



GOVERNMENT OF PUERTO RICO
Department of the Treasury

Component Unit Liquidity

FOR QUARTER 4 OF FISCAL YEAR 2022: APRIL THROUGH JUNE 2022

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
ACAA	Automobile Accident Compensation Administration, an agency of the Commonwealth of Puerto Rico.
ADEA	Puerto Rico Administration for the Development of Agricultural Enterprises, a public corporation and a component unit of the Commonwealth of Puerto Rico.
AMA	Metropolitan Autobus Authority.
A/P	Accounts payable.
A/R	Accounts receivable.
ARPA	American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan.
ASEM	Puerto Rico Medical Services Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASES	Puerto Rico Health Insurance Administration, a public corporation and a component unit of the Commonwealth of Puerto Rico.
ASSMCA	Administration of Mental Health and Anti-Addiction Services of Puerto Rico.
ATI	Puerto Rico Integrated Transit Authority.
ATM	Maritime Transportation Authority.
Bahía Urbana	Waterfront Park in San Juan, Puerto Rico.
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.
CMS	The Centers for Medicare & Medicaid Services (CMS), is a federal agency within the United States Department of Health and Human Services (HHS) that administers the Medicare program and works in partnership with state governments to administer Medicaid, the Children's Health Insurance Program (CHIP), and health insurance portability standards.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
COVID-19	An infectious disease caused by a newly discovered coronavirus producing symptoms ranging from mild to severe respiratory infection affecting populations worldwide, leading to widespread shutdowns of public and private sector services.
CRIM	Center for the Collection of Municipal Revenues rendering fiscal services in favor of the Municipalities and has the responsibility to notify, assess, collect, receive and distribute the public funds from the property tax, the state subsidy, funds from the Electronic Lottery, and any other funds that are disposed by law for the benefit of the Municipalities of Puerto Rico.
CU	See 'Component unit.'
DDEC	Puerto Rico Department of Economic Development and Commerce, a public corporation and a component unit of the Commonwealth of Puerto Rico.
Disaster-Related Disbursements	Expenditures related to the damages caused from hurricanes Irma and Maria.
Disaster-Related Receipts	Federal emergency funds, insurance related to hurricanes Irma and Maria.
DMO	Destination Marketing Organization.
FEDE	Special Fund for Economic Development, affiliated with PRIDCO.
FEMA	Federal Emergency Management Agency coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
FMAP	Federal Medical Assistance Percentages (FMAP) are the percentage rates used to determine the matching funds rate allocated annually to certain medical and social service programs in the U.S.
FOMB	Financial Oversight and Management Board of Puerto Rico.

Fondo	Puerto Rico State Insurance Fund Corporation, a public corporation and a component unit of the Commonwealth of Puerto Rico.
FTA	The Federal Transit Administration provides financial and technical assistance to local public transit systems, including buses, subways, light rail, commuter rail, trolleys and ferries. FTA also oversees safety measures and helps develop next-generation technology research.
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.
HUD	Department of Housing and Urban Development responsible for national policy and programs that address U.S. housing needs, improve and develop communities, and enforce fair housing laws.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.
Liquidity Plan (LP)	Projected cash flows for each component unit, based on their respective government FY22 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.
Premium Pay	Additional compensation payments distributed to eligible employees during the COVID-19 pandemic, which are sourced from State and Local Coronavirus Fiscal Recovery Fund of the American Rescue Plan Act of 2021 (ARPA).
PRIDCO	Puerto Rico Industrial Development Company, a government-owned corporation dedicated to promoting Puerto Rico as an investment destination for companies and industries worldwide.
PRITA, ATI	Puerto Rico Integrated Transit Authority, a public corporation and a component unit of the Commonwealth of Puerto Rico.
PRTC	The Puerto Rico Tourism Company, also referred to as "Tourism."
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.
SBA	The U.S. Small Business Administration is a United States government agency that provides support to entrepreneurs and small businesses.
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

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

This report is for the fourth quarter of fiscal year 2022 (“Q4-22”) and presents information with respect to 15 select CUs. Fiscal Year 2022 (“FY22”) Liquidity Plans for 15 CUs were completed and reviewed with the team from AAFAF in mid-August 2021. These final Liquidity Plans are used in this Q4-22 report.

14 of the 15 CUs have reported actual cash flow information through the month of June 2022 (“Jun-22”). Section “A” of this report for each CU provides year-to-date (“YTD”) actual information. Analysis in section “A” includes details on actual receipts and expenses through Q4-22.

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

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

A Full Year FY22 Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of June 26, 2021 and ending cash balance as of July 1, 2022. This information is presented in the document under section “C” for each CU. For the balance of the fiscal year, there is a forecast 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 between Hacienda/OCFO reported cash figures and the figures in this report. A bridge has been created between the actual cash data provided by the CU as of July 1st, 2022 and the June 2022 Hacienda/OCFO reported figures. The “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities,” was released as of June 30, 2022. The second Appendix (Appendix B) item is a consolidated view of CU headcount and payroll information, which is based on information provided by CU management.

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EXECUTIVE SUMMARY
Component Units Actual Results for the Month of June 2022
(Figures in \$000's)

	FY22 Actual YTD	FY22 LP YTD	Variance
Puerto Rico Ports Authority ("PORTS")			
PORTS Cash Inflow	\$125,880	\$152,672	(\$26,792)
PORTS Cash Outflow	(123,516)	(152,539)	29,023
PORTS Net Cash flow	<u>\$2,364</u>	<u>\$133</u>	<u>\$2,231</u>
PORTS Commentary:	Net cash flow vs. Liquidity Plan is \$2.2M favorable mainly driven by deferred PayGo payments (\$16.4M) and delayed CapEx investment (\$25.7M). This is offset by lower maritime revenues from cruise ship activity, which was highly impacted by COVID-19 and federal funds received from ARPA and CARES Act.		
Medical Services Administration ("ASEM")			
ASEM Cash Inflow	\$211,796	\$168,984	\$42,812
ASEM Cash Outflow	(214,842)	(176,735)	(38,107)
ASEM Net Cash flow	<u>(\$3,046)</u>	<u>(\$7,751)</u>	<u>\$4,705</u>
ASEM Commentary:	Net cash flow is better than LP by \$4.7M due to \$44.5M in collections from prior years' debt from intergovernmental agencies and \$13.2M in higher General Fund appropriations not forecasted related to incentives, former PREPA employees, and Law 24-2017. ASEM's Liquidity risk is higher due to \$8.5M in delayed payments from large institutional debtors within the Dept. of Health, lower physician and medical plan receipts and higher CapEx.		
Puerto Rico Integrated Transit Authority ("PRITA")			
PRITA Cash Inflow	\$132,600	\$115,067	\$17,532
PRITA Cash Outflow	(128,287)	(112,294)	(15,993)
PRITA Net Cash flow	<u>\$4,313</u>	<u>\$2,773</u>	<u>\$1,539</u>
PRITA Commentary:	Net cash flow vs. Liquidity Plan is \$1.5M favorable given receipt of General Fund appropriations at ATM for P3 and CapEx investment.		
Puerto Rico State Insurance Fund Corporation ("FONDO")			
FONDO Cash Inflow	\$645,677	\$612,089	\$33,589
FONDO Cash Outflow	(515,314)	(535,345)	20,031
FONDO Net Cash flow	<u>\$130,363</u>	<u>\$76,744</u>	<u>\$53,619</u>
FONDO Commentary:	Favorable net cash flow compared to Liquidity Plan of \$53.6M is primarily due to higher premiums collections driven by disaster- and construction-related projects, partially offset by higher payroll expenses.		
Health Insurance Administration ("ASES")			
ASES Cash Inflow	\$4,366,136	\$2,513,535	\$1,852,601
ASES Cash Outflow	(4,028,103)	(2,513,535)	(1,514,568)
ASES Net Cash flow	<u>\$338,033</u>	<u>\$0</u>	<u>\$338,033</u>
ASES Commentary:	Favorable net cash flow of \$338M compared to Liquidity Plan is due to increases in federal fund allotments from CMS, partially offset by higher premiums and related costs due to the increases in program expenses (increased beneficiaries within the Vital Plan).		

EXECUTIVE SUMMARY
Component Units Actual Results for the Month of June 2022
(Figures in \$000's)

	FY22 Actual YTD	FY22 LP YTD	Variance
Puerto Rico Public Buildings Authority ("PBA")			
PBA Cash Inflow	\$164,081	\$138,725	\$25,355
PBA Cash Outflow	(165,014)	(160,684)	(4,330)
PBA Net Cash flow	(\$934)	(\$21,959)	\$21,025
PBA Commentary:	Favorable net cash flow vs. Liquidity Plan of \$21.1M is primarily related to funds received related to Premium Pay and from Hacienda for payroll and related expenses of former PREPA employees. This was partially offset by higher operating expenses for maintenance of PBA's buildings. To note, Plan of Adjustment payment of (\$49.2M) made in Feb-22 was not captured in the performance vs. Liquidity Plan calculation.		
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")			
Cardio Cash Inflow	\$85,514	\$85,520	(\$6)
Cardio Cash Outflow	(85,344)	(78,338)	(7,006)
Cardio Net Cash flow	\$171	\$7,182	(\$7,011)
Cardio Commentary:	Unfavorable net cash flow vs. Liquidity Plan of (\$7.0M) is mainly driven by lower receipts from patient collections and higher disbursements for purchased and professional services due to COVID-19 and incentives from state and federal sources, partially offset by incentives from Treasury and HHS to mitigate staffing shortages due to COVID-19.		
Puerto Rico Industrial Development Company ("PRIDCO")			
PRIDCO Cash Inflow	\$68,047	\$63,725	\$4,322
PRIDCO Cash Outflow	(84,094)	(93,366)	9,272
PRIDCO Net Cash flow	(\$16,047)	(\$29,641)	\$13,594
PRIDCO Commentary:	Favorable \$13.6M in net cash flow is due to restricted operating activity, such as FEDE and RUMS transfers / expenses which were not considered in the Liquidity Plan, as well as favorable operating disbursements.		
Puerto Rico Housing Finance Authority ("HFA")			
HFA Cash Inflow	\$466,728	\$257,439	\$209,289
HFA Cash Outflow	(381,586)	(294,663)	(86,923)
HFA Net Cash flow	\$85,142	(\$37,224)	\$122,366
HFA Commentary:	Favorable net cash flow variance to the Liquidity Plan of \$122.4M is due to variances driven by debt service of \$32.4M, net balance sheet activity of \$23.3M, and net temporary variances from federal funds of \$11.1M. Operating disbursements resulted in a variance of \$7.5M, while operating and intergovernmental receipts present a variance of (\$12.9M). In Dec-21, HFA received \$72.6M in federal pass-through funds (ARPA) not forecasted of which (\$14.6M) were disbursed, presenting positive variance of \$61.0M.		
Tourism Company of Puerto Rico ("Tourism")			
Tourism Cash Inflow	\$206,695	\$136,599	\$70,096
Tourism Cash Outflow	(131,644)	(115,022)	(16,622)
Tourism Net Cash flow	\$75,050	\$21,577	\$53,473
Tourism Commentary:	Favorable net cash flow variance of \$53.4M vs. Liquidity Plan is driven by outperformance of hotel room taxes and slot machine collections due to a strong rebound in tourism activity since Feb-21, including significantly improved hotel occupancy rates.		

EXECUTIVE SUMMARY

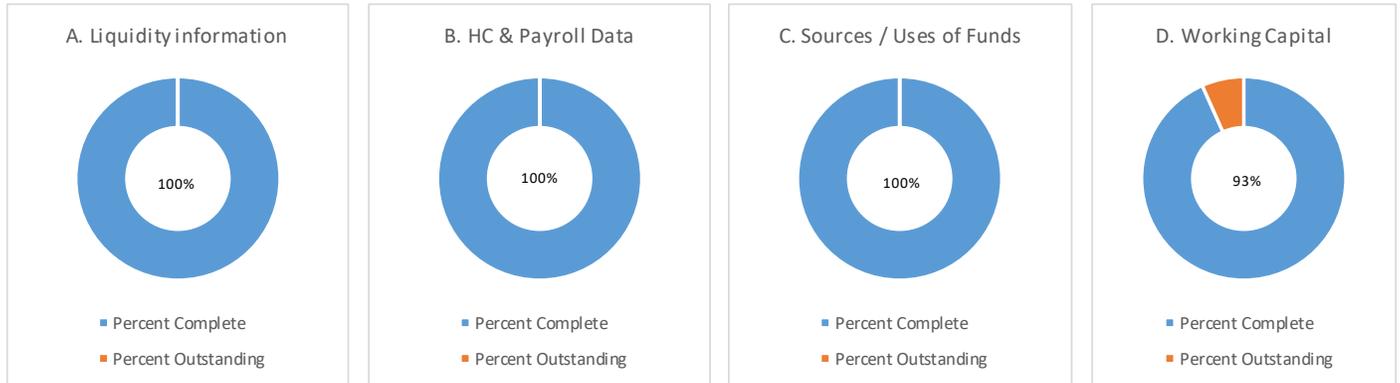
Component Units Actual Results for the Month of June 2022

(Figures in \$000's)

