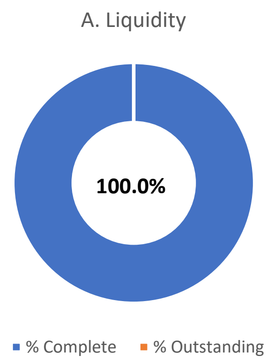
(figures in $000's)	FY21 Actual YTD	FY21 LP YTD	Variance YTD FY21 vs. LP
Component Units			
Puerto Rico Ports Authority ("PORTS")			
PORTS Cash Inflow	$82,062	$75,315	$6,747
PORTS Cash Outflow	(62,222)	(57,853)	(4,369)
PORTS Net Cash flow	$19,841	$17,462	$2,378
PORTS Commentary:	YTD net cash flow versus Liquidity Plan is favorable by $2.4M primarily due to: i) CARES Act reimbursements of $7.4M, ii) favorable maritime receipts of $3.1M, and iii) favorable airport & other receipts of $1.7M. These have been partially offset by higher-than-planned expenses of $2.8M. Higher operating expenses YTD versus Liquidity Plan are related to a insurance premiums, insurance settlement expenses, higher container scanning and security expenses.		
Medical Services Administration ("ASEM")			
ASEM Cash Inflow	$112,165	$75,365	$36,800
ASEM Cash Outflow	(116,931)	(79,323)	(37,607)
ASEM Net Cash flow	($4,765)	($3,958)	($807)
ASEM Commentary:	The unfavorable net cash flow vs. Liquidity Plan of ($0.8M) is due to lower institutional and physician and medical plan receipts than forecast. Projected special revenue fund receipts coupled with reduced General Fund appropriations relative to FY20 may be insufficient to cover operating needs in FY21.		
Puerto Rico Integrated Transit Authority ("PRITA")			
PRITA Cash Inflow	$56,339	$42,864	$13,475
PRITA Cash Outflow	(45,423)	(42,345)	(3,078)
PRITA Net Cash flow	$10,917	$519	$10,397
PRITA Commentary:	YTD net cash flow versus Liquidity Plan is favorable by $10.4M, primarily due to the receipt of $14.4M in CARES Act reimbursements at AMA, and partially offset by timing delays in Federal Funds for CapEx. Other expenses, primarily related to legal settlements and prior year retirement expenses, were $4.8M higher than plan.		
Puerto Rico State Insurance Fund Corporation ("FONDO")			
FONDO Cash Inflow	$356,636	$344,427	$12,209
FONDO Cash Outflow	(256,490)	(278,387)	21,897
FONDO Net Cash flow	$100,146	$66,040	$34,106
FONDO Commentary:	Favorable net cash flow compared to Liquidity Plan of $34.1M is driven primarily by higher premiums collections coupled with lower PayGo disbursements than forecast year to date. Variance is timing related and is expected to reverse in FY21.		
Health Insurance Administration ("ASES")			
ASES Cash Inflow	$1,678,900	$1,746,787	($67,886)
ASES Cash Outflow	(1,717,160)	(1,746,784)	29,624
ASES Net Cash flow	($38,260)	$2	($38,262)
ASES Commentary:	Unfavorable net cash flow of ($38.3M) compared to Liquidity Plan is due primarily to less favorable federal reimbursement funds than forecast, which is timing related and expected to reverse.		
Puerto Rico Public Buildings Authority ("PBA")			
PBA Cash Inflow	$64,773	$76,101	($11,328)
PBA Cash Outflow	(64,265)	(69,405)	5,140
PBA Net Cash flow	$508	$6,696	($6,188)
PBA Commentary:	PBA unfavorable variance to liquidity plan of ($6.2M) is led by delay in collection of rent receipts, partially offset by lower operating expenses, led by payroll.		
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")			
Cardio Cash Inflow	$45,573	$41,435	$4,138
Cardio Cash Outflow	(41,144)	(37,536)	(3,608)
Cardio Net Cash flow	$4,428	$3,898	$530
Cardio Commentary:	Total receipts outperformed the Liquidity Plan in the amount of $4.1M YTD through December, mainly driven by Patient Collections including COVID-related stimulus and incentive fund transfers from Hacienda. Operating disbursements have experienced an unfavorable variance of ($3.6M), due to paydown on prior years' payables, specific to Purchased Services; these can be considered permanent.		

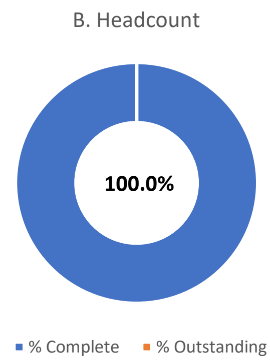
EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF December 2020 (Continued)

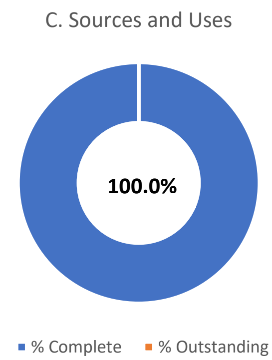
(figures in $000's)	FY21 Actual YTD	FY21 LP YTD	Variance YTD FY21 vs. LP
Component Units			
Puerto Rico Industrial Development Company ("PRIDCO")			
PRIDCO Cash Inflow	$55,911	$32,446	$23,465
PRIDCO Cash Outflow	(141,298)	(41,423)	(99,875)
PRIDCO Net Cash flow	($85,388)	($8,977)	($76,411)
PRIDCO Commentary:	Unfavorable net cash flow of ($76.4M) compared to Liquidity Plan is due transfers of incentive funds to DDEC and higher than forecasted payroll spend due to delays in the transition of operations from PRIDCO to DDEC. The Certified Budget/Liquidity Plan considers these operations to have been fully transferred prior to FY21.		
Puerto Rico Housing Finance Authority ("HFA")			
HFA Cash Inflow	$117,882	$129,781	($11,899)
HFA Cash Outflow	(96,628)	(147,555)	50,927
HFA Net Cash flow	$21,254	($17,774)	$39,028
HFA Commentary:	HFA began FY21 with $74.3M in cash, and ended December with $95.6M, for an increase of $21.3M. The increase in cash continues as operational and other disbursements experience lower-than-usual activity due to COVID-19. Operating and Intergovernmental receipts underperformed by ($9.6M), assumed to be permanent. Federal receipts reflect a negative variance of ($7.6M), assumed to be timing-related. Operating and federal fund disbursements experienced a favorable variance of $21.1M. Initially placed debt-service figures drive favorable variance of $12.4M, and net balance sheet-related activity reflects a $22.7M positive variance.		
Tourism Company of Puerto Rico ("Tourism")			
Tourism Cash Inflow	$61,571	$34,982	$26,590
Tourism Cash Outflow	(52,832)	(57,683)	4,851
Tourism Net Cash flow	$8,739	($22,701)	$31,440
Tourism Commentary:	Favorable net cash flow of $31.4M compared to Liquidity Plan is driven by higher-than-forecast operating receipts due to casino reopenings and improved hotel occupancies experienced in H1-FY21, as well as lower operating disbursements than forecast. Slot machine and room taxes collections continue to be minimal due to ongoing capacity restrictions, which are expected to reduce cash throughout FY21.		
Fiscal Agency and Financial Advisory Authority ("AAFAF")			
AAFAF Cash Inflow	$50,393	$41,663	$8,730
AAFAF Cash Outflow	(39,019)	(46,728)	7,708
AAFAF Net Cash flow	$11,374	($5,065)	$16,438
AAFAF Commentary:	Positive variance of $16.4M versus liquidity plan is primarily due to General Fund appropriations received in excess of normal operating and Title III professional services spend, which is timing related and expected to reverse in FY21.		
Department of Economic Development and Commerce ("DDEC")			
DDEC Cash Inflow	$103,159	$205,133	($101,974)
DDEC Cash Outflow	(68,595)	(149,340)	80,746
DDEC Net Cash flow	$34,564	$55,793	($21,228)
DDEC Commentary:	Unfavorable net cash flow of ($21.2M) vs. forecast is due to lower federal grants and incentive monies received than forecast due the delay in the transition of these programs from PRIDCO to DDEC.		
Puerto Rico Convention Center District Authority ("CCDA")			
CCDA Cash Inflow	$15,102	$9,287	$5,815
CCDA Cash Outflow	(15,574)	(20,004)	4,430
CCDA Net Cash flow	($472)	($10,717)	$10,245
CCDA Commentary:	Favorable net cash flow of $10.2M compared to Liquidity Plan is primarily due to lower-than-forecast disbursements related to purchased services and utilities due to the decline in event volume as a result of the COVID-19 crisis. Net cash flow is expected to decline; however, due to depressed collections from event venues. Events remain limited to 25% capacity due to COVID-19.		
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")			
ADEA Cash Inflow	$66,320	$70,377	($4,057)
ADEA Cash Outflow	(69,121)	(71,332)	2,211
ADEA Net Cash flow	($2,801)	($955)	($1,846)
ADEA Commentary:	YTD net cash flow versus Liquidity Plan is unfavorable by ($1.8M) primarily due to $14.0M in timing delays in subsidy and incentive payments, which are expected to reverse during FY21. These were partially offset by $9.8 negative variance due to funds sent to the Land Authority Agency, and impact of COVID-19 on school cafeteria program.		
Automobile Accident Compensation Administration ("ACAA")			
ACAA Cash Inflow	$50,301	$57,763	($7,462)
ACAA Cash Outflow	(40,165)	(47,602)	7,436
ACAA Net Cash flow	$10,135	$10,161	($26)
ACAA Commentary:	Net cash flow is in-line with forecast.		

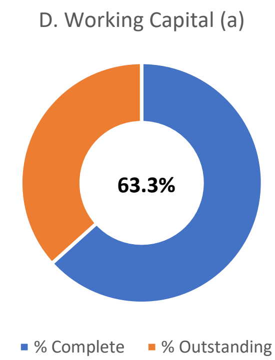
SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

Each of the Component Units provided data for the second quarter of fiscal year 2021. 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 overall 100% compliant in providing data for: A. Liquidity, B. Headcount, and C. Sources / Uses. The 15 CUs included were overall 63% compliant in providing data for D. Working Capital. CUs that provided insufficient information for reporting are mentioned in note (a) below.









Notes:

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

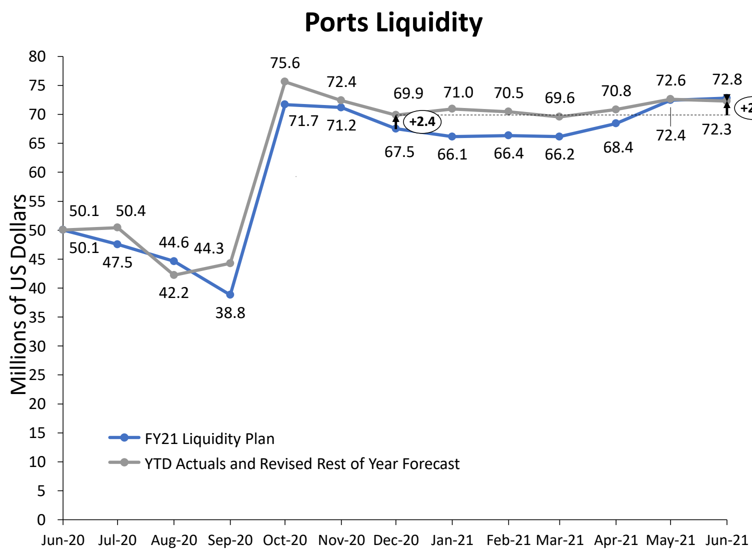
- *PRITA*
- *ASES*
- *Cardio*
- *Tourism*
- *DDEC*
- *ACAA (A/P data received)*

I. PUERTO RICO PORTS AUTHORITY ("Ports")

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

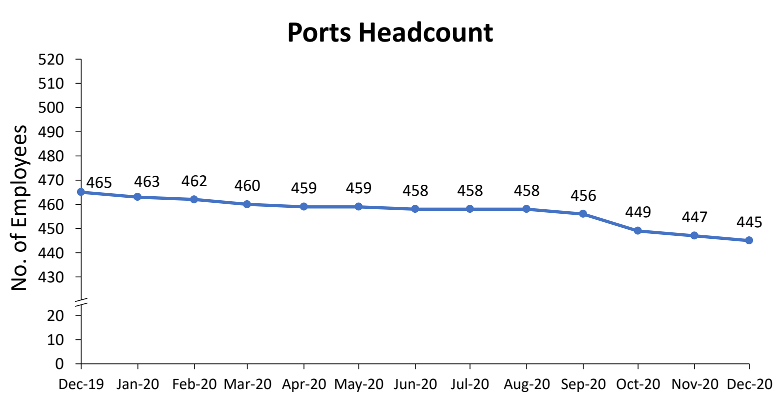
Key Takeaways: Year to date, cash has increased by $19.8M from $50.1M to $69.9M, primarily due to an insurance settlement of $34.7M related to hurricane damage from Maria & Irma and the receipt of $7.4M in CARES Act funds. This was partially offset by cruise & airport operations that are mostly halted due to COVID-19 and are not expected to return to meaningful operations until Q4 FY21 at the earliest. Ports projects to end FY21 with $72.3M, of which $18.7M is for operations, with the rest in reserves and restricted accounts (insurance and CapEx). Long term liquidity is dependent on the return of cruise ship and airport operations.

A. FY21 Operating Liquidity – Actuals[2] and FY21 Liquidity Plan



1. $2.4M YTD actuals vs. Liquidity Plan:
   a. $4.8M in favorable operating receipts variance of which $3.1M is related to maritime due to cargo port and $1.7M is from airport & other operations. Positive variance is temporary and likely to reverse as COVID-19 delays continue to impact operations.
   b. $2.0M permanent variance in other receipts, led by $4.2M in favorable federal funds due to CARES Act reimbursements, partially offset by ($2.2M) variance in other.
   c. ($9.9M) unfavorable variance in operating disbursements, led by permanent variance in insurance related expenses, security, and container scanning ("S2"), partially offset by a deferral of PayGo payments.
   d. $7.0M positive variance in CapEx due to COVID-19 delays. While Ports anticipates speeding up the capex in second half of FY21, some of the spending will be pushed into FY22.
   e. ($1.5M) negative variance due to transfers to restricted accounts.
2. $2.4M cash build for the balance of FY21:
   a. $69.9M in forecasted total receipts, driven by $33.5M in maritime operations – primarily from cargo, $5.9M in airport and other operations, $21.7M in federal CapEx grant receipts, $8.8M in General Funds for CapEx.
   b. ($67.5M) in forecast total disbursements driven by ($10.8M) in payroll, ($12.2M) in PayGo, ($13.4M) in operating disbursements, and ($31.1M) in CapEx.

B. Headcount / Payroll

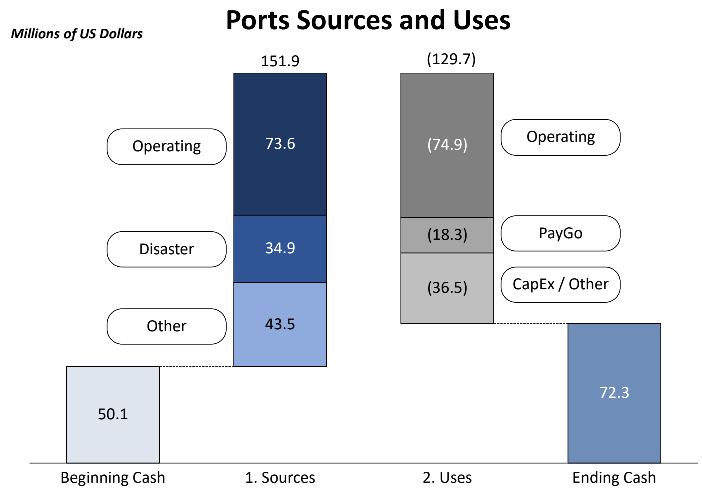


1. Headcount FTEs: Decreased from 465 to 445 from end of Q2-20 to end of Q2-21.
   a. Decrease in headcount is due to employee turnover. These positions are not expected to be replaced.
2. Payroll: Disbursements are forecast to be $25.5M for FY21. YTD payroll is $14.7M.
   a. YTD payroll expenses are higher than forecast, but partially expected to reverse due to onetime benefit payments in November.

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

C. Full Year FY21 Sources and Uses of Funds

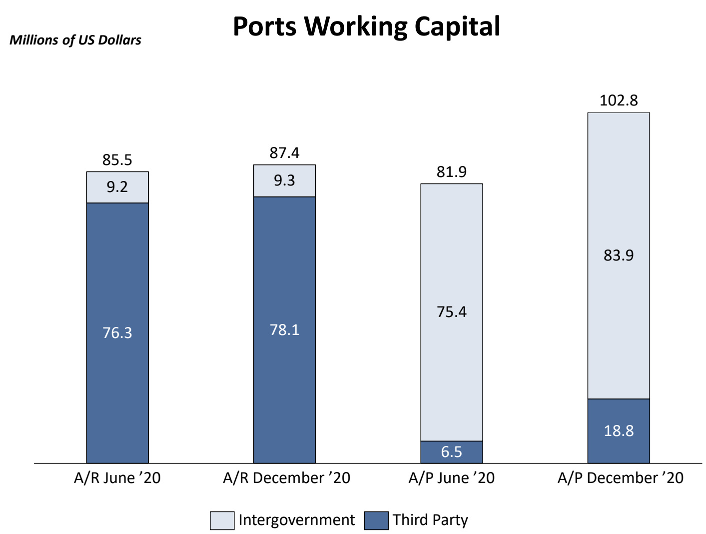
1. Sources $151.9M:
   a. Operating receipts of $73.6M, comprised of $62.7M in maritime receipts, $10.5M in airport receipts, and $0.4M in other receipts.
   b. Disaster-related receipts of $34.9M are a result of an insurance settlement.
   c. Federal and other funds total $43.5M, comprised of $34.0M in federal funds for CapEx and CARES Act funds, and $9.4M in General Funds for CapEx.
2. Uses ($129.7M):
   a. Operating disbursements of ($74.9M), driven by payroll of ($25.5M), professional services of ($18.4M), other operating payments of ($16.4M), PREPA/PRASA at ($9.9M), purchased services of ($3.0M), materials and supplies of ($1.4M), and transportation and media ads at ($0.3M).
   b. PayGo contributions of ($18.3M).
   c. CapEx / other (inclusive of net transfers) of ($36.5M).



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

D. Accounts Receivable / Accounts Payable[3]

1. Accounts Receivable:
   a. $1.9M increase from end of Q4-20 to end of Q2-21 driven by third party receivables.
2. Accounts Payable:
   a. $20.8M increase from end of Q4-20 to end of Q2-21 due to a $8.5M increase in intergovernmental payables, driven by pension increases and a $12.3M increase in third party payables driven by "S2" scanning services.
3. Working Capital:
   a. Working capital through Dec-21 increased by $18.9M due to the above changes.



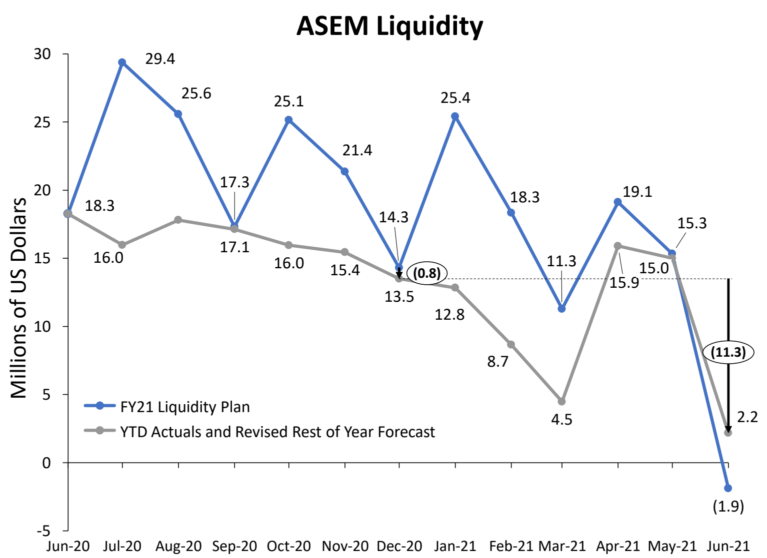
[3] Figures are unaudited and subject to change.

II. MEDICAL SERVICES ADMINISTRATION ("ASEM")

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

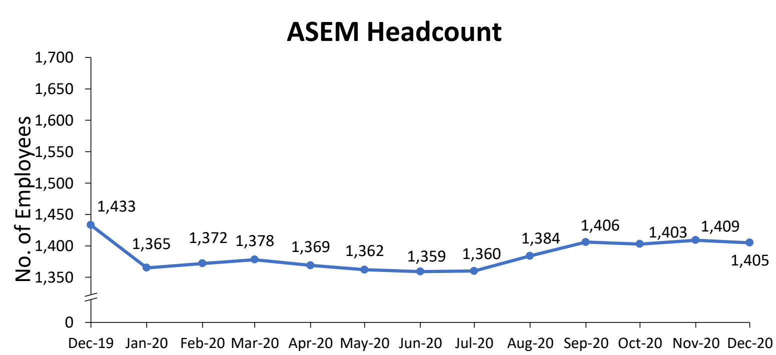
Key Takeaways: Year to date, cash has decreased by ($4.8M) from $18.3M to $13.5M. The cash decline is primarily driven by lower and untimely receipts received from institutions that are insufficient to cover the contracted medical services and supplies ASEM provides to these institutions, as well as declining receipts from physician and medical plans due to reduced census and elective procedures/surgeries performed as a result of COVID-19. The cash decline is partially mitigated by lower operating disbursements due to reduced services volumes during the COVID-19 crisis and favorable timing of General Fund appropriations. Year-to-date, ASEM has received ~$43.9M in non-budgeted appropriations from the General Fund, which are mostly earmarked for CapEx and other non-operating purposes. The majority of these amounts pertain to FY20 funds under custody of OMB earmarked for CapEx, as well as CARES Act. and other COVID-relief funds. Cash is expected to decline by ($11.3M) to $2.2M by fiscal year end due to receipts from special revenue funding sources forecasted to be insufficient to cover ASEM's operating needs. The projected cash decline will be further exacerbated by significantly reduced budgeted General Fund appropriations in FY21 relative to FY20.

A. FY21 Operating Liquidity – Actuals[4] and FY21 Liquidity Plan



1. ($0.8M) YTD actuals vs. Liquidity Plan:
   a. ($7.1M) unfavorable in cash receipts, primarily due to lower physician and medical plan revenues due to reduced services volumes experienced during the COVID-19 pandemic, which are expected to be permanent.
   b. $43.9M favorable General Fund appropriations related to $34.0M non-budgeted appropriations from FY20 and $9.9M in various CARES Act. and other COVID-relief funds.
   c. ($1.4M) unfavorable payroll variance of which ($0.7M) is expected to be permanent.
   d. ($2.6M) unfavorable PayGo disbursements, which pertain to paydowns on remaining FY20 invoices. Variance is expected to become permanent.
   e. $6.9M favorable purchased services and professional fees due to lower services provided than expected due to the COVID-19 crisis along with delays in finalizing ASEM's revenue cycle contractor.
   f. ($39.3M) in transfers (to)/from restricted account earmarked for CapEx, which is expected to be permanent.
   g. ($1.2M) in other cash flow changes.
2. ($11.3M) cash reduction for the balance of FY21:
   a. Based on current run-rates, receipts from institutions coupled with lower budgeted General Fund appropriations are expected to be insufficient to cover ASEM's projecting operating needs in FY21.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 1,433 to 1,405 from end of Q2-20 to end of Q2-21.
   a. Headcount at ASEM has fallen consistently over the past two years due to a highly competitive labor market for qualified nurses and other medical professionals.
   b. ASEM management actively recruits to replace any positions lost due to attrition factors.
2. Payroll: Disbursements are forecast to be $95.7M for FY21. YTD payroll is $44.5M.
   a. Payroll-related disbursements are expected to increase in H2-FY21 due to an increase in hiring, as budgeted.

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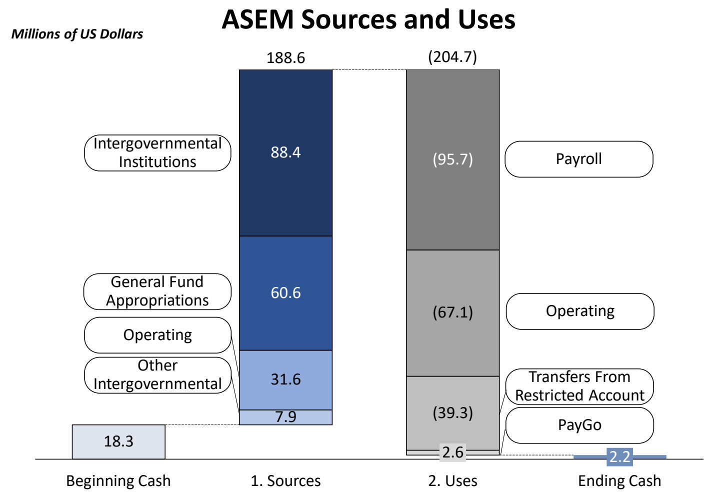
[4] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY21 Sources and Uses of Funds

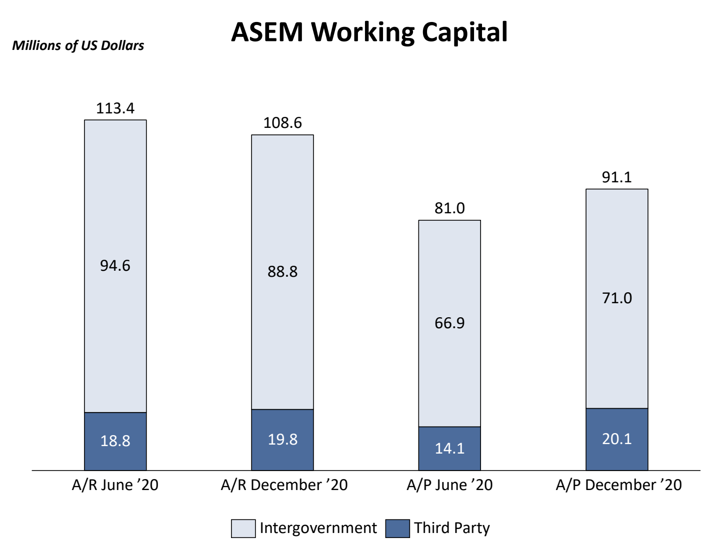
1. Sources $188.6M:
   a. $96.4M of institutional intergovernmental receipts.
   b. $60.6M of General Fund appropriations, which consist of $43.9M in non-budgeted appropriations subsequently transferred to accounts earmarked for CapEx and other non-operating purposes.
   c. $31.6M of third-party operating receipts consisting of institutional receipts of $2.2M, physician and medical plan receipts of $27.1M, and other income of $2.3M.
2. Uses ($204.7M):
   a. ($95.7M) in payroll.
   b. ($67.1M) in operating supplier payments consisting of materials and supplies of ($22.6M), professional fees of ($21.4M), purchased services of ($7.6M), facilities payments of ($4.1M), equipment purchases of ($3.9M), and other expenses of ($7.4M).
   c. ($39.3M) in transfers (to)/from restricted account sourced largely from FY20 funds previously held under custody of OMB and CARES Act/COVID-relief funds – majority of funds are earmarked for CapEx needs.
   d. ($2.6M) in PayGo obligations.



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

D. Accounts Receivable / Accounts Payable[5]

1. Accounts Receivable:
   a. $4.8M decrease from end of Q4-20 to end of Q2-21 driven by a $5.8M decrease in intergovernmental receivables related to collections from the Dept. of Health and ASSMCA. The decrease is partially offset by a $1.0M increase in third party receivables.
2. Accounts Payable:
   a. $10.1M increase from end of Q4-20 to end of Q2-21 driven by a $6.0M increase in third party payables, which is exacerbated by a $4.1M increase in intergovernmental payables.
3. Working Capital:
   a. Changes in working capital are favorable by $14.9M over the period, mainly driven by increases in accounts payable.



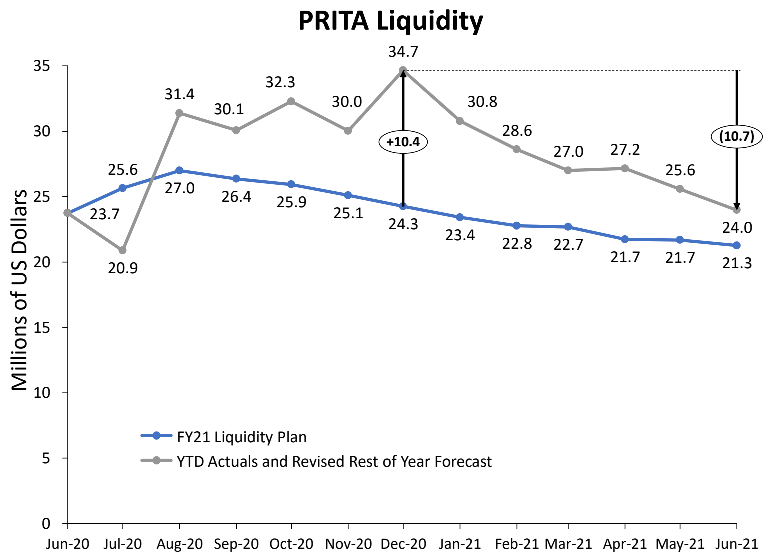
[5] Figures are unaudited and subject to change.

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.

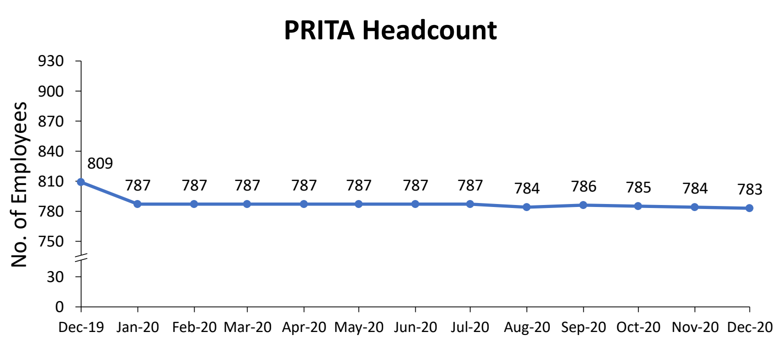
Key Takeaways: Year to date, cash has increased by $10.9M from $23.7M to $34.7M. This is primarily due to the receipt of $14.4M in CARES Act reimbursements at AMA, partially offset by a timing delay in receipt of cigarette tax allocations and AMA past due retirement obligation payments of ($3.4M), and a settled litigation for ($1.0M). PRITA's operating liquidity position remains strained, especially at ATM, and they continue to rely on government support for operations. Both ferry and bus services continue to be significantly impacted due to COVID-19.

A. FY21 Operating Liquidity – Actuals[6] and FY21 Liquidity Plan



1. $10.4M YTD actuals vs. Liquidity Plan:
   a. ($0.8M) unfavorable variance in operating receipts which are not expected to reverse due to the impact of COVID-19 on bus and ferry operations.
   b. $5.8M variance in General Funds due to receipt of funds at ATM for ferry vessel refurbishment.
   c. ($2.8M) timing variance in receipt of cigarette tax allocation, expected to reverse.
   d. ($0.9M) timing variance in General Funds for CapEx. These funds are for ATM to fund fast ferry service.
   e. $12.2M permanent positive variance in federal funds primarily due to receipt of $14.4M in CARES Act funding, partially offset due to a delay in the receipt of preventive maintenance federal funds related to limited bus and ferry operations.
   f. ($5.3M) unfavorable variance in operating disbursements, primarily related to $5.0M in prior year retirement disbursements and $1.0M in a litigation settlement, partially offset by lower utility payments.
   g. $2.2M timing variance in CapEx payments due to COVID-19-related delays.
2. ($10.7M) decrease for the balance of FY21:
   a. $40.9M in receipts driven by $3.3M in operating revenues from bus and ferry operations, $21.2M in intergovernmental collections, and $16.3M in federal grant receipts for preventative maintenance, CapEx, and from the CARES Act.
   b. ($37.5M) in operating disbursements led by ($20.3M) in payroll, ($1.4M) in PayGo, ($9.5M) in materials and supplies, ($1.7M) in purchased services, ($1.8M) in facilities and public services, and ($2.8M) in other expenses.
   c. ($14.1M) in CapEx, of which ($2.1M) is related to fast ferry service expenses at ATM and ($12.0) related to AMA's bus operations.