	FY22 Actual YTD	FY22 LP YTD	Variance
Fiscal Agency and Financial Advisory Authority ("AAFAF")			
AAFAF Cash Inflow	\$108,152	\$85,493	\$22,659
AAFAF Cash Outflow	(88,937)	(95,850)	6,912
AAFAF Net Cash flow	\$19,215	(\$10,357)	\$29,571
AAFAF Commentary:	Favorable variance of \$29.6M vs. Liquidity Plan is due to \$19.3M in favorable receipts driven by \$13.0M in General Fund appropriations received and not forecasted and \$1.0M in favorable operating receipts from fiscal agency fees and pass-through funds, further intensified by \$17.1M in favorable disbursements variance driven by lower professional services fees.		
Department of Economic Development and Commerce ("DDEC")			
DDEC Cash Inflow	\$299,266	\$282,792	\$16,475
DDEC Cash Outflow	(258,969)	(289,978)	31,009
DDEC Net Cash flow	\$40,297	(\$7,186)	\$47,483
DDEC Commentary:	Favorable \$47.5M variance in net cash flow is mainly driven by \$26.4M of federal funds received during Jan-22 for future incentive payments, \$20.0M of COVID-19 relief funding, and transfer of restricted funds from PRIDCO relating to RUMS of Puerto Rico.		
Puerto Rico Convention Center District Authority ("CCDA")			
CCDA Cash Inflow	\$80,892	\$46,157	\$34,735
CCDA Cash Outflow	(48,868)	(31,643)	(17,225)
CCDA Net Cash flow	\$32,025	\$14,514	\$17,510
CCDA Commentary:	Favorable net cash flow of \$17.5M compared to Liquidity Plan is due to \$23.6M in federal fund receipts (ARPA, SBA) due to loss revenues sustained since the onset of the COVID-19 pandemic not forecast, partially offset by increased event-related expenses (security, concessions, ticketing, etc.) due to the higher event volumes in FY22.		
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")			
ADEA Cash Inflow	\$75,562	\$86,022	(\$10,460)
ADEA Cash Outflow	(118,243)	(148,815)	30,572
ADEA Net Cash flow	(\$42,682)	(\$62,793)	\$20,111
ADEA Commentary:	Net cash flow vs. Liquidity Plan is \$20.1M favorable due lower operating expenses given reduced cafeteria operations, and \$35.2M favorable variance due to delay in subsidies and incentives. These were partially offset by (\$10.5M) variance in operating revenues mostly due to school cafeterias and FEMA expenses (\$1.3M) not included in the Liquidity Plan.		
Automobile Accident Compensation Administration ("ACAA")			
ACAA Cash Inflow	\$95,271	\$92,382	\$2,890
ACAA Cash Outflow	(110,157)	(128,690)	18,533
ACAA Net Cash flow	(\$14,885)	(\$36,308)	\$21,423
ACAA Commentary:	Net cash flow vs. Liquidity Plan is \$21.4M favorable due to lower payroll and related expenses versus the Liquidity Plan, together with delays in claims-related disbursements and purchased services expenses.		

SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS

15 out of the 15 Component Units provided cash flow data for the month of June 2022. Data was broken down into four sections: A. liquidity and cash flow information, B. headcount and payroll data, C. sources/used of funds, and D. Working Capital data. The 15 CUs included in this report were 100% compliant in providing data for the month of June. CUs that provided insufficient information for reporting are mentioned in note (a) below.



Notes:

(a) Information for the month of June 2022 reflects the period between 5/28/2022 and 7/1/2022. ASES did not provide with working capital information as of June 2022 since they are still in the process of closing their books for the FY22. They did provide with all data required for sections A to C of this report.

I. PUERTO RICO PORTS AUTHORITY (“Ports”)

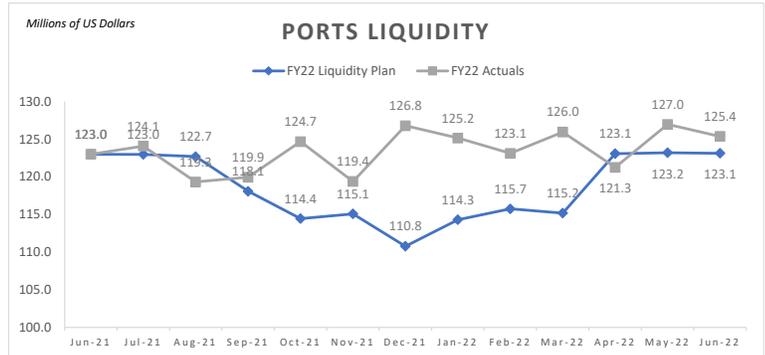
Primary Business Activity: The Puerto Rico Ports Authority is responsible for developing, improving, and administering all types of transportation facilities and air and sea services, as well as establishing and managing maritime collective transportation systems in, from, and to Puerto Rico.

Key Takeaways: For the FY22 cash decreased by (\$2.2M) from \$125.3M to \$123.1M. Cruise operations were significantly impacted due to the COVID-19 causing a decrease of \$28M in this line of revenue versus the Liquidity Plan. Payroll and related costs also created an impact of \$9M due to the addition of 154 employees received from PREPA. These downsides were partially offset by the receipt of \$20M in ARPA funds and the deferral of \$16M in PayGo contributions given lower operating revenues from cruise operations.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

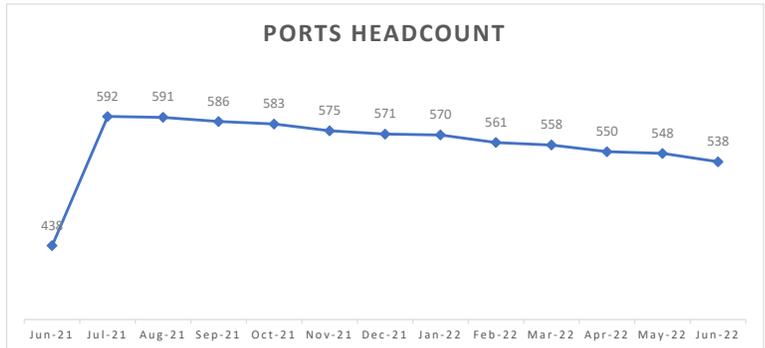
1. \$2.2M YTD actuals vs. Liquidity Plan:

- a. (\$27.5M) variance in operating receipts primarily related to (\$27.8M) permanent variance in maritime receipts due to cruise ship operations as the Certified Fiscal Plan does not consider COVID-19 impact on performance; however, operations continue to be affected from lower passenger traffic and ship volume, which is expected to continue throughout FY22 due to increased cases due to the Omicron variant. Airport operations and other ended \$0.3M above Liquidity Plan.
- b. \$20.0M received from ARPA funds helped to mitigate the impact in maritime operations.
- c. \$17.4M permanent variance in payroll and PayGo. Given continued underperformance of cruise ship operations, Ports deferred eight (8) monthly PayGo contributions totaling \$16.4M.
- d. (\$14.6M) unfavorable permanent variance in non-payroll operating disbursements, led by past due payments to operator of cargo container scanning (“S2”) from ARPA funds.
- e. \$25.7M positive variance in CapEx disbursements and restricted account transfer(s) given delay in CapEx projects.



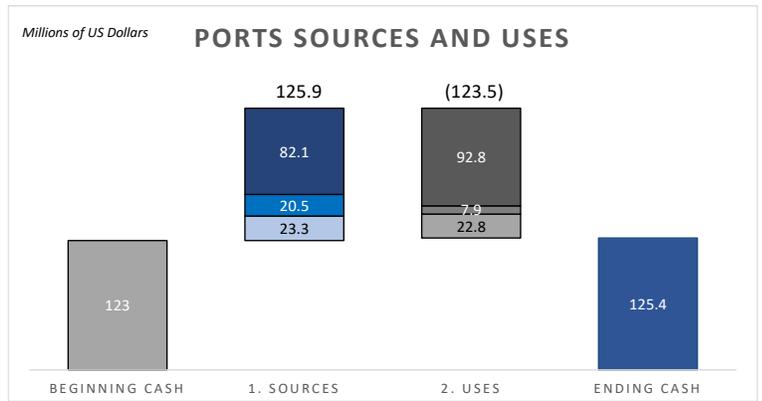
B. Headcount / Payroll

- 1. Headcount FTEs: Increased from 438 to 538 from end of Q4-21 to end of Q4-22.
 - a. Headcount increase is primarily related to the addition of 154 former PREPA employees, partially offset by normal attrition factors.
- 2. Payroll: Disbursements were \$31.2M for FY22.
 - a. Ports absorbed the increased payroll expenses related to PREPA employees’ payroll and benefits.



C. Full Year FY22 Sources and Uses of Funds

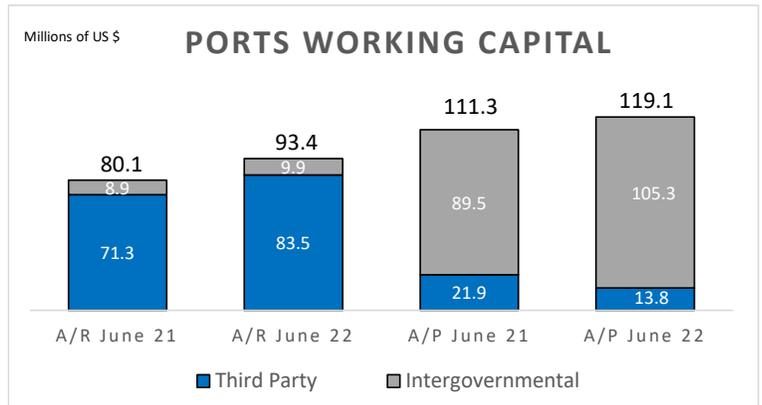
- 1. Sources \$125.9M:
 - a. Operating receipts of \$82.1M, comprised of \$61.6M in maritime receipts, \$20.1M in airport receipts, and \$0.4M in other receipts.
 - b. Disaster-related receipts of \$20.5M related to ARPA funding received in Q2-FY22 and a minor insurance settlement.
 - c. Federal and other funds total \$23.3M, comprised of \$15.7M in federal funds, and \$7.6M in General Fund appropriations primarily for Premium Pay.



- 2. Uses (\$123.5M):
 - a. Operating disbursements of (\$92.8M), driven by payroll and related costs of (\$31.2M), professional services of (\$28.9M), purchased services of (\$16.2M), utilities of (\$12.7M), and other expenses of (\$3.8M).
 - b. PayGo contributions of (\$7.9M).
 - c. CapEx and other (inclusive of net transfers) of (\$22.8M).

D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. \$13.3M increase from end of Q4-21 to end of Q4-22 driven by third party receivables.
- 2. Accounts Payable:
 - a. \$7.8M increase from end of Q4-21 to end of Q4-22 driven by a decrease of \$8.1M in third party payables primarily related to a partial paydown of past due S2 scanning operator invoices, offset by a \$15.9M increase in intergovernmental payables driven by pension payables.
- 3. Working Capital:
 - a. Working capital changes thru Jun-22 were unfavorable by \$5.5M due to the above changes.



II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

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

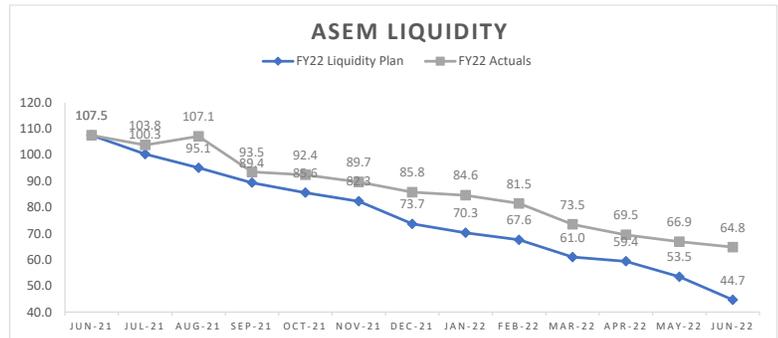
Key Takeaways: Year-to-date, cash decreased by (\$3M) from \$10.6M to \$7.6M. This decline is mainly driven by lower physician and medical plan receipts collected vs. forecast (\$7M) and unfavorable timing of collections from institutions, which are (\$8.5M) behind forecast. These items are largely offset by \$13.0M in favorable General Fund appropriations not forecasted including: \$4.8M in funds received related to Law 24-2017 intended for capital improvements at the Trauma Hospital; \$4.5M in Premium Pay and other incentives; and \$3.7M in funds received to cover expenses related to former PREPA employees.

In Jul-21, ASEM collected \$32.1M from the Dept. of Health on prior years’ receivables not forecast, which were disbursed to UPR to eliminate outstanding debts incurred prior to FY22. There are ongoing risks to liquidity at ASEM primarily driven by timing/collection risk associated with large institutional payers. ASEM is currently working with the Dept. of Health to collect on additional receivables from prior years. Cash is currently projected to decline to \$5.9M by the end of FY22.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

1. +\$4.7M actuals vs. Liquidity Plan:

- (\$4.7M) in operating receipts variance driven by lower physician and medical plan receipts because of reduced elective procedures during the COVID19 pandemic and revenue cycle management issues, mostly permanent.
- \$44.5M in institutional receipts variance due to \$39.9M collected from the Dept. of Health not forecasted, including \$32.1M for prior years’ debt paydowns to UPR and \$7.8M for in-house neurosurgeons staffing.
- \$13.2M in General Fund appropriations received which were not forecasted.
- \$3.5M in payroll and related costs variance in line with the declining in headcount.
- (\$29.9M) in professional services spend driven mostly by payments to UPR to settle outstanding debts prior to FY22.
- (\$15.6M) in other disbursements largely driven by CapEx not forecasted in the Liquidity Plan.



B. Headcount / Payroll

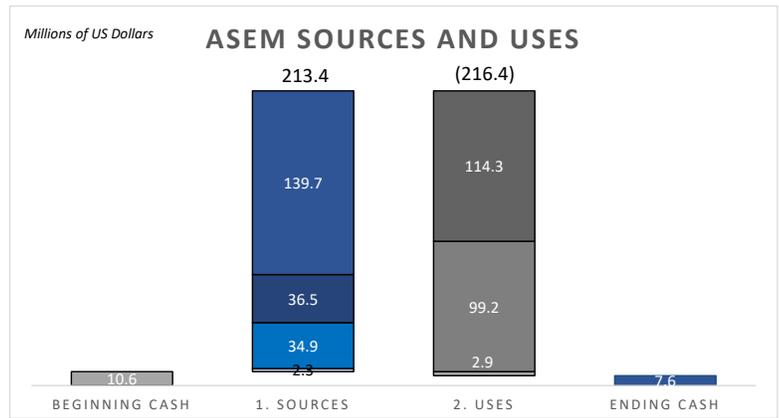
- Headcount FTEs: Decreased from 1,484 to 1,457 from end of Q4-21 to end of Q4-22.
 - Decrease in headcount is related to the addition of ~85 employees from PREPA, but largely offset by employee turnover due to a highly competitive labor market for qualified nurses and other medical professionals, which has worsened due the COVID-19 pandemic.
- Payroll: Disbursements totaled \$99.2M for FY22 showing is a positive variance of \$2.6M vs Liquidity Plan.
 - The variance goes in line with the decrease in headcount at ASEM.



C. Full Year FY22 Sources and Uses of Funds

1. Sources \$213.4M:

- a. Institutional receipts of \$139.7M from intergovernmental entities including ASEM’s largest institutional payor the Dept. of Health. \$44.5M of these receipts relate to collections of prior years’ receivables from the Dept. of Health and are specified for ASEM to paydown (\$36.7M) to UPR to settle debts prior to FY22 and (\$7.8M) to cover costs associated with ASEM’s in-house neurosurgeons’ staff.
- b. General Fund appropriations of \$34.9M, which include \$13.2M in non-budgeted appropriations related to Premium Pay and other incentives of \$4.4M, funds received to cover expenses related to former PREPA employees of \$3.7M, and funds received related to Law 24-2017 intended for capital improvements at the Trauma Hospital of \$5.1M.
- c. Third party operating receipts of \$36.5M comprised mostly of physician and medical plan receipts.
- d. \$2.3M in transfers and others: \$1.6M in transfers to restricted funds of \$0.7M in other receipts sourced mostly from Law 24-2017 and rental income.



2. Uses (\$216.4M):

- a. Payroll and related costs of (\$99.2M) including (\$0.9M) in Christmas Bonus payment.
- b. Operating disbursements of (\$114.3M), comprised of professional services of (\$55.3M) including (\$32.1M) disbursed to UPR for prior periods’ debts, materials and supplies of (\$25.8M), purchased services of (\$6.6M), utilities of (\$5.5M), equipment purchases of (\$8.1M), and other operating payments of (\$13.0M).
- c. PayGo contributions of (\$2.9M).

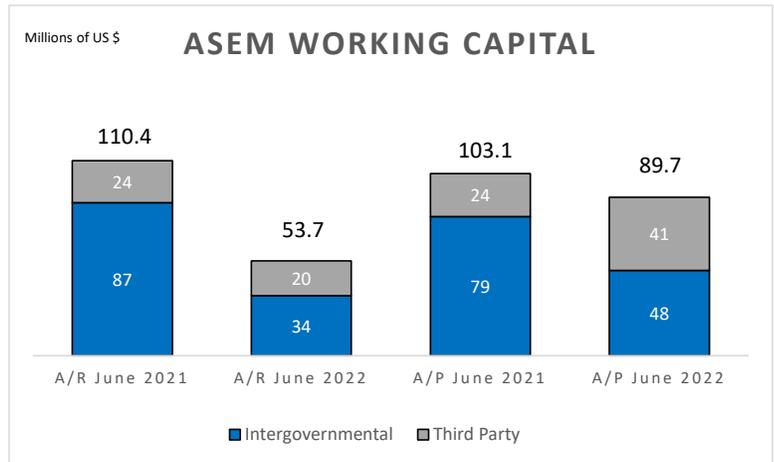
D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

- a. \$56.7M decrease from end of Q4-21 to end of Q4-22 driven by a \$52.6M decrease in intergovernmental receivables due to collections from the Dept. of Health intended in part for ASEM to settle outstanding debts with UPR prior to FY22, and improved collection efforts with ACA and ASSMCA. These were further intensified by a \$4.1M decrease in third party receivables.

2. Accounts Payable:

- a. \$13.4M decrease from end of Q4-21 to end of Q4-22 driven by a \$30.4M decrease in intergovernmental payables driven by payments made to UPR for prior periods’ debt, partially offset by a \$17.0M increase in third party payables related to unearned revenue from federal Coronavirus Relief Funds (CRF) and state appropriations to subsidize equipment purchases during the COVID-19 pandemic.



3. Working Capital:

- a. Working capital changes were favorable by \$43.3M during FY22 due to the above changes.

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

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

Key Takeaways: For the FY22 cash increased by \$4.3M; from \$18.5M to \$22.8M primarily due to the receipt of \$67.0M in General Fund appropriations, of which \$30.1M are for CapEx and for the P3 operator. Bus services continue to be significantly impacted by COVID-19, while ferry operations related to cargo has rebounded (Passenger traffic is now part of P3). PRITA’s operating liquidity position remains strained, and they continue to rely on allocations from the General Fund and from cigarette tax receipts to supplement operations, and from funds under custody of OMB to make P3 ferry operator payments.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

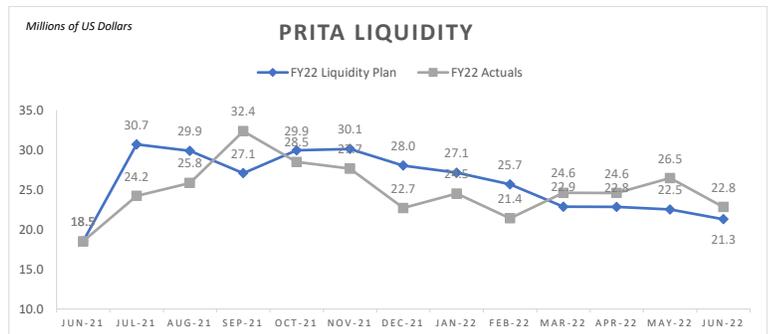
1. \$1.5M FY22 actuals vs. Liquidity Plan:

a. \$17.5M favorable variance in total receipts:

- \$12.7M in General Fund appropriations received, of which \$19.6M is related to General Fund amounts partially due to receipt of Premium Pay payments, offset by (\$4.0M) in CapEx related funding and (\$2.9M) from Cigarette Tax allocation.
- \$3.7M in receipts of federal funds for preventive maintenance related to bus and ferry operations.
- \$1.1M in operating receipts mainly driven by \$1.8M in other receipts due to collection of insurance proceeds related to hurricanes Maria and Irma; partially offset by on bus operations due to the impact of COVID-19.

b. (\$16.0M) unfavorable in total disbursements:

- (\$6.7M) in CapEx payments due to (\$13.0M) variance in fast ferry, maintenance, and P3 payments at ATM, partially offset by a \$6.3M delays in CapEx spending at AMA.
- (\$5.5M) in purchased services
- (\$1.8M) in material and supplies
- (\$2.0M) in other operating expenses, including (\$1.2M) in in Premium Pay payments affecting payroll and related costs.

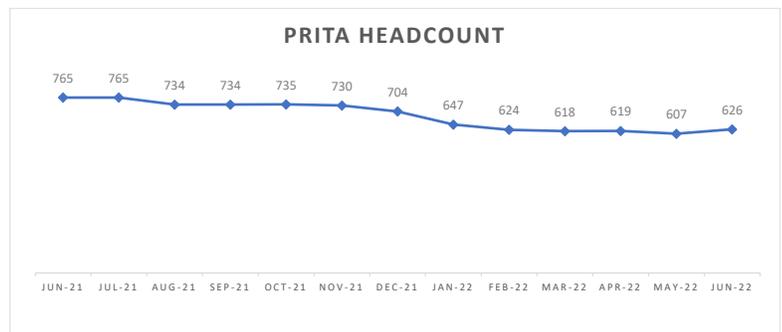


B. Headcount / Payroll

1. Headcount FTEs: Decreased from 765 to 626 from end of Q4-21 to end of Q4-22.

- ##### a. Decrease in headcount is a result of employee turnover and mobility to other agencies, primarily at ATM.

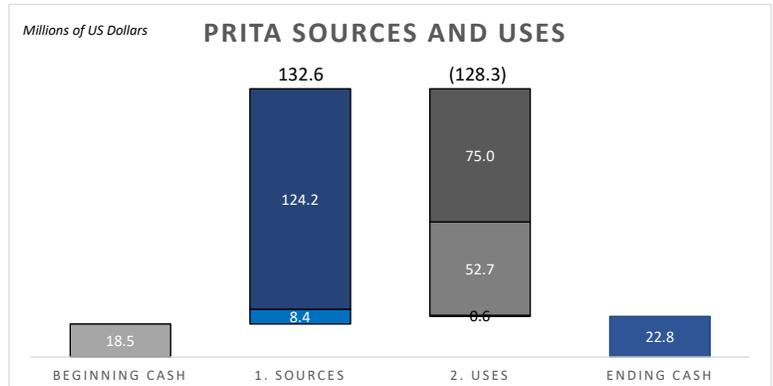
2. Payroll: Disbursements for the FY22 amounted to \$41.8M, which is \$0.7M above Liquidity Plan driven by Premium Pay not forecasted.



C. Full Year FY22 Sources and Uses of Funds

1. Sources \$132.6M:

- a. Operating receipts of \$8.4M comprised of \$4.6M for ferries/cargo; bus fare of \$1.9M; and \$1.9M in miscellaneous receipts mostly insurance.
- b. Intergovernmental receipts of \$98.4M, with \$31.4M in appropriations from the cigarette tax and \$67.0M from General Fund appropriations, including special government appropriation(s) earmarked for CapEx and the fast ferry service at ATM.
- c. \$25.8M of federal funds receipts related to grants for maintenance expenses and CapEx.



2. Uses (\$128.3M):

- a. Operating disbursements total (\$75.0M), of which payroll and related costs are (\$42.5M), materials and supplies are (\$16.6M), purchased services are (\$9.9M), facilities and payments for public services are (\$1.8M), and other at (\$4.2M).
- b. (\$0.6M) in PayGo contributions.
- c. CapEx investment was (\$52.7M) for the FY22.

D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

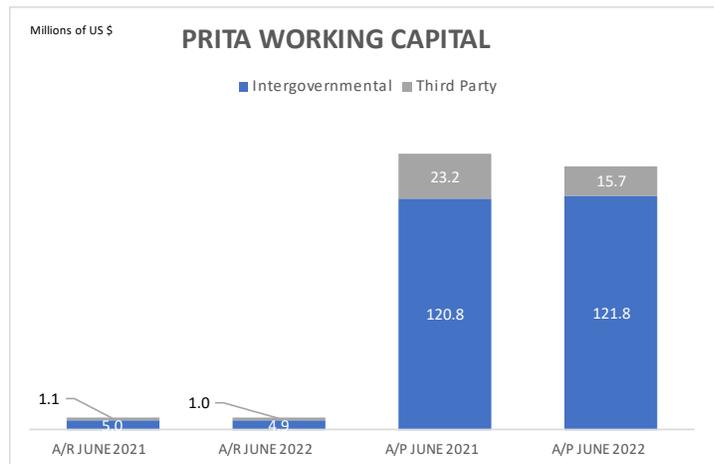
- a. \$0.1M decrease from end of Q4-21 to end of Q4-22 driven by trade receivables at AMA and ATM.

2. Accounts Payable:

- a. \$6.4M decrease from end of Q4-21 to end of Q4-22 driven by a decrease in ATM and AMA trade payables, partially offset by increase in intergovernmental payables at the same both agencies

3. Working Capital:

- a. The change in net working capital thru Jun-22 is \$6.3M unfavorable due to the above changes.



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

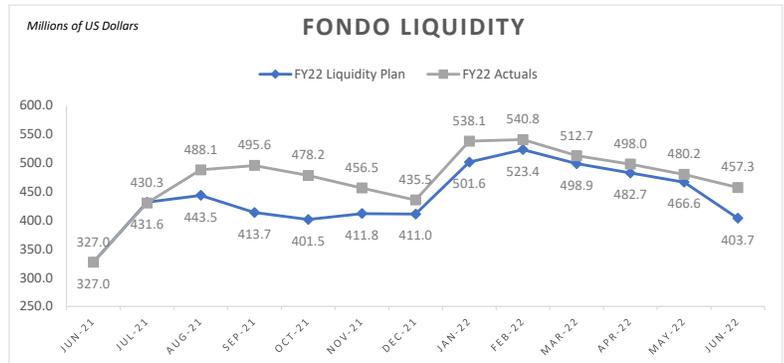
Primary Business Activity: Fondo provides workers’ compensation and disability insurance to public and private employees. Fondo is the only authorized workers’ compensation insurance company on the Island. Both public and private companies must obtain this security for their workforces by law.