B. Headcount / Payroll



1. Headcount FTEs: decreased from 809 to 783 from the end of Q2-20 to the end of Q2-21.
   a. Headcount decreased primarily due employee turnover and small amount of VTP.
2. Payroll: Disbursements are forecast to be $42.1M for FY21. YTD payroll is $21.7M.
   a. YTD payroll is in line with forecast.

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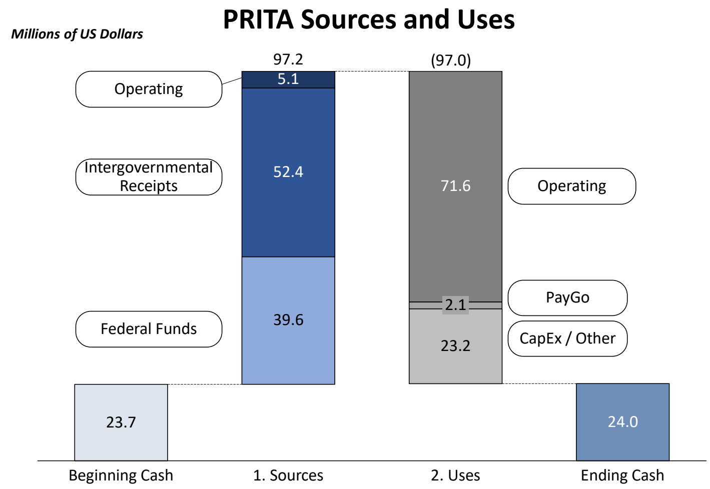
[6] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

1. Sources $97.2M:
   a. Operating receipts of $5.1M, composed of $2.7M for ferries/cargo, $2.3M in bus fares, and $0.1M in miscellaneous receipts.
   b. Intergovernmental receipts of $52.4M, with $28.3M in appropriations from the cigarette tax, $20.7M from General Fund appropriations, and $3.4M from a special government appropriation earmarked for CapEx and the Fast Ferry service at ATM.
   c. $39.6M of Federal Funds receipts, consisting of $17.5M in CARES Act reimbursements, of which $14.4M have been received YTD, and FTA federal fund grants of $22.1M for maintenance expenses and CapEx.
2. Uses ($97.0M):
   a. Operating disbursements total ($71.6M), of which payroll is ($42.1M), materials and supplies are ($13.6M), purchased services are ($5.9M), facilities and payments for public services are ($2.0M), and other at ($8.0M).
   b. ($2.1M) in PayGo obligations.
   c. CapEx is projected to be ($23.2M), with YTD spend of ($9.1M).



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

D. Accounts Receivable / Accounts Payable[7]

1. Information is not available.

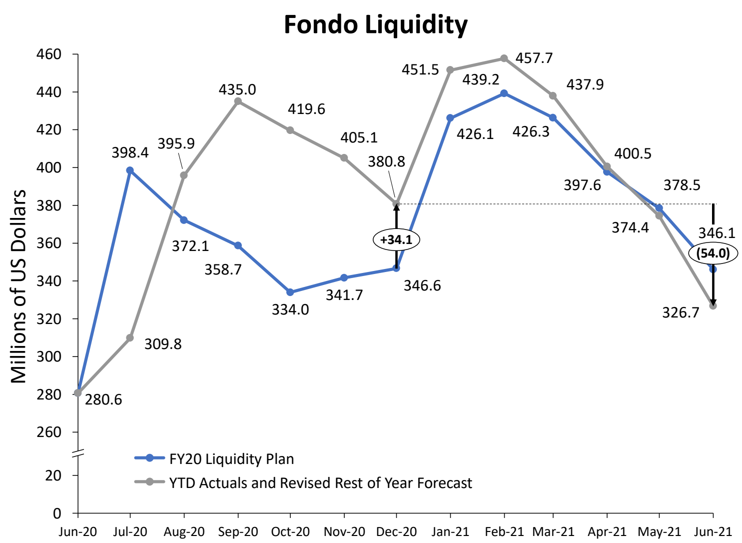
[7] Figures are unaudited and subject to change.

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

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

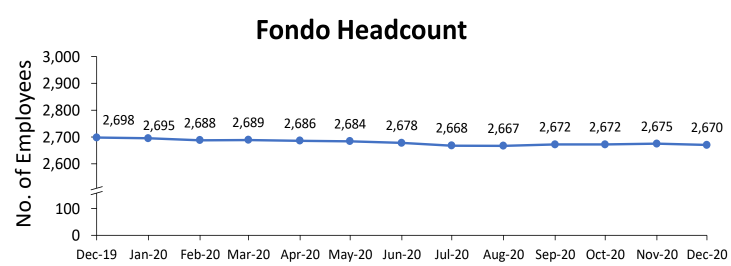
Key Takeaways: Year to date, cash has increased by $100.1M from $280.6M to $380.8M. The cash build is primarily due to $356.6M in premium collections, exceeding the ($256.5M) in operating disbursements. Premium collections are seasonal, and the majority of collections occur in July/August and January/February of each fiscal year, as invoices come due. The cash increase has been further exacerbated by lower spend on medical services and claims-related disbursements due to COVID-19 and associated lockdowns, as well as delays in PayGo disbursements due to invoicing issues. By law, Fondo's coverage provides for unlimited medical services to its insured population, and there is a high degree of variability in service and supplies costs to meet the need of patients. Due to the seasonality in collections and variability in cost of services, it is normal for Fondo to experience large cash swings.

A. FY21 Operating Liquidity – Actuals[8] and FY21 Liquidity Plan



1. $34.1M YTD actuals vs. Liquidity Plan:
   a. $12.2M favorable premiums collections variance, timing. Variance is expected to reverse as Fondo projects premiums collections in FY21 to amount to $582.1M vs. $620.0M in the Liquidity Plan, which is based on the Certified Fiscal Plan.
   b. $12.2M favorable PayGo disbursements, which is timing related due to delays in receiving invoices from Retiro – variance is expected to reverse in Jan-21.
   c. $7.7M favorable claims-related disbursements due primarily to effects from COVID-19, including operational closures, processing delays, etc. Majority of variance is expected to be permanent.
   d. $4.7M favorable purchased services and materials/supplies due to reduced medical services volumes experienced during COVID-19 shutdowns. Variance is permanent.
   e. ($18.8M) unfavorable variance in payroll and related costs, the majority of which is expected to be permanent due to an underbudgeting of payroll.
   f. ($7.6M) unfavorable contributions to other Government entities, timing.
   g. $19.9M favorable transfers to/from restricted (investment) account, timing. These transfers were budgeted for Q4-FY21.
   h. $3.8M timing variance in other cash flow variances primarily attributable to uncleared checks.
2. ($54.0M) cash reduction for the balance of FY21:
   a. Fondo's cash is expected to decrease through year end due to continued claims-related and normal operating disbursements amidst a slowdown in insurance premiums received due to seasonality in Fondo's premium cycle.
   b. Anticipated transfers of ($39.9M) to Fondo's investment portfolio in H2-FY21 to meet the needs of its claims-liabilities reserve will contribute to the cash reduction.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 2,698 to 2,670 from end of Q2-20 to end of Q2-21.
   a. Fondo's headcount has dropped over the period due to normal attrition and management generated efficiencies, though these reductions are still below the aggressive payroll targets identified by the FOMB.
   b. In Jul-20, the FOMB approved a VTP for Fondo to be implemented in FY21 to further reduce headcount and generate additional savings. Fondo anticipates this implementation to occur in Q3-FY21.
2. Payroll: Disbursements are forecast to be $199.4M for FY21. YTD payroll is $102.6M.
   a. Payroll is unfavorable year-to-date largely due to it being under-budgeted in FY21.

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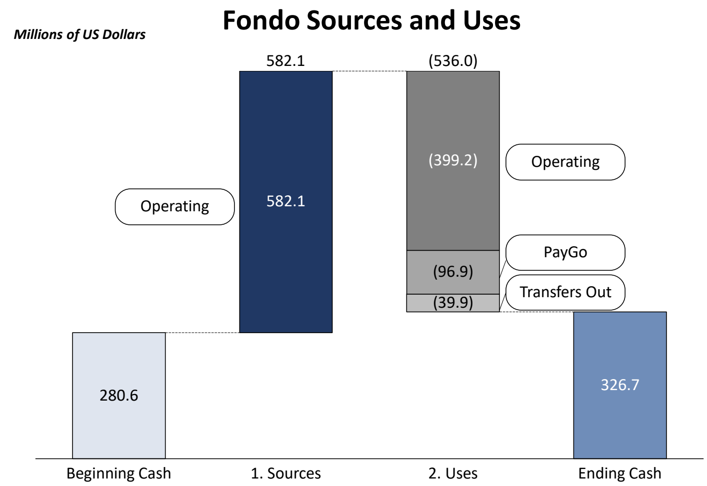
[8] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

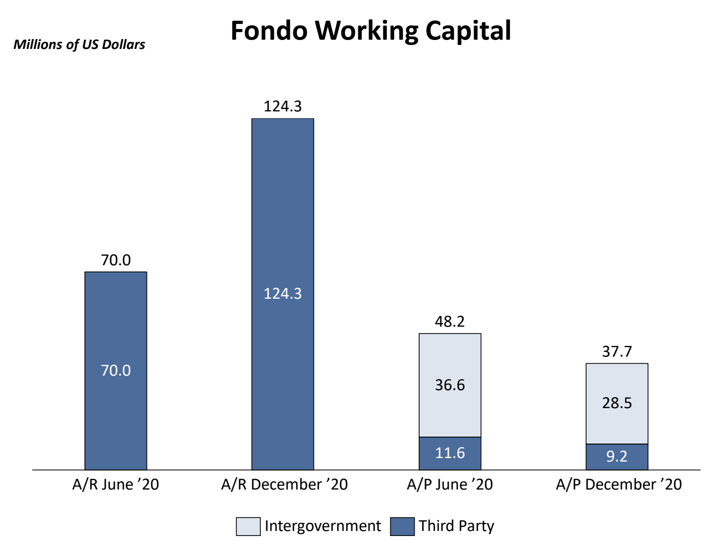
1. Sources $582.1M:
   a. $582.1M in premium collections.
2. Uses ($536.0M):
   a. ($399.2M) in total operating disbursements, consisting of:
      i. ($199.4M) in payroll and related costs.
      ii. ($199.8M) in additional operating disbursements consisting of: claims-related disbursements of ($64.5M), contributions to government entities of ($41.1M), purchased services of ($51.4M), materials and supplies of ($13.0M), facilities payments of ($5.0M), professional services of ($5.0M), and other operating disbursements of ($19.8M).
   b. ($96.9M) in PayGo obligations.
   c. ($39.9M) in in transfers to/from restricted account, which are transfers to Fondo's investment account to cover its claims-liabilities reserve.



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

D. Accounts Receivable / Accounts Payable[9]

1. Accounts Receivable:
   a. $54.3M increase from end of Q4-20 to end of Q2-21 driven by premiums invoices outpacing collections. Receivables are expected to decline in Jan-21 and Feb-21 when the majority of collections are made on July invoices.
2. Accounts Payable:
   a. $10.5M decrease from end of Q4-20 to end of Q2-21 driven primarily by a $8.1M decrease in intergovernmental payables related to a catch-up in PayGo disbursements. There is also a $2.5M decrease in third party vendor payables.
3. Working Capital:
   a. Working capital is unfavorable by $64.8M driven by increases in accounts receivable pertaining to premiums collections coupled with a decreased in accounts payable due to paydowns on amounts owed to Retiro.



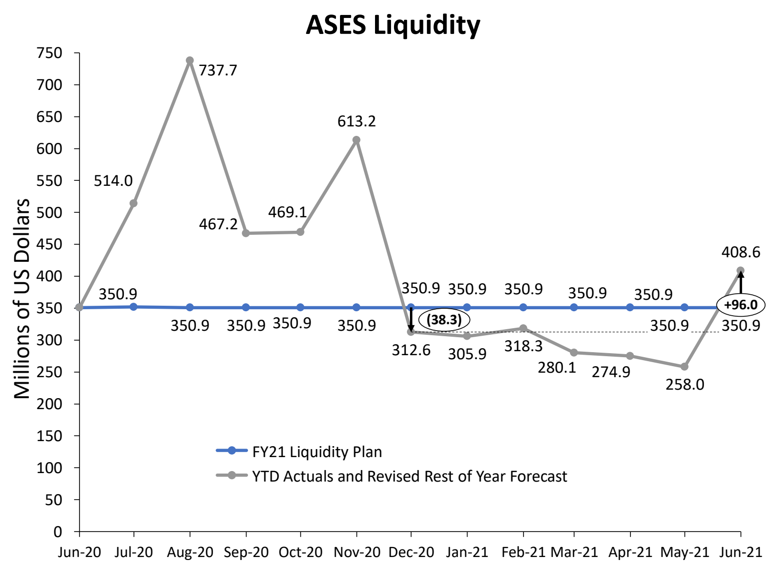
[9] Figures are unaudited and subject to change.

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.

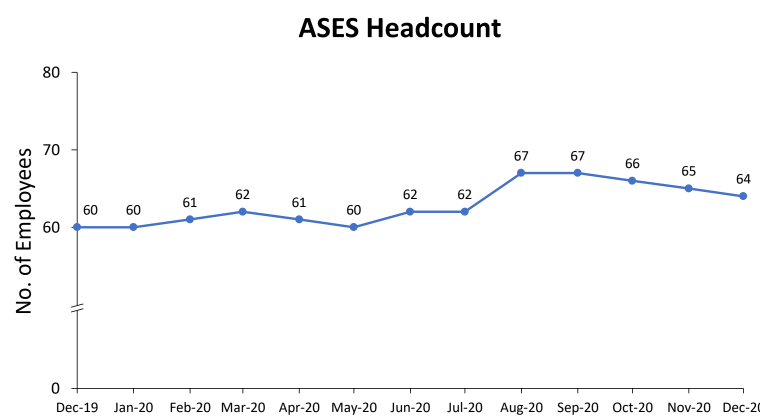
Key Takeaways: Year to date, cash has decreased by ($38.3M) from $350.9M to $312.6M. The cash decrease is primarily due to disbursements made for premiums and related costs, which were in excess of federal, Commonwealth, and special revenue funding sources (such as prescription drug rebates). Unfavorable federal reimbursement receipts received in H1-FY21 relative to the Liquidity Plan are timing related and are expected to reverse. Similar to FY20, funds in FY21 consist primarily of federal funding sources, the result of legislation occurring in FY20 which significantly increased federal funding allotments relative to Commonwealth funding. However, due to reduced federal funding expected to occur in FY22, there is a significant risk to coverage for Puerto Rico's enrolled populations. Such reductions in coverage would likely pose serious medical, financial, and societal complications if not addressed.

A. FY21 Operating Liquidity – Actuals[10] and FY21 Liquidity Plan



1. ($38.3M) YTD actuals vs. Liquidity Plan:
   a. ($143.1M) in unfavorable federal funding, which is timing related. Variance is expected to normalize over the remainder of the fiscal year.
   b. $54.3M in favorable General Fund appropriations driven by $54.4M in funds received from the FY20 OMB Healthcare Reserve to cover premiums costs. Variance is expected to be permanent.
   c. $27.5M in favorable prescription drug rebates, which is expected to be timing related.
   d. ($4.9M) in unfavorable municipality and employer receipts, likely to be permanent. Municipalities have struggled with their own fiscal issues, which has historically made meeting their obligations to ASES problematic.
   e. ($1.7M) unfavorable variance in other income related to interest income.
   f. $29.6M favorable in operating expenditures, primarily related to healthcare premiums and expected to be timing related.
2. $96.0M cash build for the balance of FY21:
   a. The primary source of cash build is a catch-up in federal reimbursement monies for healthcare premiums expected to occur in the final month of the fiscal year.

B. Headcount / Payroll



1. Headcount FTEs: Increased from 60 to 64 from end of Q2-20 to end of Q2-21.
   a. ASES' employees consist of office staff engaged in health administration activities.
2. Payroll: Disbursements are forecast to be $6.7M for FY21. YTD payroll is $2.0M.
   a. ASES payroll favorability is due to a budgeted ramp-up in hiring in FY21 which has been slow to materialize, but is forecasted to occur in the second half of the fiscal year.

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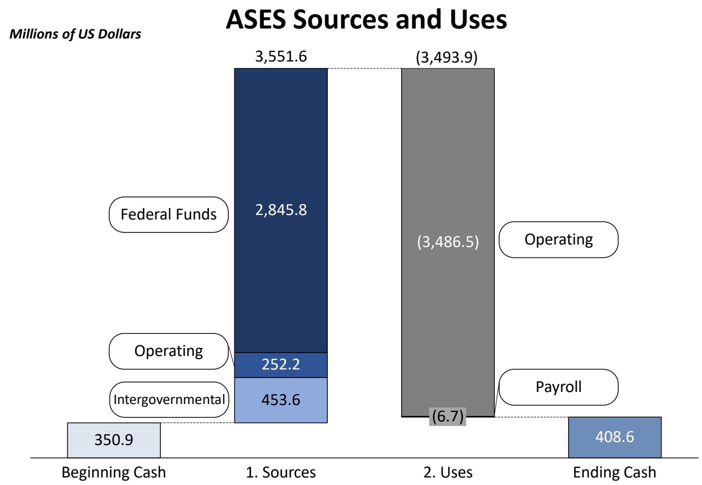
[10] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

1. Sources $3,551.6M:
   a. Federal funding of $2,845.8M.
   b. Operating receipts of $252.2M consisting primarily of prescription drug rebates.
   c. Intergovernmental receipts of $453.6M consisting of $330.9M in budgeted General Fund appropriations, $54.4M in other Commonwealth special appropriations, and $68.3M in CRIM funding from municipalities and employers.
2. Uses ($3,493.9M):
   a. ($3,486.5M) in operating expenditures consisting primarily of healthcare premiums ($3,467.0M) and other operating expenditures of ($19.6M) comprised of general overhead costs such as professional fees, rent, and utilities for the ASES headquarters.
   b. ($6.7M) in payroll-related costs.
   c. ($0.6M) in PayGo obligations.



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

D. Accounts Receivable / Accounts Payable[11]

1. Information is not available.

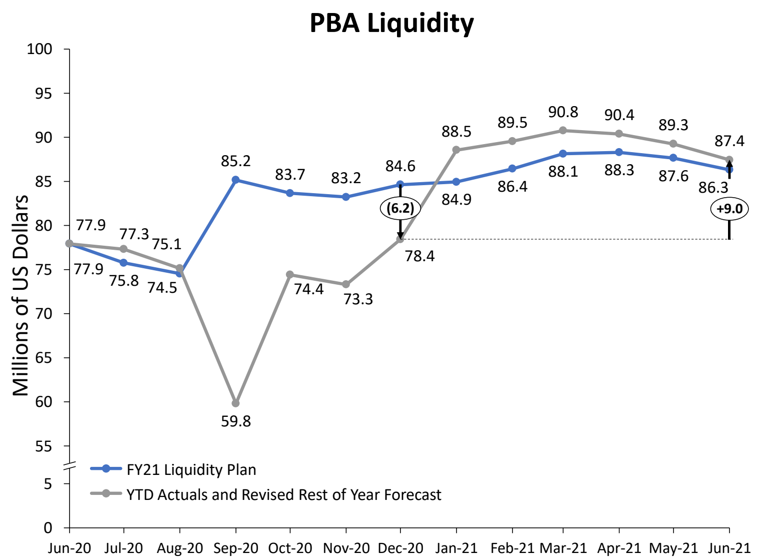
[11] Figures are unaudited and subject to change.

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

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

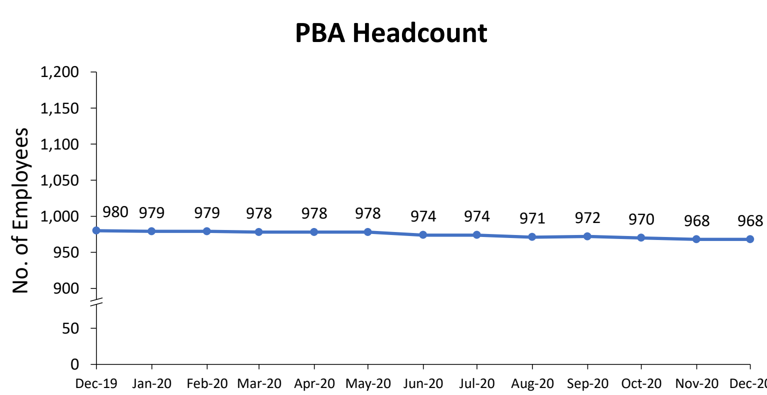
Key Takeaways: Year to date, cash increased by $0.5M from $77.9M to $78.4M. Through December, there has been a delay in collection of $10.9M in rent receipts, which has been offset by lower than anticipated operating expense. PBA anticipates the delay in rent collections is primarily timing related, with collection likely to pick up in the next few months. PBA projects to end FY21 with $87.4M in liquidity.

A. FY21 Operating Liquidity – Actuals[12] and FY21 Liquidity Plan



1. ($6.2M) YTD actuals vs. Liquidity Plan:
   a. ($11.3M) in total receipts driven by:
      i. ($10.9M) unfavorable variance in direct rent from government agencies due to a delay in collection of $7.6M in FY21 rent and a delay in collection of $3.3M in FY20 rent. The delay in FY21 collections has improved from previous months and is timing related, while the FY20 delay is likely permanent.
      ii. ($0.4M) in unfavorable variances in other revenues primarily due to lower rent from direct invoices.
   b. $5.1M in total disbursements driven by:
      i. $4.1M positive variance in payroll expenses, related to reduced headcount and benefit changes, which is permanent.
      ii. ($1.5M) unfavorable timing variance in purchased services, due to higher insurance payment and maintenance expenses on PBA's buildings.
      iii. $2.5M positive variance in other expenses, led by $4.6M in timing variance of other operating expenses and a permanent variance in CapEx of $1.0M, offset by ($3.1M) timing variance in disaster-related expenses.
2. $9.0M cash build for the balance of FY21.
   a. $70.1M in total forecast receipts driven by $68.7M in intergovernmental receipts, $0.8M in other operating receipts, and $0.6M in disaster-related receipts.
   b. ($61.1M) in operating disbursements led by payroll ($27.2M), PayGo ($12.2M), facilities payments ($11.9M), purchased services ($4.4M), and other expenses ($5.4M).

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 980 to 968 from end of Q2 FY20 to end of Q2 FY21.
   a. Decrease in headcount is primarily due to employee turnover, most of which PBA does not expect to backfill.
2. Payroll: Disbursements are forecast to be $51.1M for FY21. YTD payroll is $23.9M.
   a. YTD payroll is tracking lower than the LP, which is permanent and related to reduced headcount and continued efforts to lower employee benefit expenses.

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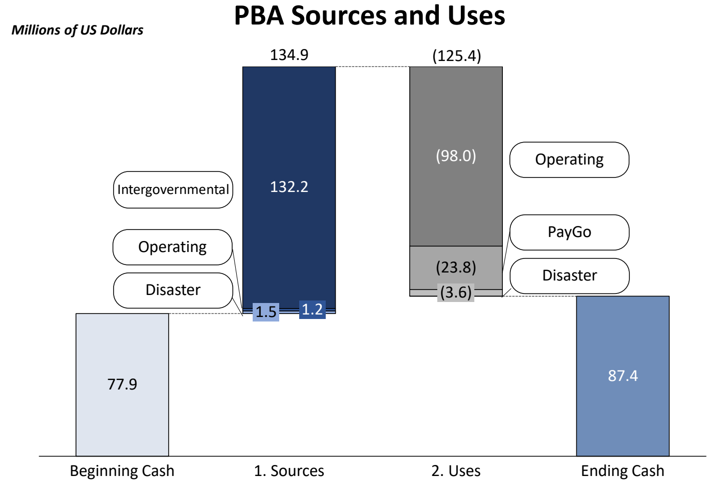
[12] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

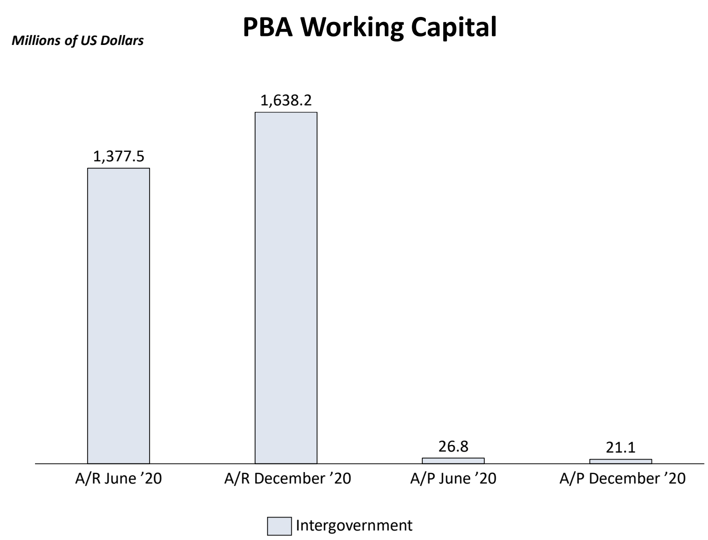
1. Sources $134.9M:
   a. Intergovernmental receipts total $132.2M, all of which PBA anticipates being paid via direct invoice. PBA reduced FY21 estimated total collections by $3.3M of FY20 rent that has a low likelihood of collection.
   b. Disaster-related receipts total $1.5M, which relates to FEMA claims from Hurricanes Irma and Maria.
   c. Other operating receipts total $1.2M, of which $0.8M are related to income from third party occupancy and $0.4M are related to other income, including interest income.
2. Uses ($125.4M):
   a. Operating disbursements total ($98.0M), consisting of payroll of ($51.1M), purchased services of ($24.6M), facilities and payments for public services of ($16.4M), professional services of ($1.2M), and other operating expenses of ($4.7M).
   b. PayGo contributions of ($23.8M).
   c. Disaster-related disbursements of ($3.6M), of which ($2.1M) are related to FEMA and ($1.5M) are related to insurance-related projects.



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

D. Accounts Receivable / Accounts Payable[13]

1. Accounts Receivable:
   a. $260.7M increase from the end of Q4-20 to the end of Q2-21 driven by intergovernmental receivables, primarily related to the debt service portion of rent not being received.
2. Accounts Payable:
   a. ($5.7M) decrease from end of Q4-20 to end of Q2-21 driven by paydown of utility ($4.6M) and other payables ($1.1M).
3. Working Capital:
   a. Working capital through Q2-21 decreased $266.4M due to the above changes.



[13] Figures are unaudited and subject to change.

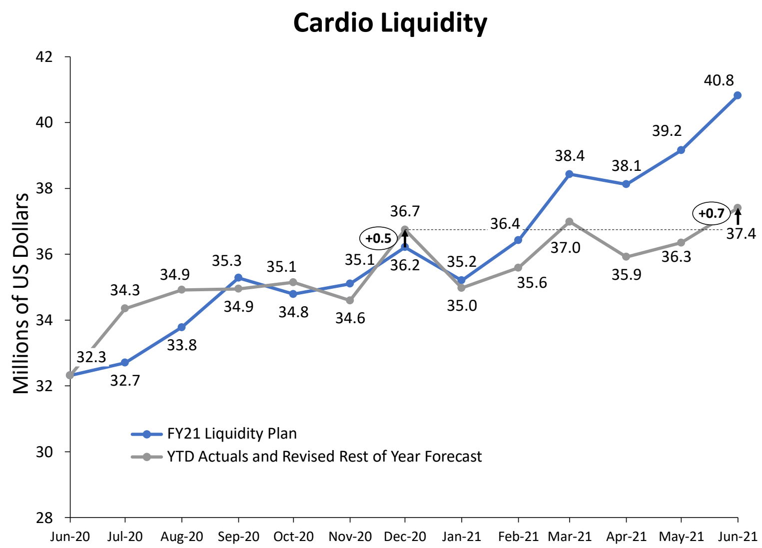
VII. CARDIOVASCULAR CENTER FOR PUERTO RICO AND THE CARIBBEAN ("Cardio")

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

Key Takeaways: Year to date, cash has increased by $4.4M from $32.3M to $36.7M. The cash build is primarily due to $4.2M in favorable net patient collections vs. forecast, which include $2.5M in additional COVID-relief funds received from Hacienda not forecast. In FY20, cash increased considerably due to $11.5M in favorable net patient collections mainly from special funding received as a result of the COVID-19 pandemic. These funds included advances from Medicare of $6.5M, stimulus funds received from HHS of $1.0M, funds received from the Puerto Rico Commonwealth for equipment and bonus/incentives for nurses of $4.5M, as well as other advances from commercial insurers. There are no anticipated liquidity issues in FY21.

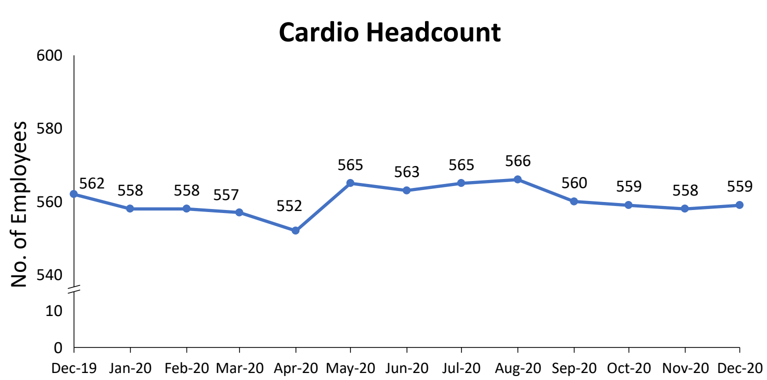
A. FY21 Operating Liquidity – Actuals[14] and FY21 Liquidity Plan

1. $0.5M YTD actuals vs. Liquidity Plan:
   a. $4.2M favorable receipts from net patient collections, which is expected to be permanent. In Dec-20, Cardio received $2.5M in COVID-relief funds from the Puerto Rico Commonwealth, which were not forecast.
   b. $0.3M favorable payroll-related disbursements, which are timing related and expected to reverse in Jan-21.
   c. ($0.2M) unfavorable PayGo disbursements, which are timing related.
   d. ($3.7M) unfavorable operating disbursements primarily driven by purchased services due to paydowns on prior years' obligations, which is expected to be permanent.
2. $0.7M cash build for the balance of FY21:
   a. Receipts are anticipated to outpace operating disbursements throughout the remainder of FY21 based on current run rates.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 562 to 559 from end of Q2-20 to end of Q2-21.
   a. Cardio has had historical issues with staffing turnover due to a competitive hiring environment for nurses.
2. Payroll: Disbursements are forecast to be $28.2M for FY21. YTD payroll is $13.5M.
   a. Cardio's payroll is tracking slightly favorable to forecast, which is expected to reverse by year end due to timing.



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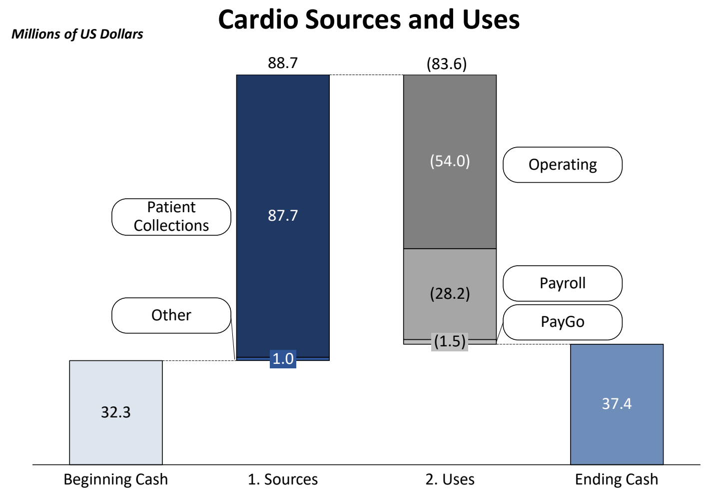
[14] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

1. Sources $88.7M:
   a. $87.7M in patient collections.
   b. $1.0M in other receipts consisting of rental income.
2. Uses ($83.6M):
   a. ($54.0M) in operating expenditures consisting of materials & supplies ($28.6M), purchased services ($12.8M), professional services ($5.4M), facilities payments ($3.9M), and other operating expenditures ($3.2M).
   b. ($28.2M) in payroll and related costs.
   c. ($1.5M) in retirement contributions.