Key Takeaways: For the FY22 cash increased by \$130.4M from \$327.0M to \$457.4M. The cash built was primarily due to \$645.7M in premium collections, exceeding the (\$514.45) in operating disbursements and checks outstanding. Premiums receipts were favorable to forecast by \$38.0M due to higher volumes of construction and disaster-related projects. Premium collections are seasonal, with most collections occurring in July/September and January/February of each fiscal year. 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. However, no ongoing liquidity issues are expected.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

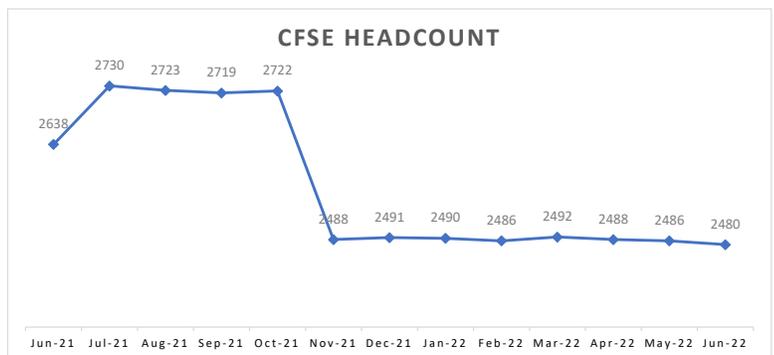
1. \$53.6M actuals vs. Liquidity Plan:

- a. \$33.6M in favorable premiums collections variance for the fiscal year.
- b. (\$36.1M) in unfavorable payroll and related costs variance, permanent. FONDO received more than 100 former PREPA employees with annual recurring expenses of (\$7.5M) not considered in the Liquidity Plan.
- c. \$26.1M favorable regarding a transfer to an investment account to cover for claim liabilities reserves that were considered in the Liquidity Plan.
- d. \$17.3M in favorable equipment purchases.
- e. \$7.5M in PayGo contributions – Liquidity Plan included 13 monthly installments, but only 12 were made.
- f. \$7.4M in favorable claims-related disbursements due to impacts from COVID-19, including operational closures and processing delays.
- g. \$2.6M in favorable purchased services and materials and supplies due to reduced medical services volumes experienced during the COVID-19 pandemic.
- h. (\$2.2M) unfavorable variance in all other operating expenses driven by excess Contributions to Other Gov’t Entities.



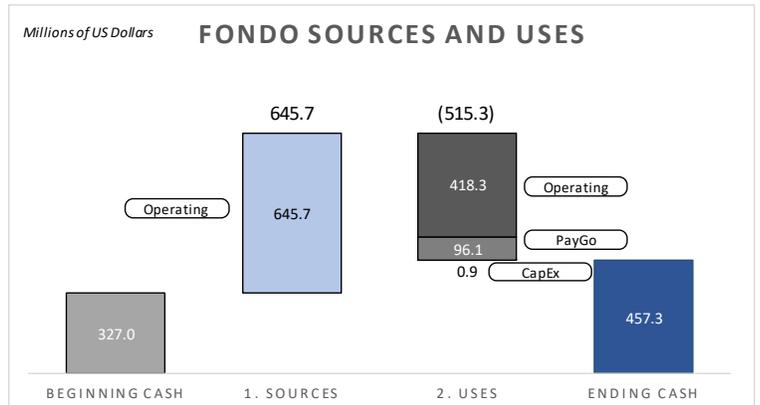
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 2,638 to 2,480 from end of Q4-21 to end of Q4-22.
 - a. 229 employees have participated in FY22 VTP phases, partially offset by ~108 former PREPA employees transferred to FONDO in the beginning of FY22 representing annual recurring expenses of \$7.5M not considered in the Liquidity Plan. Remaining reductions in headcount are to normal attrition factors and management-generated efficiencies.
2. Payroll: Disbursements amount for FY22 was \$211.6M, which is \$36.1M above Liquidity Plan.



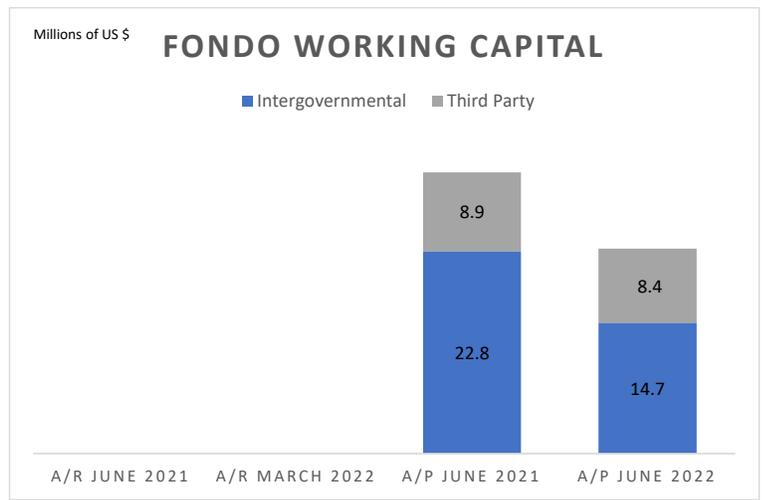
C. Full Year FY22 Sources and Uses of Funds

- 1. Sources \$645.7M
 - a. Premium collections.
- 2. Uses (\$515.3M):
 - a. Operating disbursements of (\$418.3M), consisting of (\$211.6M) in payroll and related costs and (\$206.7M) in additional operating disbursements, which include: claims-related disbursements of (\$64.8M), purchased services of (55.4M), contributions to government entities of (\$38.6M), materials and supplies of (\$16.6M), utilities of (\$7.5M), professional services of (\$6.0M), and other operating disbursements of (\$17.8M).
 - b. PayGo contributions of (\$96.1M).
 - c. CapEx of (\$0.9M).



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. Information is not available.
- 2. Accounts Payable:
 - a. \$8.5M decrease from end of Q4-21 to end of Q4-22 driven by a \$8.0M decrease in intergovernmental payables.
- 3. Working Capital:
 - a. Analysis incomplete due to missing accounts receivable information.



V. HEALTH INSURANCE ADMINISTRATION (“ASES”)

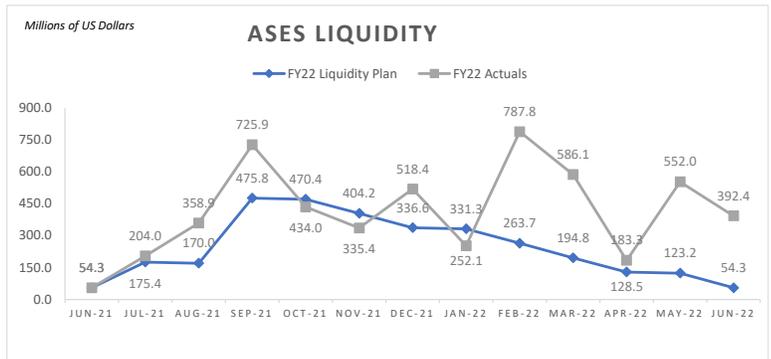
Primary Business Activity: ASES implements, administers, and negotiates the Medicaid Health Insurance System in Puerto Rico through contracts with third party insurance underwriters to provide quality medical and hospital care to the Puerto Rico Medicaid and Platino (Medicaid + Medicare dual-eligible)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

Key Takeaways: Year-to-date, cash increased by \$338.0M from \$54.3M to \$392.3M due to increased federal allotments authorized by the Center of Medicare and Medicaid Services (CMS) in Sep-21, which increased federal Medicaid funding to Puerto Rico to at least \$2.9B annually indexed to inflation. Subsequently, in Nov-21 the FOMB amended the FY22 Certified Budget to increase federal funds and subsequently decreased state funds by (\$786.7M) of identified savings to be withheld by Treasury under the custody of OMB, increasing the administration’s Budget from \$2.5B to \$4.2B for FY22. Subsequently, the FOMB certified a reduction in General Funds and ASES was requested to return (\$160.6M) in surplus allocations back to Treasury. Furthermore, the revised Certified Budget reflects an increase to the Federal Matching Assistant Percentage (FMAP) from 55% to 76% and 6.2% FMAP extension from the Families First Coronavirus Response Act.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

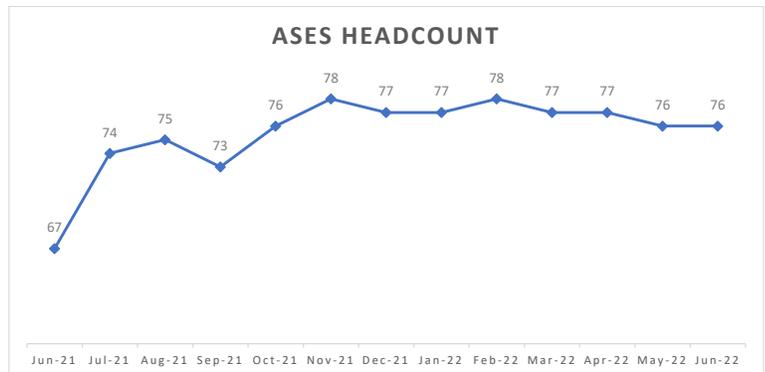
1. \$338.0M actuals vs. Liquidity Plan:

- \$2,775.0M in favorable federal funds variance due to the increased federal funding allotments from CMS.
- \$108.8M in prescription drug rebates variance due to utilization of certain high-cost drugs within Plan Vital and a delay in rebates reimbursements to the IRS.
- (\$979.0M) in General Fund appropriations variance.
- (\$52.1M) in unfavorable municipalities (CRIM) and employer receipts variance.
- (\$1,513.3M) in unfavorable healthcare premiums and related program costs variance due to increased federal fund allotments not considered in the Liquidity Plan.
- \$0.9M variance in payroll and related costs.
- (\$2.3M) in other receipts/disbursements.



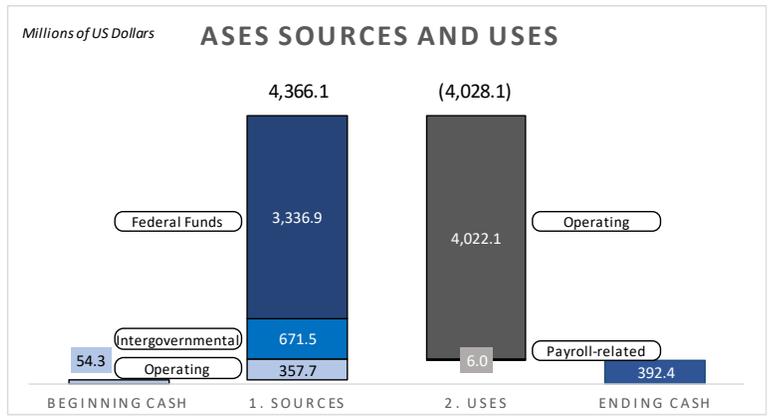
B. Headcount / Payroll

- Headcount FTEs: Increased from 67 to 76 from end of Q4-21 to end of Q4-22.
 - ASES has identified the need to create 25 new positions in FY22 as part of new operational and organizational restructuring initiatives aimed to promote administrative, ethical, and fiscal health of the administration.
- Payroll costs for the FY22 were \$5.9M, \$0.5M below the Liquidity Plan expectations.



C. Full Year FY22 Sources and Uses of Funds

- 1. Sources \$4,366.1M:
 - a. Federal funding of \$3,336.9M.
 - b. Intergovernmental receipts of \$671.5M, consisting of \$558.2M in General Fund appropriations and \$105.8M in funding from municipalities (CRIM) and employers.
 - c. Operating receipts of \$357.7M.
- 2. Uses (\$4,028.1M):
 - a. Operating disbursements of (\$4,022.1M), consisting primarily of healthcare premiums of (\$4,007.9M) and other operating payments of (\$14.2M), comprised of general overhead costs such as professional services, rent, and utilities for the ASES headquarters.
 - b. Payroll and related costs of (\$6.0M).



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. Information is not available.
- 2. Accounts Payable:
 - a. Information is not available.
- 3. Working Capital:
 - a. Analysis incomplete due to missing information above.

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

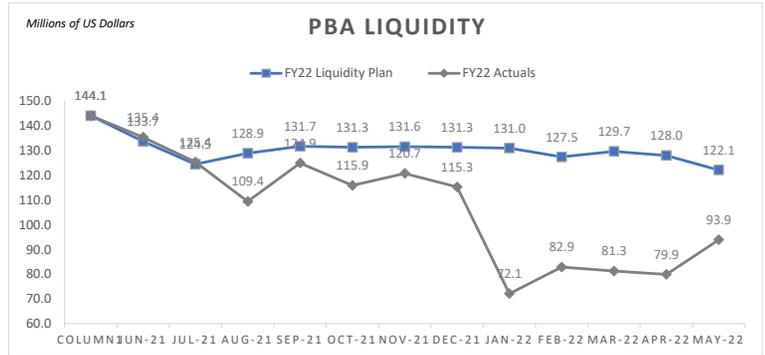
Primary Business Activity: PBA constructs, purchases, or leases office, school, health, correctional, social welfare, and other facilities for lease to certain Commonwealth departments, component units, and instrumentalities.