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

D. Accounts Receivable / Accounts Payable[15]

1. Information is not available.

[15] Figures are unaudited and subject to change.

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

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

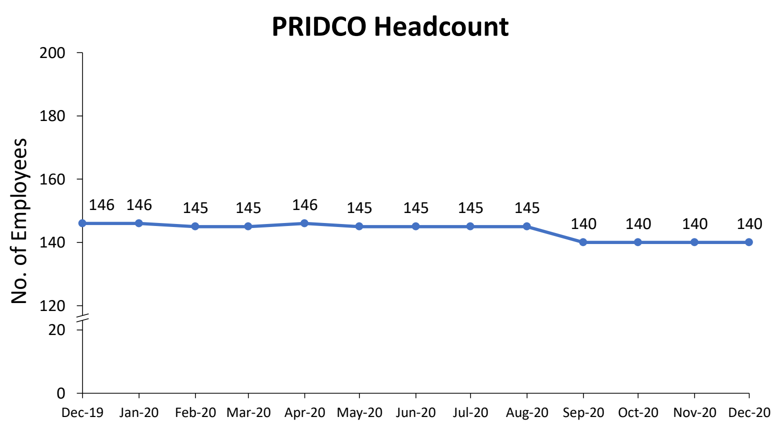
Key Takeaways: Year to date, operating cash (unrestricted) has decreased by ($1.2M) from $46.5M to $45.3M. Rental receipts have been favorable to forecast inclusive of COVID-19 impacts, which have been partially offset by unfavorable operating disbursements due to paydowns on prior year payables including PayGo, as well as higher than anticipated payroll-related spend as back-office employees are pending to be transferred to DDEC. The administration of incentive/grant programs is now under the responsibility of DDEC in FY21 instead of PRIDCO; however, delays in the transition of these processes remain. While $36.0M in prior years' incentive funds were transferred to DDEC in Sep-20 and Oct-20, PRIDCO continues to receive and manage these various incentive funds. Approximately $15.0M in current year Act. 60 incentive/grant funds were transferred to DDEC in Nov-20. There are no immediate liquidity concerns.

A. FY21 Operating Liquidity – Actuals[16] and FY21 Liquidity Plan

1. The information is not available given the Liquidity Plan has not been updated to reflect the integration of PRIDCO's operations into DDEC due to the ongoing consolidation efforts and subsequent delays in the transition of operations and personnel. Once these transition items are complete, the Liquidity Plan can be updated to provide for a more complete analysis and comparison to the Certified Budget.

B. Headcount / Payroll

1. Headcount FTEs: Decreased from 146 to 140 from end of Q2-20 to end of Q2-21.
    a. There are delays in the transition of back-office personnel from PRIDCO to DDEC as part of the ongoing DDEC consolidation efforts.
    b. Due to these delays, payroll-related disbursements are unfavorable to the Certified Budget.



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

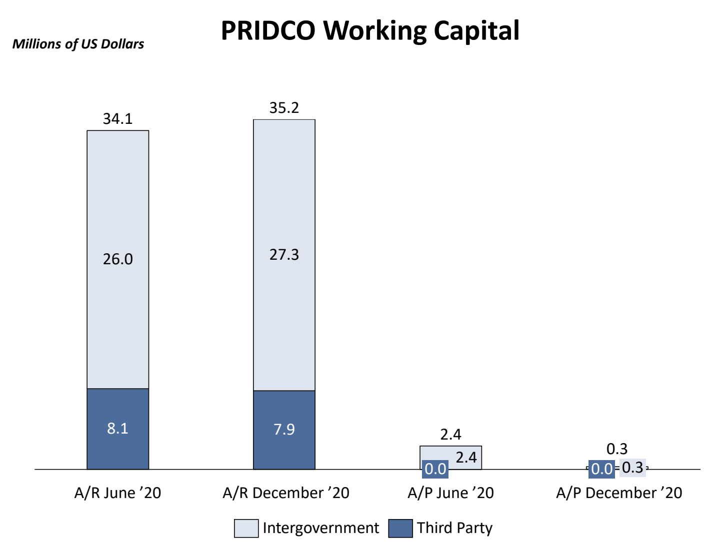
VIII. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION ("PRIDCO") (Continued)

C. Full Year FY21 Sources and Uses of Funds

1. Information is not available.

D. Accounts Receivable / Accounts Payable[17]

1. Accounts Receivable:
   a. $1.1M increase from end of Q4-20 to end of Q2-21 driven by a $1.3M increase in third party accounts receivable related to rental income.
2. Accounts Payable:
   a. $2.1M decrease from end of Q4-20 to end of Q2-21 driven by decreases in third party accounts payable due to paydowns on insurance obligations.
3. Working Capital:
   a. Working capital is unfavorable by $3.2M driven by decreases in accounts payables further exacerbated by increases in accounts receivable.



[17] Figures are unaudited and subject to change.

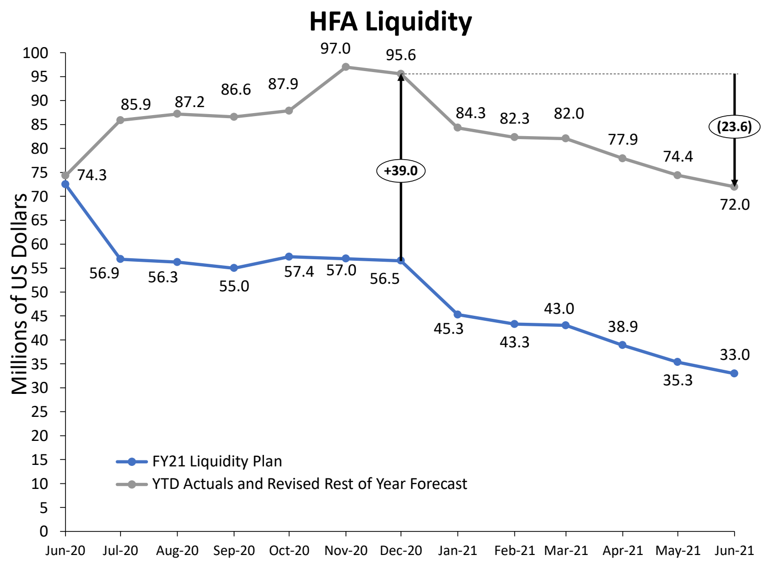
IX. PUERTO RICO HOUSING FINANCE AUTHORITY ("HFA")

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

Key Takeaways: Year to date, cash has increased by $21.3M, from $74.3M to $95.6M, driven by lower than expected operational disbursements due to COVID-19 impact. This was partially offset by operating and Intergovernmental receipts underperformance of ($9.6M) collectively, which is permanent. Federal receipts reflect a negative timing variance of ($7.6M). Operating and Federal fund disbursements experienced favorable variances of $21.1M. Forecasted debt-service figures drive favorable disbursement variances of $12.4M YTD, due to successful Federal debt restructuring in the period. Net balance-sheet activity reflects favorable variance of $22.7M.

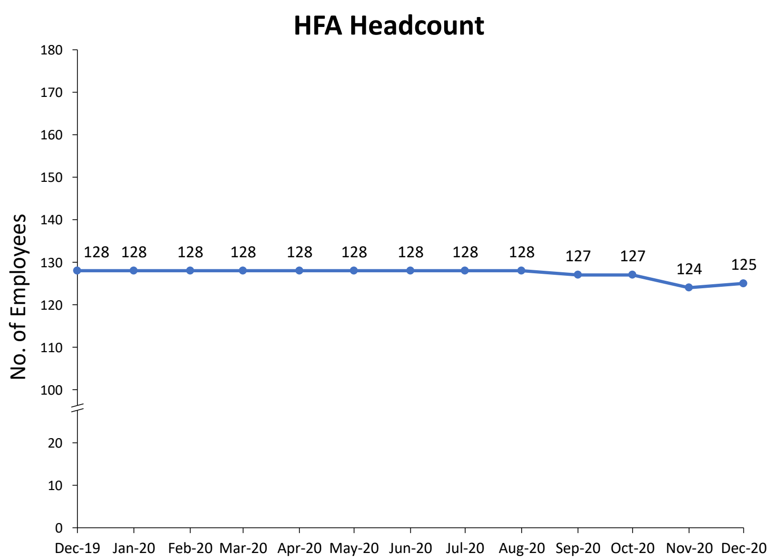
A. FY21 Operating Liquidity – Actuals[18] and FY21 Liquidity Plan

1. $39.0M YTD actuals vs. Liquidity Plan:
    a. ($8.9M) unfavorable in Operating Receipts.
    b. ($0.7M) unfavorable in Commonwealth Receipts.
    c. ($0.3M) unfavorable in Federal Funds net activity.
    d. $13.8M favorable in Operating Disbursements.
    e. $22.7M favorable in net Balance Sheet Activity.
    f. $12.4M favorable in Debt Service.
2. ($23.6M) cash reduction for the balance of FY21:
    a. Cash balance at the end of FY21 will be reforecasted once details around the now finalized debt restructuring are provided.
    b. Efforts are ongoing to better determine balance sheet-related activity for the remainder of the fiscal year, which to date is the main driver of variances to the Liquidity Plan.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 128 to 125 from end of Q2-20 to end of Q2-21.
    a. This represents a total reduction of 3 full time employees for the trailing 12 months.
    b. Headcount reduction is due to various VTP programs, normal course of attrition, as well as a reduction and turnover in management level officials.
2. Payroll: Disbursements are forecast to be $6.8M for FY21. YTD payroll is $3.3M.
    a. YTD payroll is generally in line with forecast.



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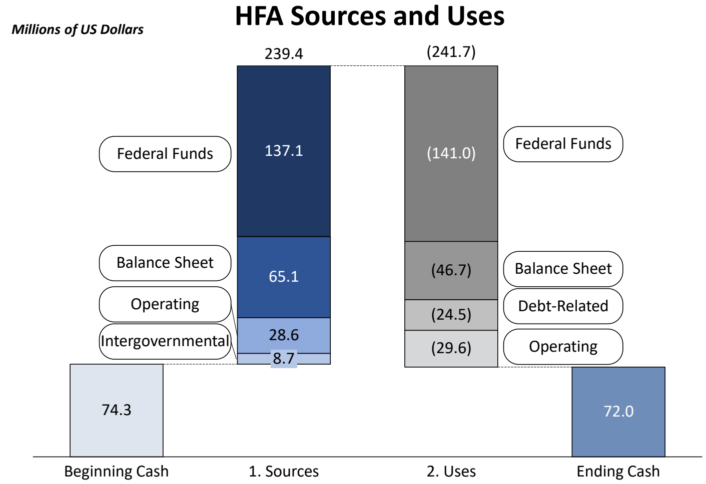
[18] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY21 Sources and Uses of Funds

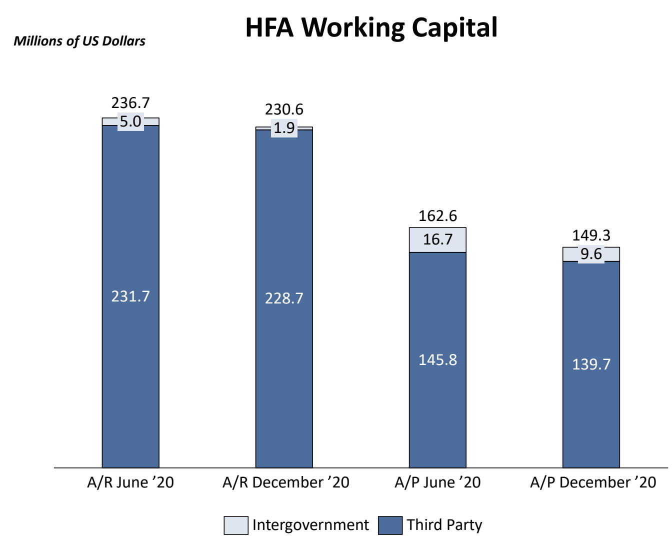
1. Sources $239.4M:
   a. $137.1M in Federal Fund Receipts.
   b. $65.1M in Balance Sheet Receipts.
   c. $28.6M in Operating Receipts.
   d. $8.7M in Intergovernmental Receipts.
2. Uses ($241.7M):
   a. ($141.0M) in Federal Fund Disbursements.
   b. ($46.7M) in Balance Sheet Disbursements.
   c. ($24.5M) in Debt Service Payments.
   d. ($29.6M) in Operating Disbursements.



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

D. Accounts Receivable / Accounts Payable[19]

1. Accounts Receivable:
   a. ($6.1M) decrease from end of Q2-20 to end of Q2-21 driven by intragovernmental accounts decrease of ($3.1M) or 62%.
2. Accounts Payable:
   a. ($13.3M) decrease from end of Q2-20 to end of Q2-21 driven by intragovernmental accounts decrease of ($7.1M) or 43%.
3. Working Capital:
   a. Decrease of ($9.5M) due to the above changes in accounts.



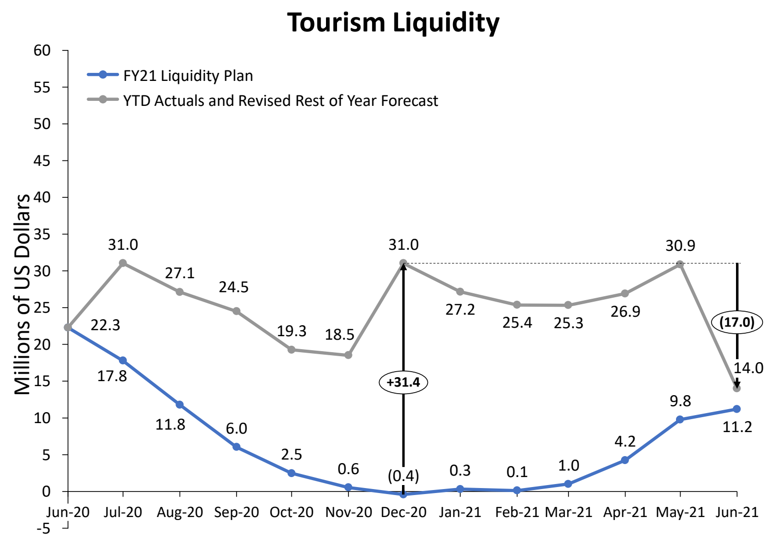
[19] Figures are unaudited and subject to change.

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

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

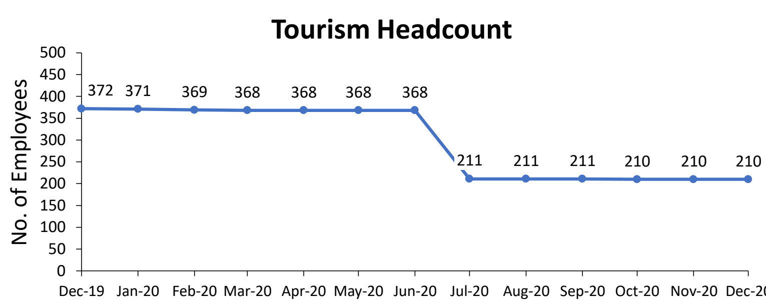
Key Takeaways: Year to date, cash has increased by $8.7M from $22.3M to $31.0M. The cash increase is driven primarily by (1) higher slot machine receipts received and (2) delays in marketing and other operating disbursements due to liquidity concerns caused by the onset of the COVID-19 pandemic. Slot machine and room tax collections, which are the primary funding source for Tourism's activities, have been minimal since the onset of COVID-19 and the associated lockdowns. After intermittent casino closures, casinos are now allowed to operate at 30% capacity, while hotel occupancy remains well below pre-COVID-19 levels. While there are no immediate risks to liquidity, cash is expected to decline by ($17.0M) in the second half of the fiscal year due to low operating receipts and as Tourism addresses past-due payables, including transfers to the CCDA debt service reserve. As of Sep-20, Tourism has transitioned all slot machine operations, including collection and distribution of related taxes, to the Gaming Commission. As a result, ~$20.0M in slot machine operating disbursements was transferred from Tourism to the Gaming Commission in FY21.

A. FY21 Operating Liquidity – Actuals[20] and FY21 Liquidity Plan



1. $31.4M YTD actuals vs. Liquidity Plan:
   a. $4.6M favorable permanent variance in operating receipts, net of waterfall disbursements. While both slot machine and room tax collections are favorable to forecast, these collections were $43.4M in H1-FY21 compared to $177.3M in H1-FY20. It should be noted that since Sep-20 Tourism has received slot machine collections from the Gaming Commission on a net basis instead of a gross basis. Tourism is no longer obligated to disburse slot machine waterfall obligations.
   b. $18.2M favorable variance due to timing delay in transfers to CCDA debt service reserve.
   c. $12.2M favorable variance in appropriations to the DMO, timing.
   d. ($2.8M) unfavorable variance in payroll disbursements, the majority of which is expected to be permanent. Line-item was underbudgeted.
   e. ($2.5M) unfavorable subsidies/incentives disbursements on prior year(s) invoices for cruise line incentives, permanent.
   f. ($1.9M) unfavorable PayGo disbursements, permanent. Variance pertains to disbursements made on past-due invoices.
   g. $3.6M in other receipts/disbursements driven by higher spend on purchased services and other operating disbursements.
2. ($17.0M) cash reduction for the balance of FY21:
   a. The projected decline in cash will be driven by (1) depressed slot machine and room tax collections due to adverse impacts from the ongoing COVID-19 crisis and (2) catch-up on material disbursement items, including obligations to the DMO and transfers to the CCDA debt service reserve.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 372 to 210 from end of Q2-20 to end of Q2-21.
   a. Reduction in headcount is primarily due to the transfer of slot machine operations personnel to the Gaming Commission.
2. Payroll: Disbursements are forecast to be $11.6M for FY21. YTD payroll is $6.5M.
   a. Certified Budget amount for payroll of $8.3M did not accurately reflect Tourism's payroll needs after transfers of personnel to the Gaming Commission were made.

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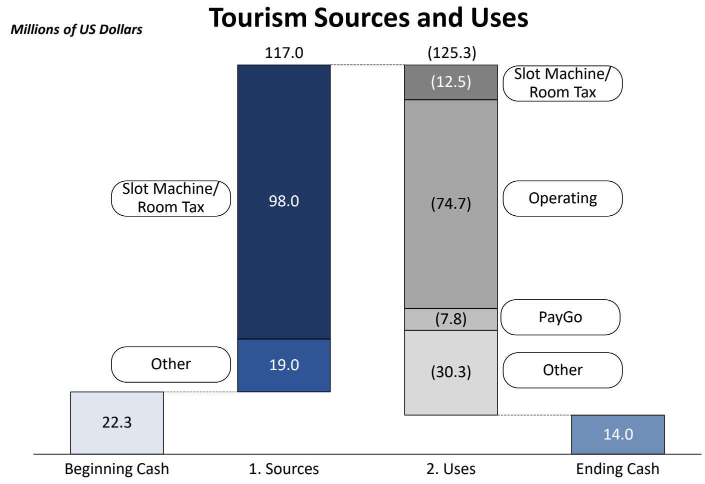
[20] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

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

C. Full Year FY21 Sources and Uses of Funds



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

1. Sources $117.0M:
   a. $98.0M in operating revenues, of which $52.5M, or 45% of total revenue is from slot machines, and $45.5M, or 39% of total revenue is from room tax revenues. There is seasonality in the receipt of room tax revenues, which may create temporary timing variances. Tourism funds the entirety of its operations and intergovernmental obligations to CCDA through various waterfall distributions explained below. New for FY21, slot machine operations were transferred to the Gaming Commission. While Tourism will receive net collections as part of the waterfall in FY21 instead of gross collections (pre-FY21), Tourism is no longer responsible for slot machine operations-related costs.
   b. General Fund appropriations are $4.5M, which pertain to non-recurring amounts received to paydown remaining FY20 obligations to the DMO previously deferred due to liquidity concerns.
   c. Other receipts total $14.5M, which consist mostly of transfers in from Tourism subsidiaries due to a change in banking institutions during FY21. These amounts were subsequently transferred out.
2. Uses ($125.3M):
   a. (12.5M) in slot machine and room taxes waterfall: slot machine funds are disbursed to Hacienda, University of Puerto Rico, and casinos; room tax funds are disbursed to CCDA and intercompany marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements of ($8.5M) and ($4.0M) are made from slot machines and room taxes, respectively. While Tourism no longer manages slot machine operations, delays in the transition of these operations to the Gaming Commission caused Tourism to manage the collections and waterfall disbursements process longer than originally anticipated. Slot machine waterfall disbursements were not originally forecast in the Liquidity Plan.
   b. ($74.7M) in operating expenses, built from payroll of ($11.6M), DMO expenses of ($25.0M), media/ads of ($4.4M), purchased services of ($4.4M), professional service fees of ($3.0M), and other operating expenses of ($26.3M) consisting of event/promotions costs, air access incentives, utilities, transportation costs, and misc. transfers (out).
   c. ($7.8M) in PayGo expenses.
   d. ($30.3M) in other disbursements are transfers to a restricted account for CCDA debt service reserve.

D. Accounts Receivable / Accounts Payable[21]

1. Information is not available.

[21] Figures are unaudited and subject to change.

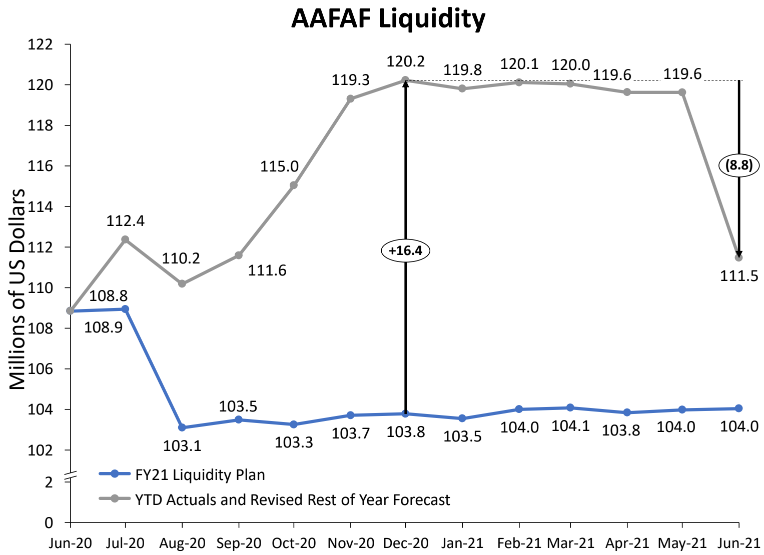
XI. FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")

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

Key Takeaways: Year to date, cash has increased by $11.4M from $108.8M to $120.2M. AAFAF's largest expenditures have pertained to professional service fees, as budgeted. The build in liquidity is primarily due to timing of General Fund appropriations in excess of normal operating and Title III expenses, which is expected to normalize over the remainder of the fiscal year.

A. FY21 Operating Liquidity – Actuals[22] and FY21 Liquidity Plan

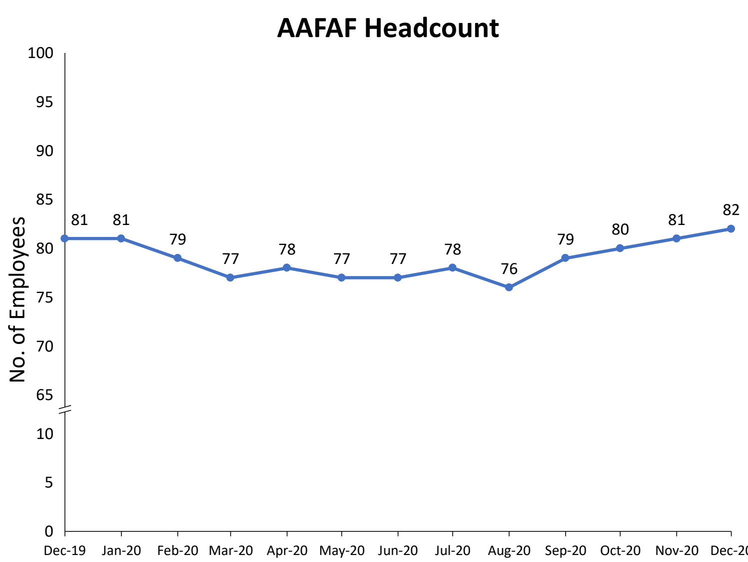
1. $16.4M YTD actuals vs. Liquidity Plan:
   a. $5.4M favorable variance in intergovernmental receipts primarily due to the timing of General Fund appropriations.
   b. $3.3M favorable variance in other receipts consisting primarily of agency fees and interest income, which is permanent.
   c. $0.8M favorable payroll, which is timing related. The forecast considers additional hirings to be made in H2-FY21.
   d. $8.7M favorable variance in professional services (Budget + Title III), which is timing related.
   e. ($1.8M) unfavorable other operating expenditures, primarily related to increased monthly banking charges relative to forecast, permanent.



2. ($8.8M) cash reduction for the balance of FY21:
   a. AAFAF's decline in cash will be driven primarily by anticipated expenditures on professional fees. AAFAF is expected to spend ($38.2M) in professional fees through year end mainly due to a buildup of Title III professional fees whose invoices are awaiting approval by a court appointed fee examiners.

B. Headcount / Payroll

1. Headcount FTEs: Increased from 81 to 82 from end of Q2-20 to end of Q2-21.
   a. Headcount increases are driven by normal attrition and hiring factors.
2. Payroll: Disbursements are forecast to be $8.7M for FY21. YTD payroll is $3.2M.
   a. YTD payroll is tracking lower than forecast as the Liquidity Plan considered additional hiring in FY21, which was only initiated in Q2-21.
   b. Payroll disbursements are anticipated to increase in the second half of the fiscal year due to additional hiring.



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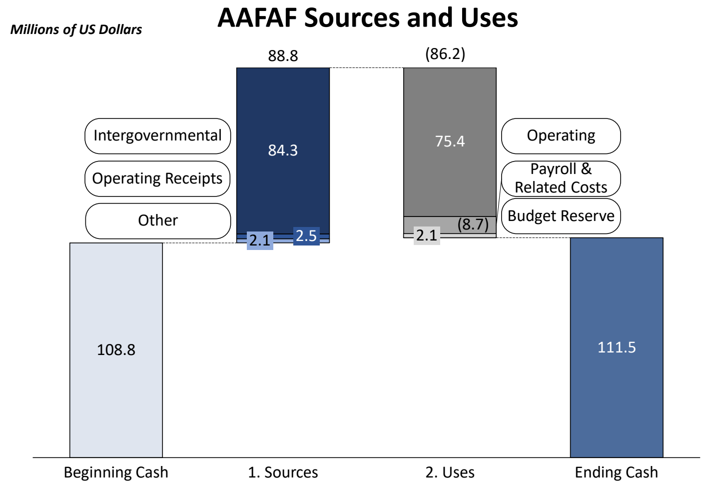
[22] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

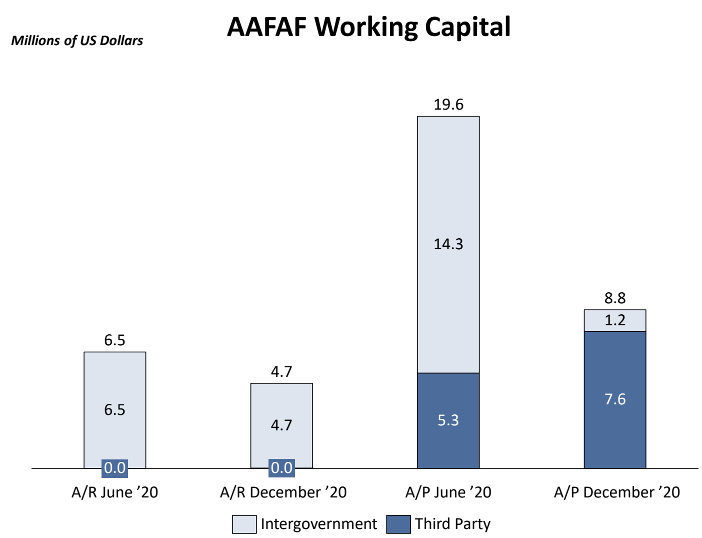
1. Sources $88.8M:
   a. $84.3M in general fund appropriations.
   b. $2.5M in operating receipts consisting of fiscal agency fees and interest income.
   c. $2.1M in other income.
2. Uses ($86.2M):
   a. ($75.4M) in operating expenditures consisting of professional fees ($71.1M), purchased services ($2.1M), and ($2.2M) in other costs including materials and supplies, facilities payments, transportation, PayGo, and other.
   b. ($8.7M) in payroll and related costs.
   c. ($2.1M) in budget reserves.



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

D. Accounts Receivable / Accounts Payable[23]

1. Accounts Receivable:
   a. $1.8M decrease from end of Q4-20 to end of Q2-21 driven by a $1.8M decrease in intergovernmental payables.
2. Accounts Payable:
   a. $10.8M decrease from end of Q4-20 to end of Q2-21 driven by paydowns on accrued amounts owed for professional services fees.
3. Working Capital:
   a. ($9.0M) use of cash driven primarily by decreases in accounts payable.



[23] Figures are unaudited and subject to change.

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

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

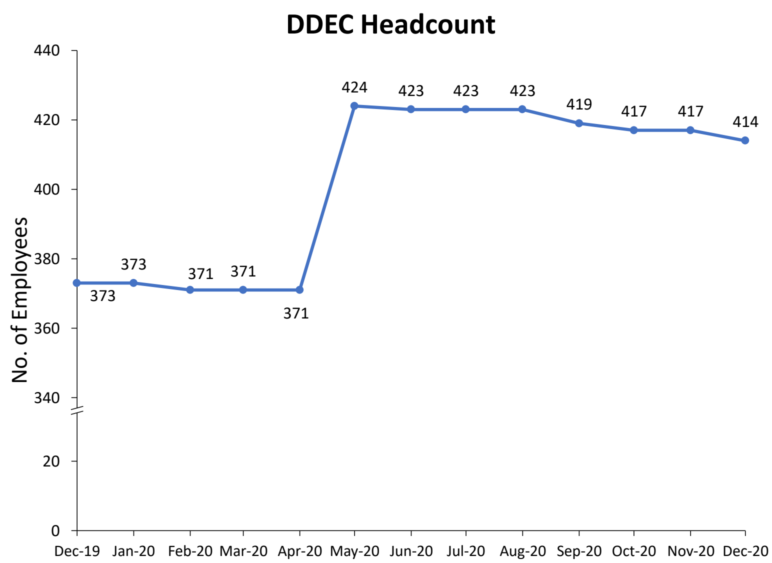
Key Takeaways: Year to date, cash has increased by $34.6M from $40.7M to $75.3M primarily due to approximately $36.0M in prior years' FEDE incentives transferred from PRIDCO. Year to date, DDEC has also received an additional $15.0M in transfers from PRIDCO related to current year Act. 60 incentive/grant funds. The administration of these incentive/grant programs is now under the responsibility of DDEC in FY21 instead of PRIDCO, although there continue to be delays in the transition of these processes. There are no liquidity concerns forecast for FY21. For FY21 reporting purposes, DDEC includes the Business Development Office, Permits Management Office, Office of Incentives, Puerto Rico Trade and Export Company, Labor Development Program, Film Industry Development Program, Youth Development Program, and the Public Energy Policy Program. Other entities operating within the DDEC umbrella, but reported on a separate basis include the Puerto Rico Industrial Development Company, the Puerto Rico Tourism Company, the Planning Board, and the Roosevelt Roads Redevelopment Corporation.

A. FY21 Operating Liquidity – Actuals[24] and FY21 Liquidity Plan

1. The information is not available given the Liquidity Plan has not been updated to reflect the integration of PRIDCO's operations into DDEC due to the ongoing consolidation efforts and subsequent delays in the transition of operations and personnel. Once these transition items are complete, the Liquidity Plan can be updated to provide for a more complete analysis and comparison to the Certified Budget.