Key Takeaways: For the FY22, cash decreased by (\$50.2M) from \$144.1M to \$93.9M primarily due to a (\$49.2M) Plan of Adjustment (POA) payment made in Feb-22. Additionally, payroll and related costs have been higher than prior years due to the addition of former PREPA employees. Payroll and related costs were (\$57.4M) for the ten-month period through Apr-22, representing a 49% increase over the same ten-month period the previous fiscal year. PBA received \$17.2M in General Fund appropriations in Mar-22 to account for part of the higher payroll expenses.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

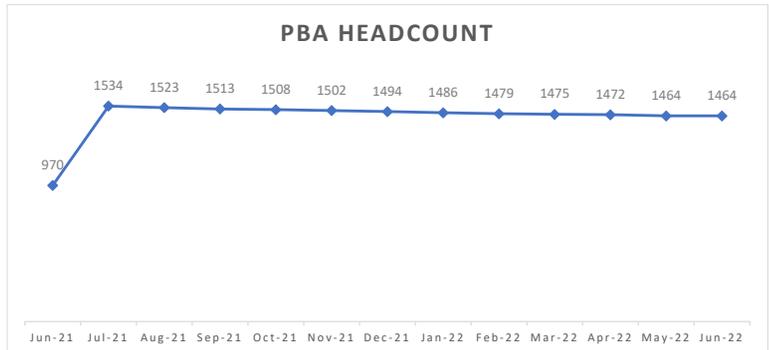
1. (\$28.2M) actuals vs. Liquidity Plan:

- a. \$25.4M in total receipts driven by:
 - i. \$12.7M in other receipts primarily due to COVID-19 bonus payments received for distribution to employees.
 - ii. \$12.7M variance in intergovernmental receipts, led by \$17.2M received from Treasury to partially cover PREPA employee payroll expenses, partially offset by a timing variance of (\$7.8M) in rents from government agencies and FEMA.
- b. (\$4.3M) in total disbursements driven by:
 - i. \$9.1M positive variance in payroll and related costs
 - ii. (\$17.6M) adverse variance in purchased services due to high maintenance costs on PBA’s buildings, including roofing repairs.
 - iii. (\$5.6M) negative variance in expenses related to FEMA (\$2.1M) and insurance projects (\$3.5M).
 - iv. \$9.0M positive variance in CapEx given delayed initiation of projects
 - v. \$0.8M positive variance in other disbursements.
- c. (\$49.3M) in transfers to non-operating accounts



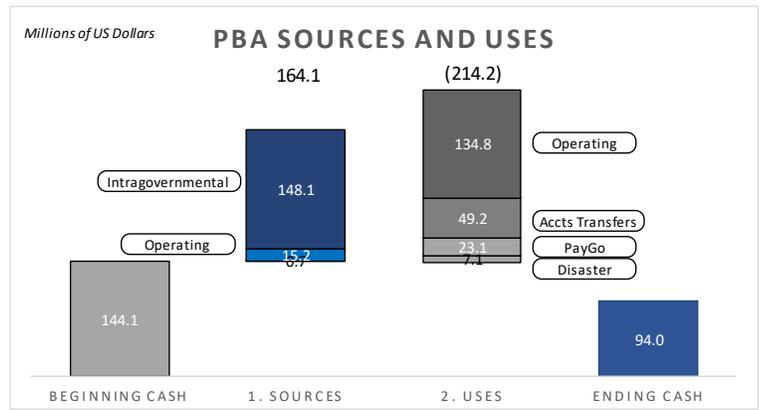
B. Headcount / Payroll

- 1. Headcount FTEs: Increased from 970 to 1,464 from end of Q4-21 to end of Q2-22.
 - a. Increase in headcount is primarily due to addition of ~560 employees from PREPA and 18 from ATM, net of normal reduction due to normal attrition.
- 2. Payroll: Disbursements were \$69.9M for FY22.
 - a. That is \$9.0M under Liquidity Plan.



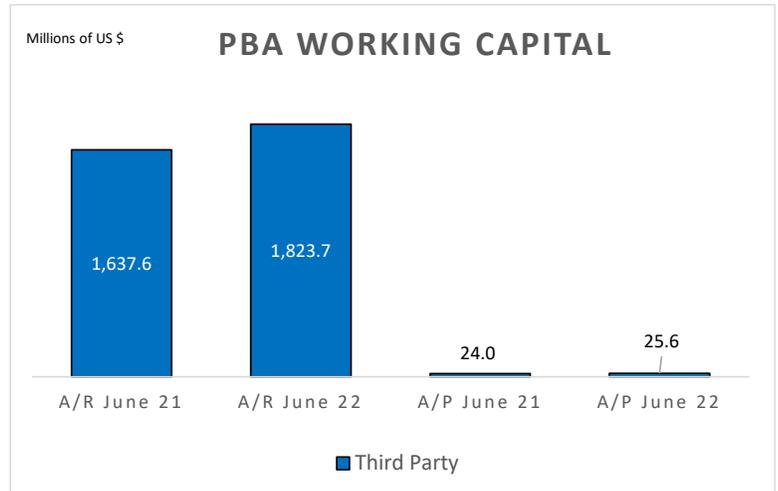
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$164.1M:
 - a. Intergovernmental receipts total \$148.1M
 - b. Disaster-related receipts total \$0.8M, which relates to FEMA claims from hurricanes Irma and Maria.
 - c. Other operating receipts total \$15.2M, of which \$1.1M are related to income from third party occupancy and \$14.1M are related to other income, including interest income, and receipts from the General Fund related to employee COVID-19 bonus payments.
2. Uses (\$214.2M):
 - a. Operating disbursements total (\$134.8M), consisting of payroll and related costs of (\$68.9M), purchased services of (\$44.0M), utilities of (\$14.0M), professional services of (\$0.4M), and other operating expenses of (\$7.5M).
 - b. Plan of adjustment payment of \$(49.2M).
 - c. PayGo contributions of (\$23.1M).
 - d. Disaster-related disbursements of (\$7.1M), of which (\$3.7M) are related to FEMA and (\$3.4M) are related to insurance-related and other projects.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$186.1M increase from end of Q4-21 to end of Q4-22 driven by a non-cash adjustment to intergovernmental receivables related to the debt service portion of rent not being received.
2. Accounts Payable:
 - a. \$1.6M increase from end of Q4-21 to end of Q4-22 driven by timing on utilities payables.
3. Working Capital: changes were unfavorable by \$184.5M for the FY22 due to the above changes.



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

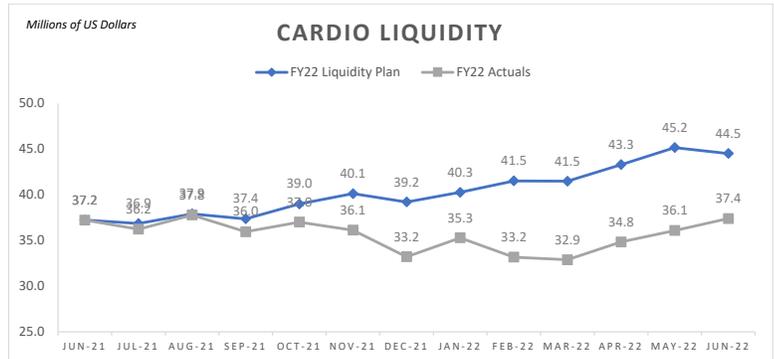
Primary Business Activity: Cardio is a general acute care hospital providing specialized treatment to patients suffering from cardiovascular diseases.

Key Takeaways: Cash increased by \$0.2M from \$37.2M to \$37.4M during the FY22. There was a decline of (\$5.1M) in patient collections versus forecast, which were offset by \$5.2M in special appropriations and incentives from Treasury, CARES Act, and the U.S. Dept. of Health and Human Services (HHS) primarily aimed at mitigating ongoing staffing shortages. There are no ongoing liquidity issues forecasted.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

1. (\$7.1M) actuals vs. Liquidity Plan:

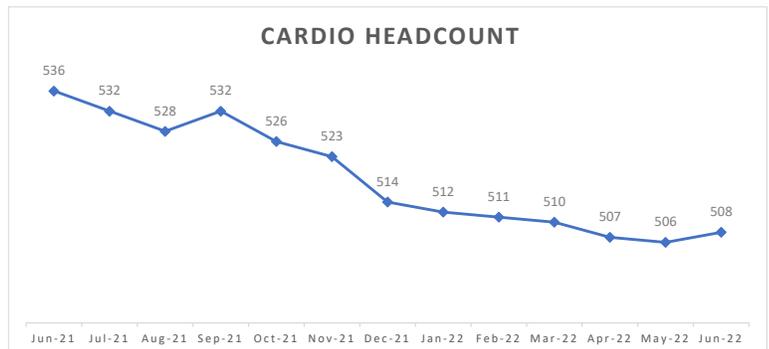
- (\$5.1M) in unfavorable operating receipts variance from patient collections driven by lower elective procedures due to the COVID-19 pandemic.
- \$5.1M in favorable other receipts variance driven by special appropriations from Treasury and HHS for nursing and other COVID-19 related incentives not forecasted.
- \$3.2M in payroll and related disbursements variance due to increased attrition rates accelerated by COVID19.
- (\$10.3M) unfavorable operating disbursements variance due to paydowns on prior years’ obligations for purchased services and medical supplies, as well increased spending in FY22 to meet higher volumes driven by surges in COVID-19 cases.



B. Headcount / Payroll

1. Headcount FTEs: Decreased from 536 to 508 from end of Q4-21 to end of Q4-22.

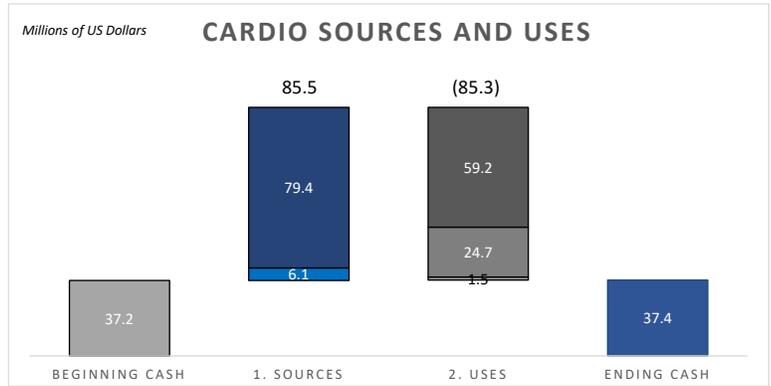
- Historically, Cardio has experienced issues with staffing turnover due to a competitive hiring environment for nurses and other skilled positions.
- Staffing shortages at acute care facilities have worsened since the onset of COVID-19 due to increased physical and mental health distress, and higher workload exacerbating burnout. Despite monetary incentives, nurses are increasingly leaving inpatient roles for less demanding roles in outpatient or nonpatient care, traveling positions offering better compensation, or leaving nursing altogether for retirement or other career fields.



2. Payroll: Disbursements amounted to \$24.7M for FY22, which is \$3.2 under Liquidity Plan.

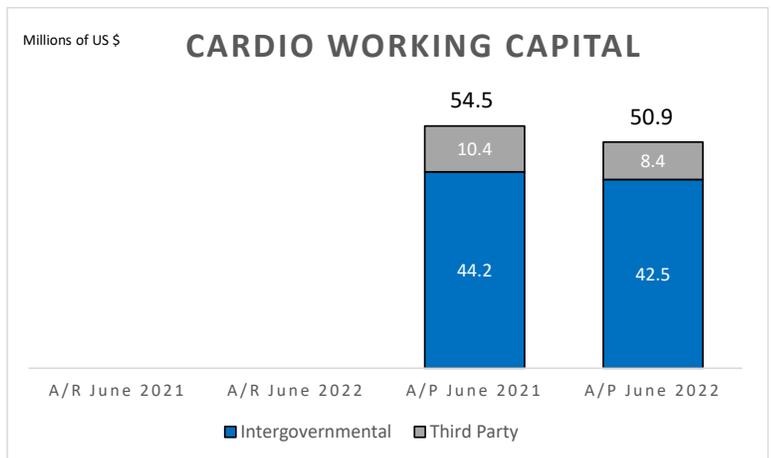
C. Full Year FY22 Sources and Uses of Funds

- 1. Sources \$85.5M:
 - a. Patient collections (net) of \$79.4M.
 - b. Other receipts of \$6.1M, consisted of \$5.1M in special appropriations from Treasury and HHS for nursing incentives to mitigate attrition during the COVID-19 pandemic and \$1.0M of rental receipts.
- 2. Uses (\$85.3M):
 - a. Operating disbursements of (\$59.2M), comprised of materials and supplies of (\$29.0M), purchased services of (\$12.7M), professional services of (\$7.8M), utilities of (\$7.4M), and other operating payments of (\$2.3M).
 - b. Payroll and related costs of (\$24.6M).
 - c. PayGo contributions of (\$1.5M).