B. Headcount / Payroll

1. Headcount FTEs: Increased from 373 to 414 from end of Q2-20 to end of Q2-21.
   a. Increase in headcount is due to addition of back-office personnel from various entities as part of the DDEC consolidation efforts.



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

XII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC") (Continued)

C. Full Year FY21 Sources and Uses of Funds

1. Information is not available.

D. Accounts Receivable / Accounts Payable[25]

1. Information is not available.

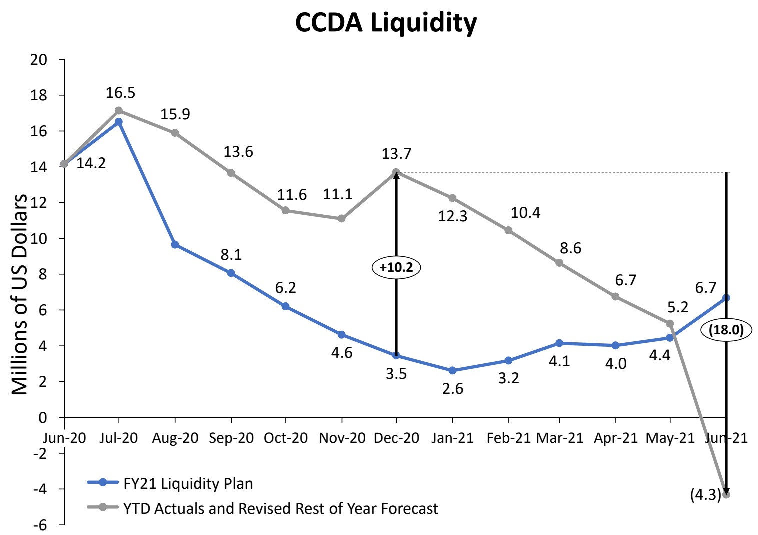
[25] Figures are unaudited and subject to change.

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

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

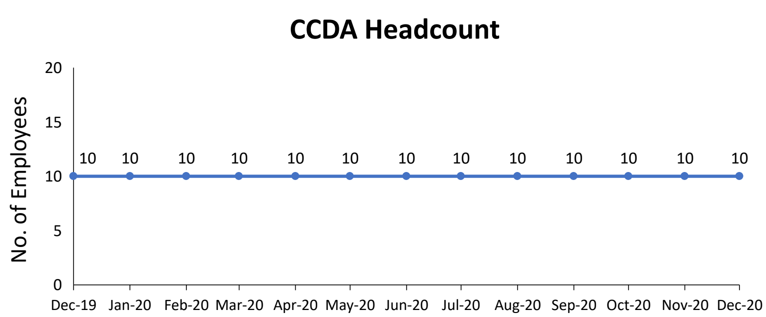
Key Takeaways: Year to date, cash has decreased by ($0.5M) from $14.2M to $13.7M. The cash decrease is primarily due to operating losses sustained by the event venues since the onset of COVID-19 and associated restrictions on activities; events are currently restricted to 25% capacity. Cash is projected to further decline due to continued operating losses and will be further exacerbated by CapEx and property insurance obligations, and a catch-up on previously deferred spend mostly pertaining to the Convention Center. CCDA is requesting $12.0M in funds needed to bridge operating liquidity needs for the second half of the fiscal year, including immediate funding for payroll and other operating needs. The requested funds are pending with OMB.

A. FY21 Operating Liquidity – Actuals[26] and FY21 Liquidity Plan



1. $10.2M YTD actuals vs. Liquidity Plan:
   a. $0.7M favorable operating receipts driven primarily by higher rental receipts at the Convention Center than originally forecast. Variance likely to reverse given receipts are expected to be minimal due to depressed event-related activity, including ongoing capacity restrictions; future event bookings remain uncertain.
   b. $5.1M favorable other receipts driven by $4.4M in receipts mostly stemming from CARES Act funds not forecast, which are earmarked mostly for non-operating uses. Intergovernmental receipts are favorable to forecast by $0.7M due to collections on prior years' room taxes debt not forecast. These variances are expected to be permanent.
   c. $3.0M favorable variance on utilities spend is due to both timing delays and reduced event volumes.
   d. $1.0M favorable purchased services spend is due to fewer events being held at the Coliseum and Convention Center. These disbursements are driven by the number and frequency of events held, and relate to expenses for concessions, security expenses, ticketing, etc.
   e. $0.3M favorable CapEx spend, which is timing related.
   f. $0.1M in other disbursements.
2. ($18.0M) cash reduction for the balance of FY21:
   a. CCDA projects a significant decline to ($4.3M) by fiscal year end due to an absence of events at the PR Coliseum and Convention Center. Management is carefully monitoring expenditures and only maintaining essential services to maintain their assets through the pandemic; however, without additional and immediate funding from the Commonwealth or other sources, there is uncertainty as to CCDA's ability to meet remaining intergovernmental and third party obligations in the remaining forecast period.

B. Headcount / Payroll



1. Headcount FTEs: No change from 10 to 10 from end of Q2-20 to end of Q2-21.
   a. Headcount only considers administrative employees of the district, and does not consider employees of the Convention Center and Coliseum.
2. Payroll: Disbursements are forecast to be $0.8M for FY21. YTD payroll is $0.4M.
   a. Year to date payroll is over budget by ($0.1M), which is projected to be permanent.

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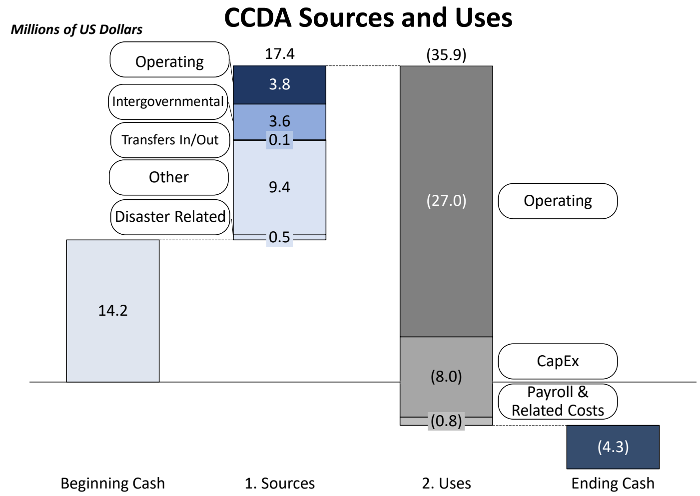
[26] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

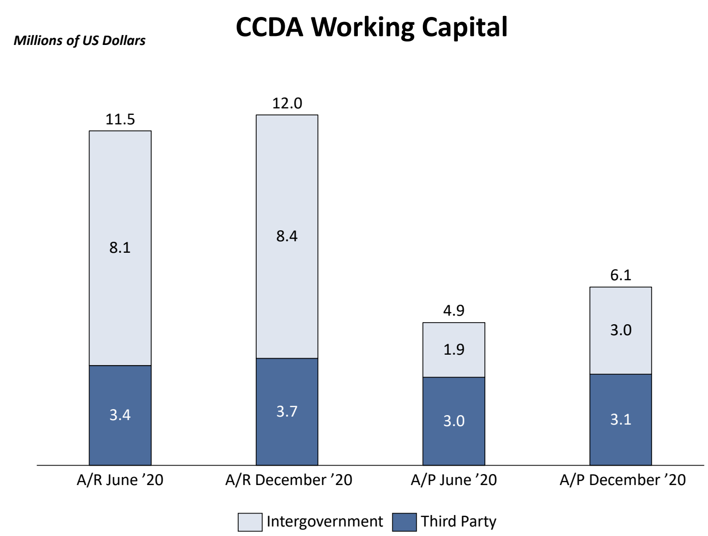
1. Sources $17.4M:
   a. $3.8M in operating receipts related to: rental income of $0.5M, PR Coliseum receipts of $0.4M, and PR Convention Center receipts of $2.8M.
   b. $3.6M in Law 272 room tax receipts.
   c. $9.4M in other receipts, including $5.0M in General Fund appropriations and ~$3.5M in CARES Act funds.
   d. $0.5M in disaster-related receipts.
   e. $0.1M in temporary transfers in/(out).
2. Uses ($35.9M):
   a. ($27.0M) consisting of purchased services at ($15.2M), utilities payments at ($7.8M), professional services at ($0.2M), and other operating costs of ($3.9M), which consist primarily of media/ad spend related to COVID-19 recovery initiatives sourced from CARES Act funds.
   b. ($8.0M) in CapEx.
   c. ($0.8M) in payroll and related costs.



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

D. Accounts Receivable / Accounts Payable[27]

1. Accounts Receivable:
   a. $0.5M increase from end of Q4-20 to end of Q2-21 driven by both increases in third party and intergovernmental receivables.
2. Accounts Payable:
   a. $1.2M increase from end of Q4-20 to end of Q2-21 driven primarily by increases in intergovernmental payables related to PREPA and PRASA due to current liquidity constraints.
3. Working Capital:
   a. $0.7M source of cash as a result of the working capital changes detailed above.



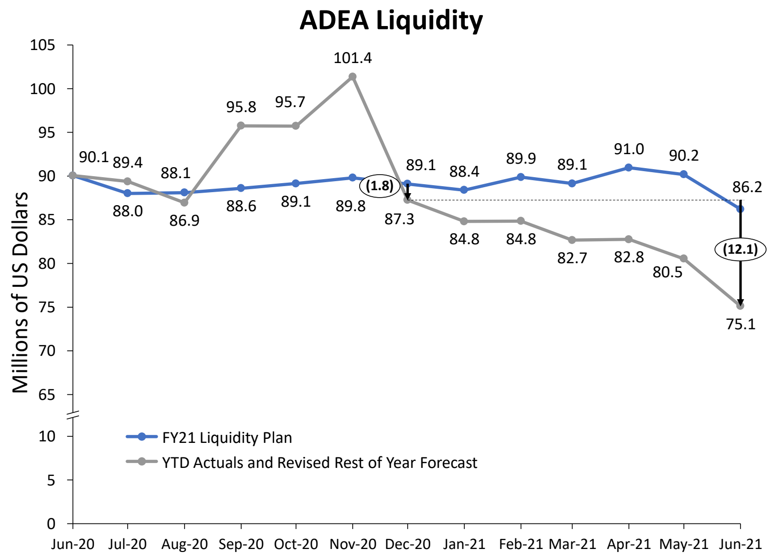
[27] Figures are unaudited and subject to change.

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

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

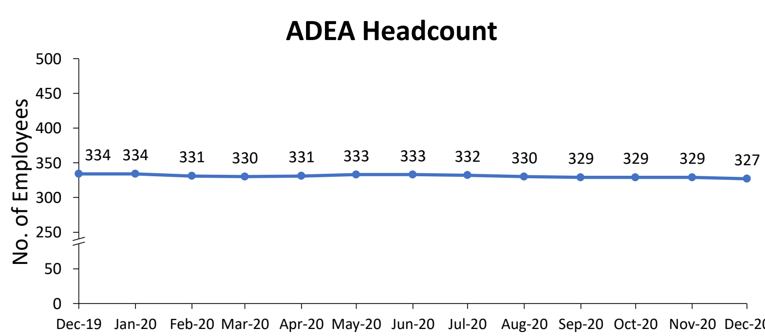
Key Takeaways: Year to date, cash has decreased by $2.8M from $90.1M to $87.3M. This is driven by operating expenses and transfers of $9.8M to the Land Authority Agency. ADEA continues to experience delays in subsidy payments, however those are expected to reverse by fiscal year end. The School cafeteria program continues to be affected by COVID-19 and related school closures. ADEA projects to end FY21 with $75.1M in liquidity.

A. FY21 Operating Liquidity – Actuals[28] and FY21 Liquidity Plan



1. ($1.8M) YTD actuals vs. Liquidity Plan:
   a. ($8.6M) unfavorable variance in operating revenues, led by a ($9.6M) permanent variance in school cafeterias and ($1.9M) in other revenue, partially offset by a $1.2M permanent variance in coffee operations, and $1.7M in WIC / OPPEA.
   b. $4.6M favorable variance in intergovernmental receipts primarily due to due to the receipt of $5.2M destined for the Land Authority Agency.
   c. ($3.1M) permanent variance related to payroll. ADEA will need to work with OGP/FOMB to increase this budget category, which would be funded by ADEA's own operating inflows.
   d. $1.8M favorable timing variance in PayGo. ADEA typical settles their PayGo account at FYE.
   e. $14.0M favorable variance in payment of subsidies and incentives, which is expected to reverse. Payment of incentives and subsidies has been delayed due to COVID-19 as well as additional delays from revised payment calculation exercises.
   f. ($9.8M) negative permanent variance in rural infrastructure expenses. The program moved to the Land Authority of Puerto Rico, along with General Funds received and remaining balances previously received.
   g. $2.7M favorable variance in operating disbursements, driven by a favorable $2.8M permanent variance WIC and OPPEA disbursements and a $6.3M permanent variance in other operating expenses related to coffee market making operations and school cafeterias, which are partially offset by ($6.4M) variance in other expenses.
   h. ($3.4M) unfavorable permanent variance due to transfers of funds to non-operating accounts.
2. ($12.1M) cash reduction for the balance of FY21:
   a. $75.3M forecast in total receipts led by $29.3M of coffee market making receipts, $15.0M from school cafeterias, $25.8M in intergovernmental receipts, and $5.2M in other receipts.
   b. ($87.4M) forecast in total disbursements, led by ($45.4M) in subsidy and incentive payments, ($28.8M) in OpEx from the cafeteria / coffee market making programs, ($4.8M) in payroll, ($3.7M) in PayGo, and ($4.7M) in other OpEx.

B. Headcount / Payroll



1. Headcount FTEs: Decreased from 334 to 327 from end of Q2-20 to end of Q2-21.
   a. Decrease in headcount is due to turnover, most of which ADEA does not expect to replace.
2. Payroll: Disbursements are forecast to be $12.6M for FY21. YTD payroll is $7.8M.
   a. YTD payroll through Dec-21 is $3.1M above the Liquidity Plan, which is not expected to reverse.
   b. Variance is due to budgeting process issue that ADEA is working to resolve.

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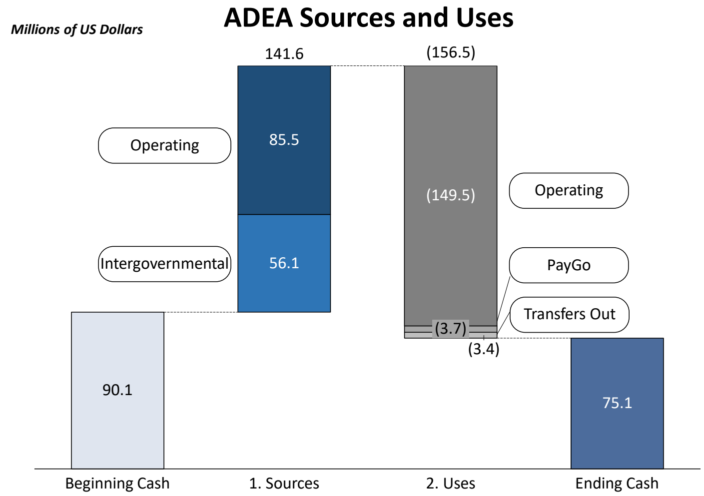
[28] Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

C. Full Year FY21 Sources and Uses of Funds

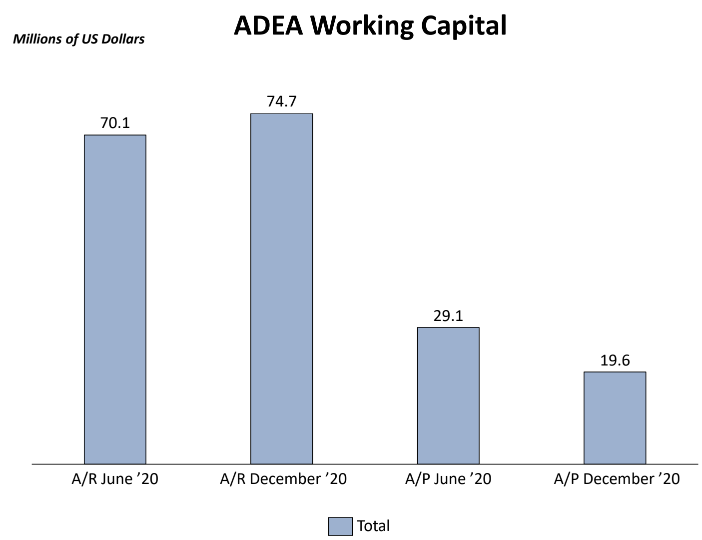
1. Sources $141.6M:
   a. $85.5M in operating receipts comprised of $58.0M in coffee market making operations, $19.4M in school cafeteria programs, and $8.1M in other receipts.
   b. $56.1M in intergovernmental transfers.
2. Uses ($156.5M):
   a. ($149.5M) in operating disbursements including ($50.7M) in other operating expenses primarily related to the school cafeteria and coffee programs, payroll of ($12.6M), incentives and subsidy programs of ($60.6M), rural infrastructure outflows of ($9.8M), and facilities and payments to public services of ($0.7M). Other operating expenses, including pass-through disbursements tied to government programs, total ($15.1M).
   b. ($3.7M) in PayGo disbursements.
   c. ($3.4M) in transfers to non-operating accounts.