D. Accounts Receivable / Accounts Payable

- 1. Accounts Receivable:
 - a. Information is not available.
- 2. Accounts Payable:
 - a. \$3.6M decrease from end of Q4-21 to end of Q4-22 driven by a \$1.9M decrease in third party payables due to paydowns on prior years' debt related to various medical services and supplies spend, which is intensified by a \$1.7M decrease in intergovernmental payables due to paydowns on accrued utilities obligations to PREPA.
- 3. Working Capital:
 - a. Analysis incomplete due to missing accounts receivable information.



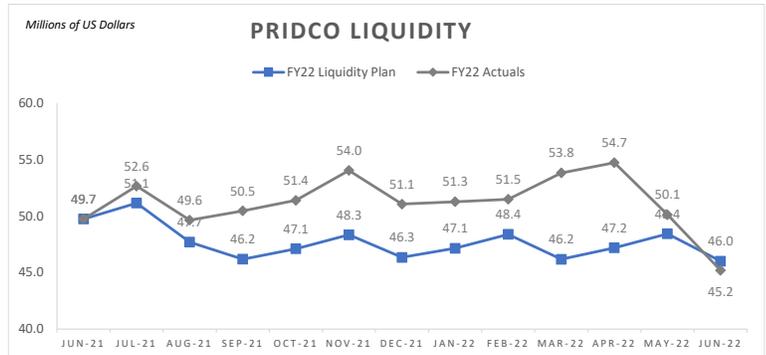
VIII. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION (“PRIDCO”)

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: For the FY22 operating cash decreased by (\$4.5M) from \$49.7 to \$45.2M, exclusive of incentive funds, which are restricted sources/uses of cash. Rental receipts have been favorable and delay in payments to DDEC and CapEx investment enable PRIDCO to offset higher operating expenses. However, an insurance payment of (\$2.0M) and operating payment of (\$2.5M) were made on week 53 of last fiscal year. RUMS and FEDE incentive funds were reported under PRIDCO instead of DDEC until Feb-22. Afterwards, they are being reported under DDEC and a transfer of funds of approximately \$38.4M was made to account for this.

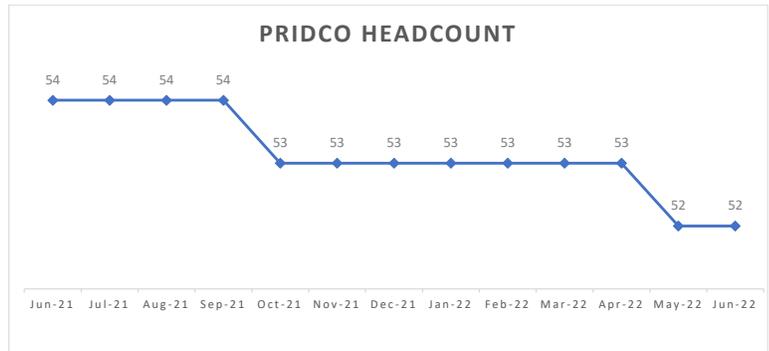
A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

- 1. \$(0.8M) actuals vs. Liquidity Plan:
 - a. unfavorable variance was mainly driven by (\$4.1M) net transfers from operating to restricted, partially offset by \$3.1M in other receipts and interest income and \$0.2M in other operating disbursements



B. Headcount / Payroll

- 1. Headcount FTEs: Increased from 54 to 52 from end of Q4-21 to Q4-22.
 - a. Decrease was driven by normal attrition factors.
- 2. Payroll: Disbursements amounted to \$7.3M, which is \$1.8 above Liquidity Plan
 - a. This was driven by incremental expenses from PREPA employees that joined PRIDCO at the beginning of the fiscal year.



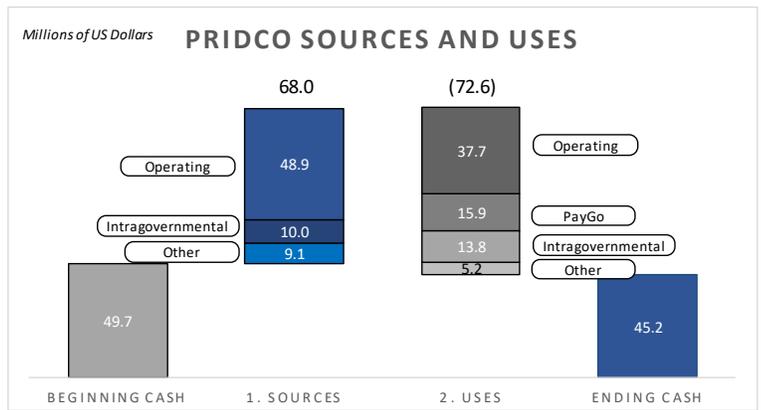
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$68.0M:

- a. \$48.9M of operating receipts, consisting of the following: \$40.1M Trustee Property rent; \$7.9M Non-Trustee Property rent; and \$0.9M of Bond Income and PRIICO Rent
- b. \$10.0M of RUMS incentive funds
- c. \$7.7M of other and interest income
- d. \$1.4M relating to FEMA Deposits.

2. Uses (\$72.6M):

- a. (\$37.7M) of operating disbursements, consisting of the following: (\$7.3M) payroll and related costs; (\$6.6M) purchased services; (\$10.2M) insurance payments; (\$3.9M) DDEC management fee, (\$1.5M) professional services; and (\$8.2M) other operating expenses.
- b. (\$15.9M) of PayGo contributions and past due PayGo liability payments
- c. (\$13.8M) in restricted expenses payments, including incentive funds and payments to bondholders
- d. (\$5.2M) in other disbursements: (\$4.1M) of transfers to restricted accounts and (\$1.1M) of CapEx.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

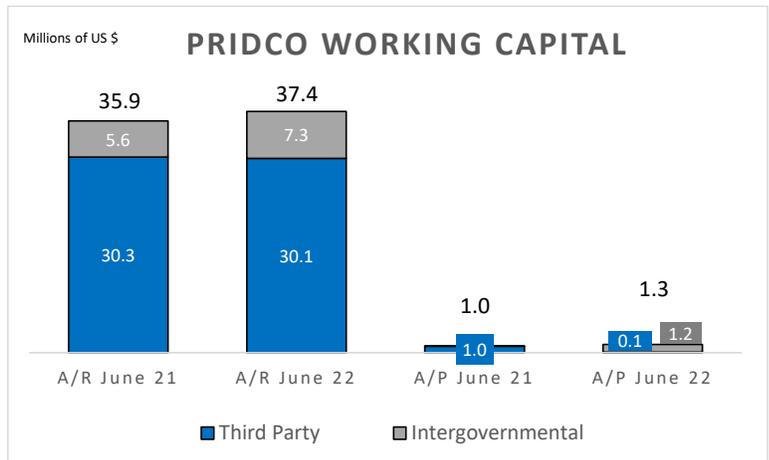
- a. \$3.9M increase from end of Q4-21 to end of Q4-22 driven by \$3.5M increase in intergovernmental accounts and \$0.4M in third party/vendor payables.

2. Accounts Payable:

- a. \$0.1M decrease from end of Q4-21 to end of Q4-22 driven by third party/vendor payables.

3. Working Capital:

- b. \$4.0M increase in working capital from to the above changes in accounts.



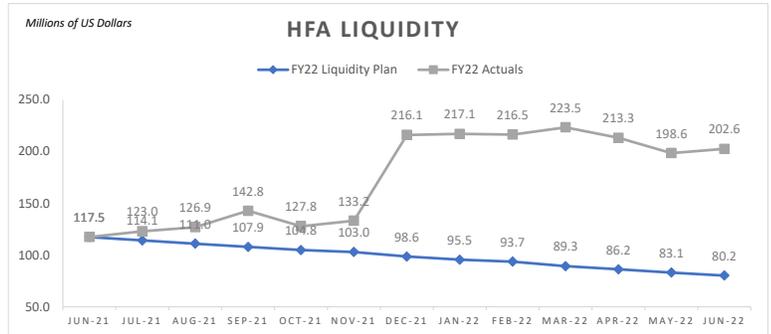
IX. PUERTO RICO HOUSING FINANCE AUTHORITY (“HFA”)

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

Key Takeaways: For the FY22, cash increased by \$85.1M from \$117.5M to \$202.6M. Variances to the Liquidity Plan in the amount of \$122.4M are mainly driven by debt service variances of \$32.4M, net balance sheet activity of \$23.3M, as well as net temporary variances from federal funds of \$11.1M. Operating disbursements resulted in a variance of \$7.5M, and operating and intergovernmental receipts present a permanent variance of (\$12.9M). Other federal funds made available to HFA via ARPA awards were received during Dec-21 in the amount of \$72.6M, of which (\$14.6M) have been disbursed, presenting a net variance of \$61.0M. These pass-through federal funds were not expected nor considered in the Liquidity Plan.

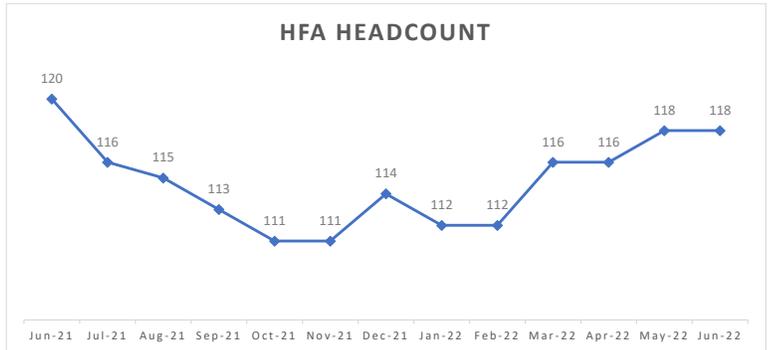
A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

1. \$122.4M actuals vs. Liquidity Plan:
 - a. (\$11.4M) unfavorable in operating receipts
 - b. (\$1.5M) unfavorable in Commonwealth receipts
 - c. \$61.0M favorable in Federal Programs driven by ARPA funds
 - d. \$11.1M favorable HOME and HUD federal funds.
 - e. \$23.3M in favorable net balance sheet activity
 - f. \$7.5M in favorable operating disbursements
 - g. \$32.4M in favorable debt-related disbursements



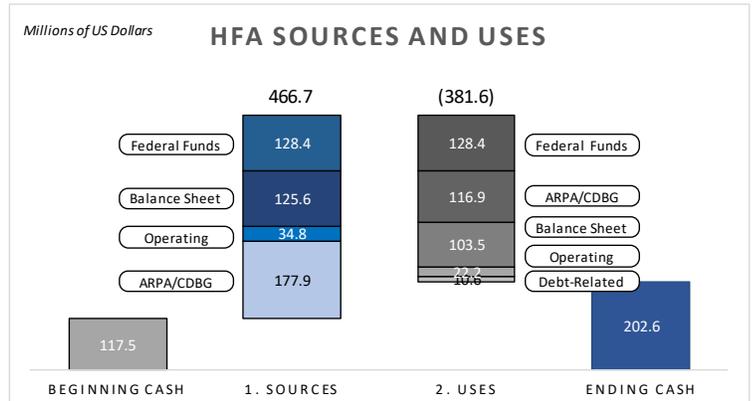
B. Headcount / Payroll

1. Headcount FTEs: Decreased from 120 to 118 from end of Q4-21 to end of Q4-22.
2. Payroll: Disbursements amounted to \$8.6M for FY22, which is \$0.6M favorable versus Liquidity Plan.



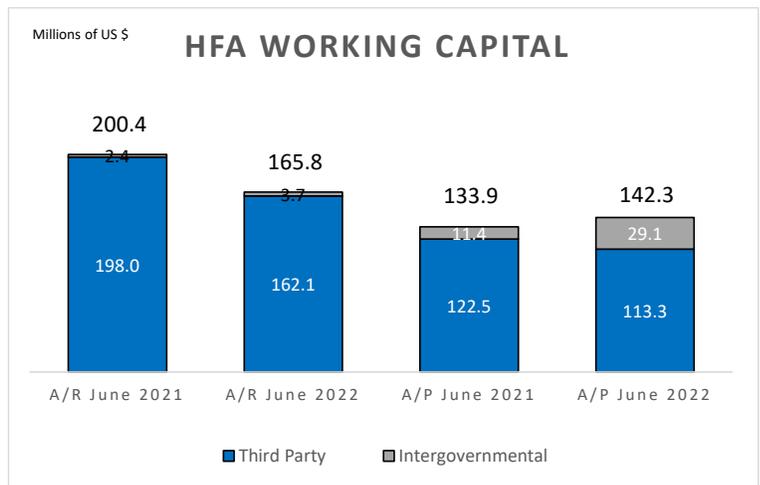
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$466.7M:
 - a. \$177.9M in federal funds from ARPA and CDBG.
 - b. \$128.4M in federal funds from HOME and HUD.
 - c. \$125.6M in balance sheet receipts.
 - d. \$34.8M in operating receipts.
2. Uses (\$381.6M):
 - a. (\$128.4M) in federal funds from HOME and HUD.
 - b. (\$116.9M) in federal funds from ARPA and CDBG.
 - c. (\$103.5M) in balance sheet disbursements
 - d. (\$22.2M) in operating disbursements
 - e. (\$10.6M) in debt service disbursements



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$36.6M decrease from end of Q4-21 to end of Q4-22 driven by third-party loan and interest receivables.
2. Accounts Payable:
 - a. \$8.4M increase from end of Q4-21 to end of Q4-22 driven by intergovernmental payables of \$17.7M, partially offset by decreases in third party/vendor payables of \$9.2M.
3. Working Capital: changes were favorable by \$43.1M thru Dec-22 due to the above changes.



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

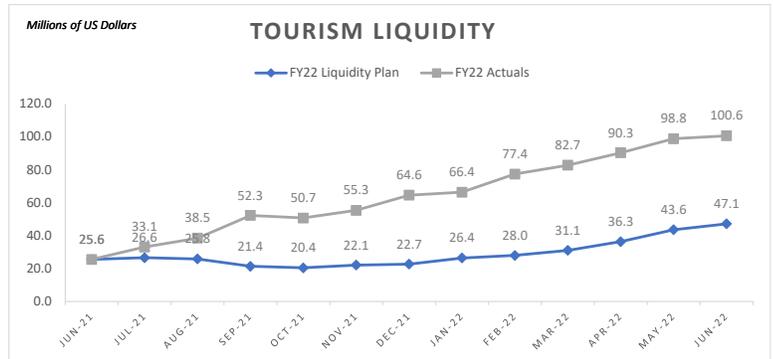
Primary Business Activity: Tourism’s purpose is to promote the tourism industry of Puerto Rico.

Key Takeaways: For the FY 22 cash increased by \$75.0M from \$25.6M to \$100.6M. The cash increase is driven by \$55.1M of outperformance of room taxes receipts and slot machine receipts relative to the Certified Fiscal Plan due to higher volumes of tourist travel to Puerto Rico driven by various factors, which include improved vaccination rates and easement of restrictions on travel and gathering, lack of passport and re-entry requirements for U.S. travelers, increased passenger arrivals due to new air and cruise line routes, and targeted marketing efforts. According to Puerto Rico’s Destination Marketing Organization Discover Puerto Rico, Puerto Rico tourism hit a new record in 2021 as an estimated 4.3M travelers visited the island driving record room taxes in 2021. Tourism funded \$30.3M to CCDA during the FY22. There are no liquidity issues forecasted.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

1. \$53.4M actuals vs. Liquidity Plan:

- a. \$53.0M in favorable operating receipts variance, (net) of waterfall disbursements. Hotel room taxes collections (net) were favorable to forecast by \$36.2M. Slot machine collections (net) were favorable to forecast by \$16.8M.
- b. \$15.0M in favorable miscellaneous receipts not in forecast driven by \$7.0M in intercompany transfer in and \$8.0M in Coronavirus Relief Funds (CRF) received from the Commonwealth for economic development initiatives.
- c. (\$4.5M) in Appropriations to Non-Governmental Entities (DMO)
- d. (\$4.3M) in media and ads spend due to carry-over disbursements made on FY21 invoices and higher activity to capitalize on travel opportunities after the COVID19 restrictions easing.
- e. (\$4.1M) unfavorable in all other operating disbursements.
- f. (\$1.7M) in unfavorable payroll and related costs variance including \$0.2M of PayGo. Budgeted payroll and related expenses did not consider transfers of former employees from PREPA.



B. Headcount / Payroll

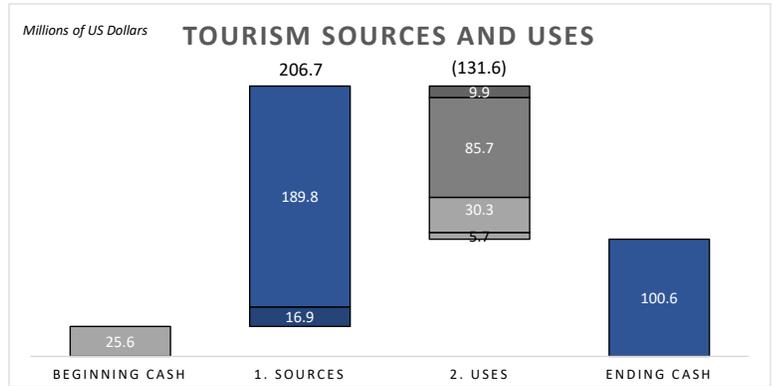
- 1. Headcount FTEs: Decreased from 203 to 198 from end of Q2-21 to end of Q4-22.
 - a. ~12 employees were transferred from PREPA to Tourism in Jul-21. These increases were offset by normal attrition factors.
- 2. Payroll: Disbursements amounted to \$11.7M for FY22, which is \$1.9M over Liquidity Plan.
 - a. Overall, payroll and related expenses were underbudgeted in the Liquidity Plan mainly due to former PREPA employees transferred to Tourism.



C. Full Year FY22 Sources and Uses of Funds

1. Sources \$206.7M:

- a. Operating receipts of \$189.9M, of which \$73.1M, or 35% of total receipts is from slot machines via the Gaming Commission, and \$116.7M, or 57% of total receipts is from hotel room taxes. Tourism funds the entirety of its operations and intergovernmental obligations to CCDA through various waterfall distributions explained below.
- b. Other receipts of \$16.8M, or 8% of total receipts include \$7.0M in intercompany transfers (to)/from Tourism subsidiaries and other accounts, \$3.0M in Coronavirus Relief Funds (CRF) allocated from the Commonwealth, \$5.1M in ARPA funds received for promotional expenses, and \$1.7M in misc. receipts from vendor fees and fines.



2. Uses (\$131.6M):

- a. Slot machine and hotel room taxes waterfall disbursements of (\$9.9M): slot machine funds are historically disbursed to casinos, UPR, and Hacienda; hotel room taxes funds are disbursed to CCDA and intercompany marketing and promotion funds. Tourism retains leftover funds after waterfall disbursements are distributed, including ~(\$4.9M) annually to CCDA (Law 272). While Tourism no longer manages slot machine operations, delays in the transition of these operations to the Gaming Commission in Q1-FY21 caused Tourism to manage the collections and waterfall disbursements process longer than originally anticipated. In Aug-21, Tourism disbursed (\$3.0M) to UPR for remaining slot machine waterfall obligations incurred in FY21.
- b. Operating disbursements of (\$85.7M), built from payroll and related costs of (\$11.7M), appropriations to the DMO of (\$33.5M), purchased services of (\$4.4M), media/ads of (\$5.7M), professional services of (\$2.1M), and other operating payments of (\$28.3M) consisting of event and promotions costs, air access incentives, utilities, transportation costs, and intercompany transfers (out).
- c. PayGo contributions of (\$5.7M).
- d. Transfers (to)/from CCDA debt service reserve account of (\$30.3M).

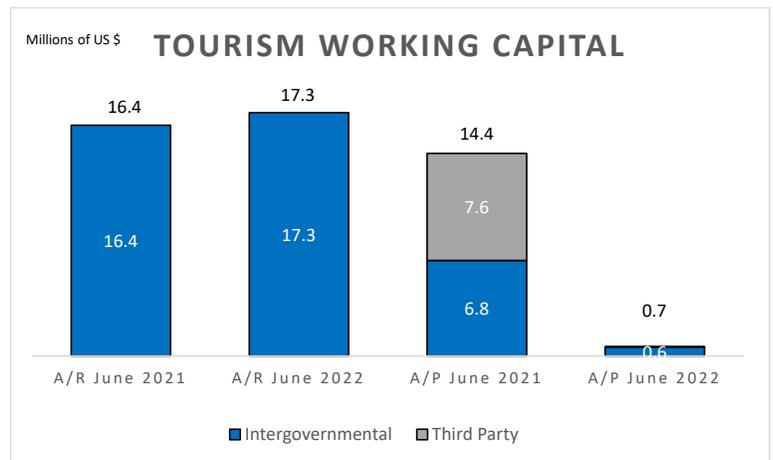
D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

- a. \$0.9M increase from end of Q4-21 to end of Q4-22 driven by a third party - collections of hotel room taxes.

2. Accounts Payable:

- a. \$13.8M decrease from end of Q4-21 to end of Q4-22 driven by a \$7.6M decrease in intergovernmental payables due to paydowns to UPR, Hacienda, and CCDA for slot machine and hotel room taxes waterfall distributions. The decrease was further intensified by a \$6.2M decrease in third party payables driven by paydowns of past-due amounts owed to the DMO.
- b. Working Capital: changes were unfavorable by \$14.7M for the FY22 due to the above changes.



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

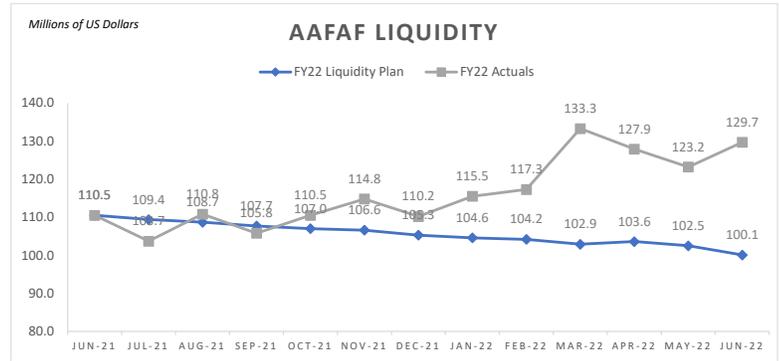
Primary Business Activity: AAFAF acts as fiscal agent, financial advisor, and reporting agent for the Government of Puerto Rico and certain related entities. It was established pursuant to the Puerto Rico Emergency Moratorium and Financial Rehabilitation Act.

Key Takeaways: For the FY22 cash increased by \$19.2M from \$110.5M to \$129.7M. This also represents a favorable variance of \$29.6M when compared against Liquidity Plan. The upside is largely driven by \$13.0M in General Fund appropriations not forecasted, including \$9.4M in Title III appropriations and \$3.6M in non-Title III appropriations. Furthermore, there is a favorability in professional services fees of \$21.9M due to timing delays since Title III professional services expenses are subject to a lengthy review process by the court fee examiner. This was partially offset by (\$6.7M) in transfers of surplus monies to Treasury.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

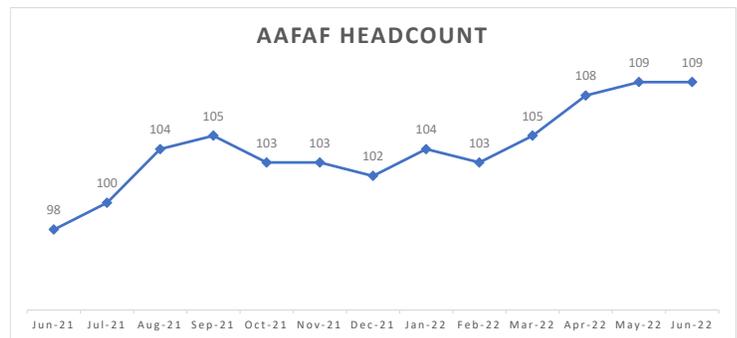
1. \$29.6M actuals vs. Liquidity Plan:

- \$13.0M in favorable General Fund appropriations including \$9.4M in Title III appropriations received in Mar-22, 3.0M received in Sep-21 intended for future legal settlement(s) to be disbursed on behalf of the Commonwealth, and \$0.6M in non-Title III appropriations to supplement expenses associated with former PREPA employees.
- \$6.3M favorable operating receipts variance driven by fiscal agency fees from PRASA, and pass-through federal funds (CRF, ARPA) administered to municipalities.
- (\$1.4M) in payroll and related costs
- \$18.5M in non-payroll operating disbursements driven largely by \$21.9M favorable variance in professional services spend, partially offset by a positive variance of \$3.4M in other operating efficiencies versus Liquidity Plan.
- (\$6.8M) not forecasted: (\$8.9M) in transfers in/(out) of FY21 Title III funds surplus to Treasury, partially offset by \$2.1M budget reserve included in Liquidity Plan that was not performed.



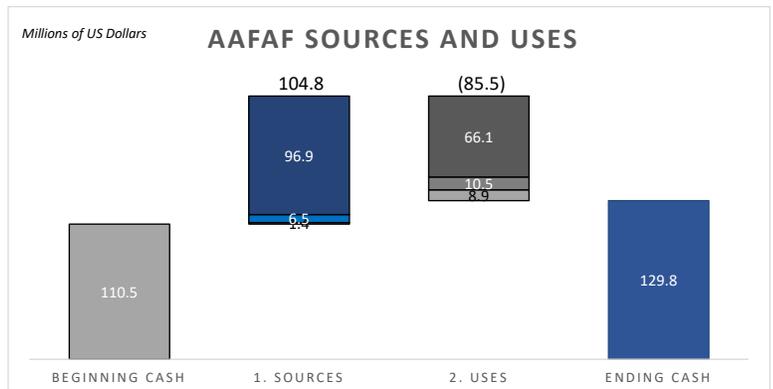
B. Headcount / Payroll

- Headcount FTEs: Increased from 98 to 109 from end of Q2-21 to end of Q4-22.
 - Headcount increases are driven by planned hirings to reinforce the organizational structure of the agency including backfilling vacant positions.
 - In Jun-21, AAFAF received eight (8) former PREPA employees, which represent ~\$0.4M in annual recurring expenses not considered in the Liquidity Plan.
- Payroll: Disbursements amounted to \$10.5M for FY22, which is \$1.4M over Liquidity Plan.