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

D. Accounts Receivable / Accounts Payable[29]

1. Accounts Receivable:
   a. $4.6M increase from the end of Q4-20 to the end of Q2-21.
2. Accounts Payable:
   a. $9.5M decrease from the end of Q4-20 to the end of Q2-21 primarily driven by $4.2M decrease in G&A accounts payable and a $5.1M decrease in accounts payable related to school cafeteria and coffee operations.
3. Working Capital:
   a. $14.1M decrease in working capital driven by the changes listed above.



[29] Figures are unaudited and subject to change.

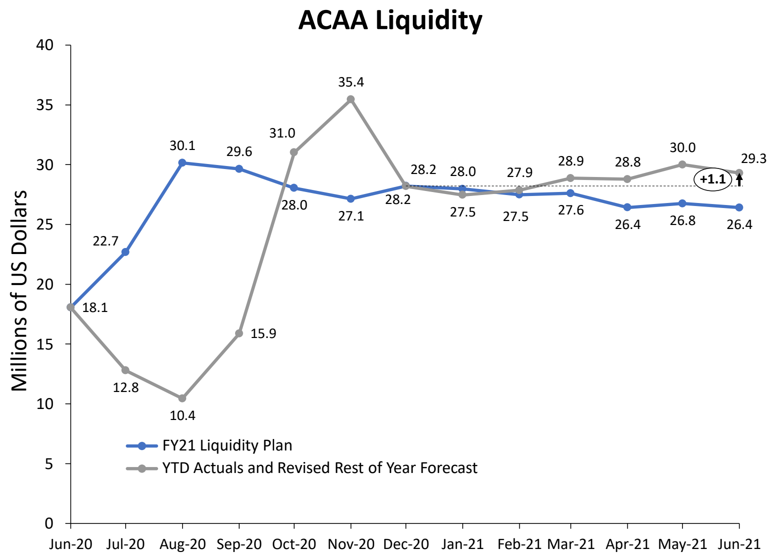
XV. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA")

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

Key Takeaways: Year to date, cash has increased by $10.1M from $18.1M to $28.2M. The cash increase is primarily due to $49.2M in premiums collections received year to date, which include ~$18.0M in amounts remitted from Treasury from premiums revenues earned in the last quarter of FY20. ACAA projects to end FY21 with $29.3M in liquidity.

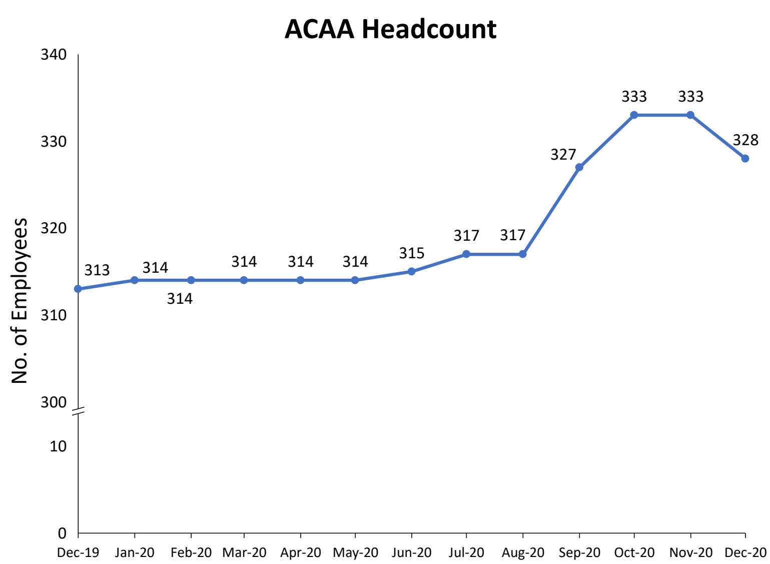
A. FY21 Operating Liquidity – Actuals and FY21 Liquidity Plan

1. $0.0M YTD actuals vs. Liquidity Plan:
   a. ($7.5M) unfavorable operating receipts due to unfavorable premium collections resulting from a one-month delay in collections which have not been remitted from the Treasury, timing.
   b. $2.5M favorable payroll and related costs, which is permanent. Several vacant positions that were budgeted have not yet been filled.
   c. $2.1M favorable PayGo obligations, which is timing related.
   d. $2.6M favorable purchased services due to contracting delays as a result of the pandemic, which is timing related.
   e. $0.8M in favorable claims-related disbursements due to a reduction in claims filed as a result of the pandemic, which is permanent.
   f. ($0.5M) in other disbursements.
2. $1.1M cash build for the balance of FY21:
   a. Cash is expected to increase as forecasted collections of $48.4M are expected to outpace operating disbursements of ($47.3M) throughout the remainder of the fiscal year.



B. Headcount / Payroll

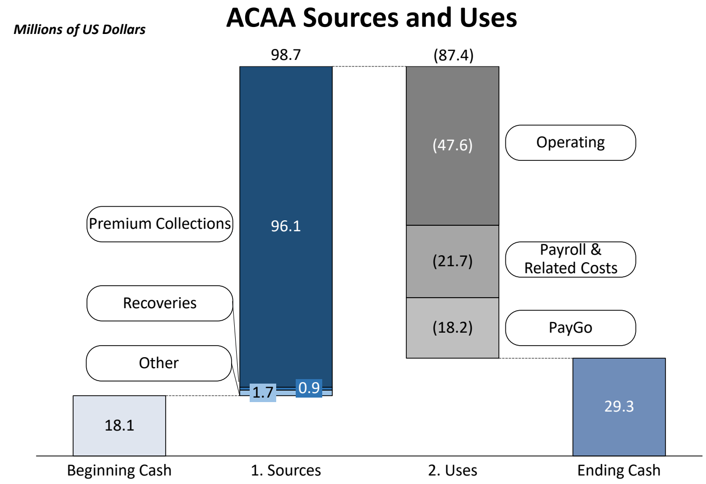
1. Headcount FTEs: Increased from 313 to 328 from end of Q2-20 to end of Q2-21.
   a. The increase is driven primarily by vacancies that were filled in Sep-20 and Oct-20.
2. Payroll: Disbursements are forecast to be $21.7M for FY21. YTD payroll is $9.6M.
   a. Several vacant positions are pending to be filled during Jan-21 and Feb-21.



XV. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA") (Continued)

C. Full Year FY21 Sources and Uses of Funds

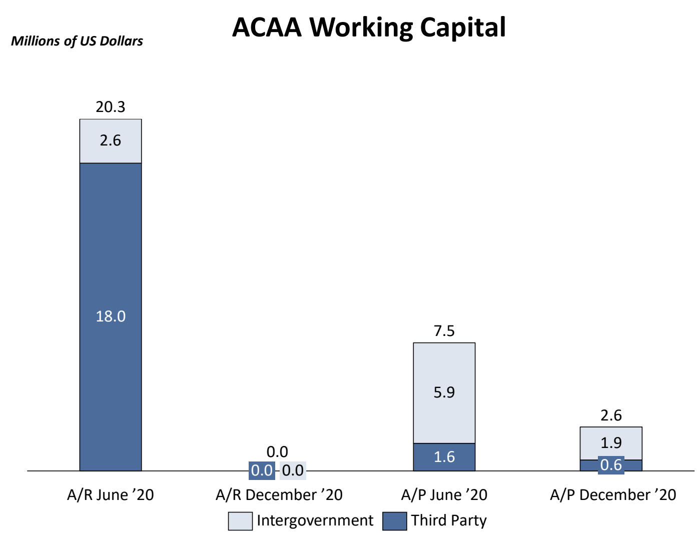
1. Sources $98.7M:
   a. $96.1M of premium collections.
   b. $0.9M of recoveries.
   c. $1.7M of other operating receipts.
2. Uses ($87.4M):
   a. ($47.6M) in operating disbursements consisting of: claims related disbursements of ($32.6M), purchased services of ($7.9M), contributions to government entities of ($1.9M), professional fees of ($1.8M), and other operating costs of ($3.4M).
   b. ($21.7M) in payroll and related costs.
   c. ($18.2M) in PayGo obligations.



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

D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
   a. Information not available.
2. Accounts Payable:
   a. $4.9M decrease from end of Q4-20 to end of Q2-21 driven by a $3.9M decrease in intergovernmental payables due to paydowns on accrued PayGo obligations. The decrease in payables is further exacerbated by a $1.0M decrease in third party payables.
3. Working Capital:
   a. Analysis incomplete due to missing accounts receivable information.



APPENDIX A: RECONCILIATION BETWEEN DECEMBER 2020 AAFAF REPORTED FIGURES[30] AND THE FIGURES IN THIS REPORT[31]

Millions of US Dollars

COMPONENT UNIT	AAFAF Reported Balance	Actual Balance 12/25/2020 (b)	Variance	Variance due to: Timing (b)	Variance due to: Non-operational Accounts	Comments
PUERTO RICO PORTS AUTHORITY ("PORTS")	82.6	69.9	12.7	0.0	12.7	$12.7M of non-operational funds for CapEx are excluded from Port's balances. Remaining variance is due to timing differences.
MEDICAL SERVICES ADMINISTRATION ("ASEM") (a)	94.0	13.5	80.5	0.7	79.7	CU reported cash does not consider non-operating funds including: CapEx $77.1M, Malpractice Insurance Reserve $1.9M, and FEMA Funding $0.7M. Remaining variance is due to timing differences.
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	24.6	34.7	(10.0)	(3.1)	(7.0)	$7.0M held in a reserve account not included in AAFAF inventory of accounts. Remaining variance is due to timing differences.
STATE INSURANCE FUND CORPORATION ("FONDO") (a)	379.9	380.8	(0.8)	(0.8)	-	Variance is due to timing differences.
HEALTH INSURANCE ADMINISTRATION ("ASES") (a)	312.6	312.6	0.0	0.0	-	
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	112.8	78.4	34.4	7.3	27.1	Funds held in non-operational accounts at PBA are earmarked for the following: $12.9M for debt service for bonds pertaining to Resolution 468, $7.0M for debt service for bonds related to Construction Series R and N, and $7.2M in other cash accounts. Remaining variance is due to timing differences.
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio")	36.2	36.7	(0.5)	(1.4)	0.8	Non-operational funds not considered account for $0.8M of AAFAF cash. Remaining variance is due to timing differences.
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	111.7	45.3	66.4	0.5	66.0	Funds in non-operational accounts consist of: $46.2M in funds related to incentive funds (FEDE, Rums, etc.); $8.2M in asset sales (trustee debt service); $3.3M FEMA; and $3.6M in other funds. There are also $4.7M held in non-operational accounts listed in AAFAF's inventory, which are not included in PRIDCO's cash flow. Remaining variance is due to timing differences.
HOUSING FINANCE AUTHORITY ("HFA") (a)	241.4	95.6	145.8	0.8	145.0	Variance is driven by non-operating Federal Fund pass-through funds of $78.0M, and restricted Federal Funds of $67.0M at the PR Economic Development Bank, which are under validation and
PUERTO RICO TOURISM COMPANY ("TOURISM")	134.6	31.0	103.6	(8.2)	111.7	Funds in non-operational accounts consist of: $109.4M in CCDA debt-service reserve funds; $0.6M in Tourism subsidiary accounts not included in Tourism operating cash; and $1.7M in other including FEMA. Timing variance of ($8.2M) is due primarily to ($6.1M) in transfers to the CCDA debt-service reserve and ($1.5M) in disbursements made to the DMO occurring during the week ended 1/1.
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	77.0	120.2	(43.3)	(0.2)	(43.1)	AAFAF Title III and Escrow bank accounts are not considered in AAFAF's inventory of accounts. Accounts opened during August and September of 2019, respectively. Remaining variance is due to timing differences.
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	76.5	75.3	1.3	1.3	-	Variance is due to timing differences.
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	14.6	13.7	0.9	(0.6)	1.5	Non-operational accounts include $1.5M in special purpose funds from ticket sales that do not belong to CCDA. Remaining variance is
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	106.6	87.3	19.3	(0.9)	20.2	$20.2M in net non-operational accounts not reported in CU cash balances and CU accounts not reported at AAFAF. Remaining variance is due to timing differences.
Automobile Accident Compensation Administration ("ACAA")	172.7	28.2	144.5	6.1	138.4	Non-operational accounts consist of $138.4M, which are investment accounts managed by a third party to maintain ACAA's claims liability reserve. Remaining variance is due to timing differences related to premiums receipts.

Footnotes:

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

(b) AAFAF reported balance as of 12/31/20, while CU reported balances for cash flow purposes are as of 12/25/20. Material timing variances may be present.

30 AAFAF reported figures as per "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities" report dated December 31, 2020.

31 This report is prepared based on reported operational cash balances as of December 25, 2020, 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

COMMONWEALTH OF PUERTO RICO
COMPONENT UNIT REPORTING
Headcount

	Actual Dec-20
Headcount	
Puerto Rico Ports Authority ("Ports")	445
Medical Services Administration ("ASEM")	1,405
Puerto Rico Integrated Transit Authority ("PRITA")	783
Puerto Rico State Insurance Fund Corporation ("Fondo")	2,670
Health Insurance Administration ("ASES")	64
Puerto Rico Public Buildings Authority ("PBA")	968
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	559
Puerto Rico Industrial Development Company ("PRIDCO")	140
Puerto Rico Housing Finance Authority ("HFA")	125
Tourism Company of Puerto Rico ("Tourism")	210
Fiscal Agency and Financial Advisory Authority ("AAFAF")	82
Department of Economic Development and Commerce ("DDEC")	414
Puerto Rico Convention Center District Authority ("CCDA")	10
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	327
Automobile Accident Compensation Administration ("ACAA")	328
Total Component Unit Headcount	**8,530**

COMMONWEALTH OF PUERTO RICO
COMPONENT UNIT REPORTING
Payroll and Related Cost Disbursements

(figures in $000's)	Actual Dec-20	Actual YTD
Payroll and Related Cost Disbursements		
Puerto Rico Ports Authority ("Ports")	($1,565)	($14,664)
Medical Services Administration ("ASEM")	(6,730)	(44,458)
Puerto Rico Integrated Transit Authority ("PRITA")	(3,606)	(21,732)
Puerto Rico State Insurance Fund Corporation ("Fondo")	(16,062)	(102,566)
Health Insurance Administration ("ASES")	(401)	(2,028)
Puerto Rico Public Buildings Authority ("PBA")	(2,390)	(23,883)
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	(1,740)	(13,460)
Puerto Rico Industrial Development Company ("PRIDCO")	(1,032)	(5,789)
Puerto Rico Housing Finance Authority ("HFA")	(121)	(3,273)
Tourism Company of Puerto Rico ("Tourism")	(821)	(6,512)
Fiscal Agency and Financial Advisory Authority ("AAFAF")	(599)	(3,193)
Department of Economic Development and Commerce ("DDEC")	(716)	(9,451)
Puerto Rico Convention Center District Authority ("CCDA")	(40)	(447)
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	(2,059)	(7,791)
Automobile Accident Compensation Administration ("ACAA")	(1,441)	(9,576)
Total Component Unit Payroll and Related Cost Disbursements	**($39,322)**	**($268,823)**