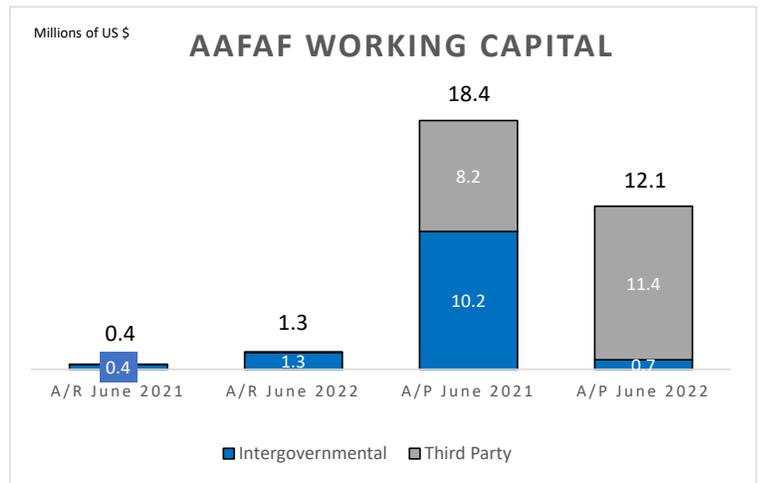
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$104.8M:
 - a. General Fund appropriations of \$96.9M.
 - b. Operating receipts of \$1.4M consisting of fiscal agency fees and interest income.
 - c. Other receipts of \$6.5M, including non-operating federal fund pass-through amounts and reimbursement monies.
2. Uses (\$85.5M):
 - a. Operating disbursements of (\$66.1M), consisting of professional services of (\$57.4M), purchased services of (\$2.4M), and other costs of (\$6.3M) including materials and supplies, utilities, transportation, PayGo contributions, and other.
 - b. Payroll and related costs of (\$10.5M).
 - c. Transfers in/(out) of (\$8.9M).



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - c. \$0.9M increase from end of Q4-21 to end of Q4-22 driven by intergovernmental accounts.
2. Accounts Payable:
 - d. \$6.3M decrease from end of Q4-21 to end of Q4-22 driven by a \$9.5M decrease in intergovernmental payables driven by paydowns to UPR, Hacienda, and CCDA for slot machine and hotel room taxes waterfall distributions. The decrease was partially offset by a \$3.2M increase in third party payables.
- e. Working Capital: changes were unfavorable by \$7.2M for the FY22 due to the above changes.



XII. DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE (“DDEC”)

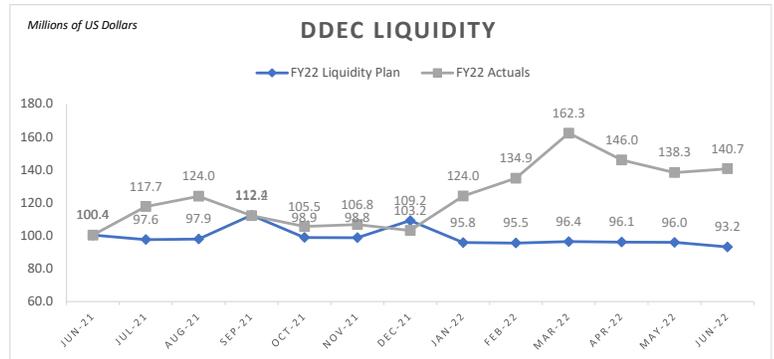
Primary Business Activity: DDEC serves as the umbrella agency for key economic development entities in Puerto Rico. It leads efforts to drive competitiveness through structural reforms, promoting private sector investment, and job growth in critical sectors.

Key Takeaways: Year-to-date, cash has increased by \$40.3M from \$100.3M to \$140.7M, which is primarily driven by a) cash related to the Puerto Rico Trade and Export Company and RUMS of Puerto Rico being reported under DDEC, b) \$20.0M of COVID-19 relief funding, and c) Jan-22 federal fund inflows of \$26.6M for incentive programs. Additionally, DDEC made (\$10.6M) in loan payments on behalf of the Puerto Rico Trade and Export Company, which was not considered in the Liquidity Plan. The administration of incentive/grant programs is now under the responsibility of DDEC in FY22 instead of PRIDCO, and on a go-forward basis incentive funds relating to RUMS will be reported under DDEC.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

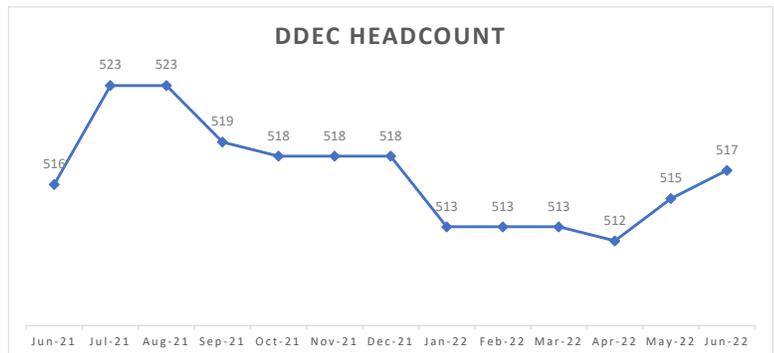
1. \$47.5M actuals vs. Liquidity Plan.

- \$16.5M in total receipts mainly driven by \$14.0 in rental receipt from the Puerto Rico Trade and Export Company and other net receipts amounting to \$2.5M.
- \$31.6M favorable operating disbursements, \$30.0M coming out from Donations, Subsidies and Distributions.
- \$10.0M favorable variance in CapEx investment
- (\$10.6M) in loan disbursements on behalf of the Puerto Rico Trade and Export Company, which were not considered in the Liquidity Plan.



B. Headcount / Payroll

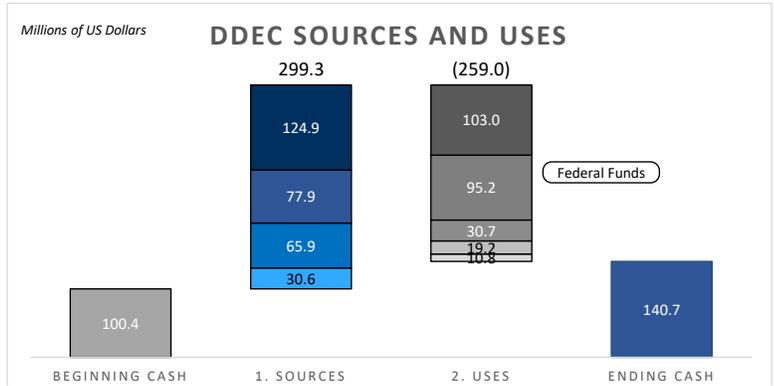
- Headcount FTEs: Increased from 516 to 517 from end of Q4-21 to end of Q4-22.
 - Headcount has barely fluctuated within the last 12 months.
- Payroll: Disbursements amounted to \$30.7M, which represents a favorable variance of \$4.7M versus Liquidity Plan.



C. Full Year FY22 Sources and Uses of Funds

1. Sources \$299.3M:

- a. \$124.9M in Federal Grants.
- b. \$77.9M in intergovernmental receipts, including: \$20.3M in General Fund appropriations; \$32.0M in FEDE incentive funds (Act 60-2019); \$20.9M in RUMS incentive funds (Act 60-2019); and \$4.7M in other incentive funds (Act 60-2019).
- c. \$65.9M in other receipts, primarily driven by \$20.0M of COVID relief funds and the inclusion of Puerto Rico Trade and Export Company bank balances under DDEC.
- d. \$30.6M in operating receipts consisting of rental income, receipts from management fees and industrial tax exemption fees.



2. Uses (\$259.0M):

- a. (\$103.0M) in incentive payments related to FEDE, RUMS, and other incentives.
- b. (\$95.3M) in federal fund appropriations.
- c. (\$30.7M) in payroll and related costs
- d. (\$19.2M) in other operating disbursements, including: (\$5.8M) in professional services; (\$3.0M) in purchased services; (\$2.7M) in utilities; and (\$7.7M) in other.
- e. (\$10.6M) in loan disbursements
- f. (\$0.2M) in PayGo contributions.

D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

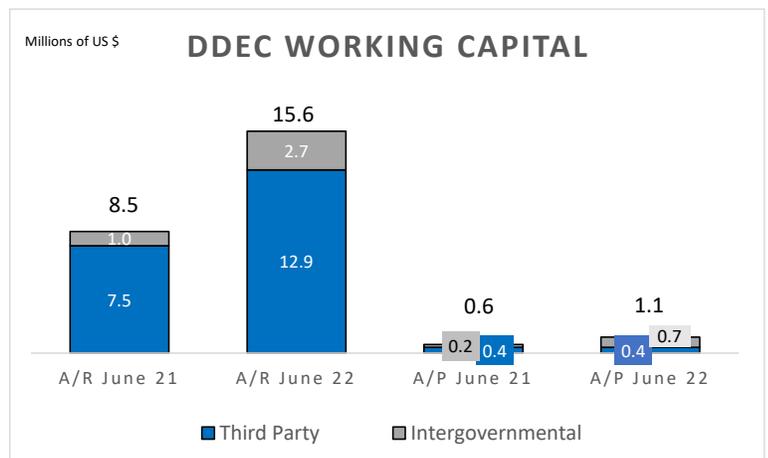
- a. \$7.1M increase from end of Q4-21 to end of Q4-22 driven by increase in third party receivables of \$5.4M and \$1.7M in intergovernmental accounts.

2. Accounts Payable:

- a. \$0.5M increase from end of Q4-21 to end of Q4-22 driven entirely by intergovernmental payables.

3. Working Capital:

- a. Working capital changes were favorable by \$6.6M for the FY22 due to the above changes.



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

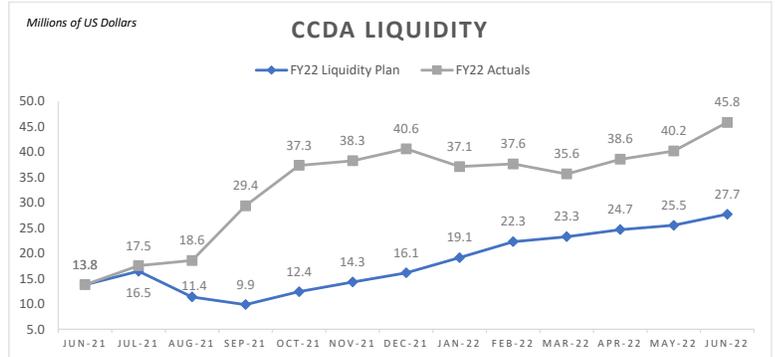
Primary Business Activity: CCDA develops, manages, and oversees the Puerto Rico Convention Center, the Coliseo de Puerto Rico José Miguel Agrelot, Bahía Urbana, and other adjacent hospitality, commercial, and residential developments.

Key Takeaways: Cash increased by \$32.0M for the FY22 from \$13.8M to \$45.8M due to \$23.6M in federal fund receipts from ARPA and the U.S. Small Business Administration (SBA) not forecasted were made available to CCDA due to ~(\$35.0M) in loss revenues sustained during the COVID-19 pandemic. Only \$10.0M in federal funds sourced from the SBA were eligible for operations. Furthermore, cash increased due to \$3.1M in receipts from sale(s) of land in Dec-21 not forecasted. Operating receipts were favorable to the Liquidity Plan by \$2.9M driven by \$3.2M in favorable receipts at the Coliseum despite temporary capacity reductions in late Dec-21 and Jan-22 due to COVID-19/Omicron. CCDA received transfers of \$7.5M in FY22 for the room taxes revenues from the Tourism Company (Law 272). To note, about half of CCDA’s reported cash balances consist of non-operating funds for CapEx, promoter ticket sales reserves, and federal funds - ARPA. There are no liquidity issues forecasted.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

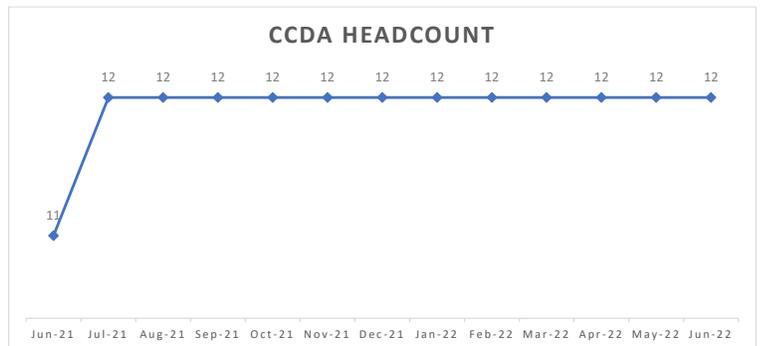
1. \$18.1M YTD actuals vs. Liquidity Plan:

- a. \$2.9M in favorable operating receipts variance driven by receipts from events held at the Coliseum and rent from the District and Convention Center.
- f. \$2.5M in intergovernmental receipts variance thanks to the advance of hotel room taxes from Tourism due to pending legislative approval of Law 272.
- g. \$29.9M in other receipts variance driven by \$26.8M in federal funds from ARPA and SBA, and \$3.1M in proceeds from sale of properties and other not forecasted.
- h. \$5.2M in utilities variance due to deferred utilities payments, including \$2.7M accrued in FY21. Reapportionments submitted to OGP for emergency funds were denied.
- i. (\$18.5M) in purchased services variance. The Liquidity Plan assumed an increase in event receipts in FY22, but did not consider increases to volume-based expenses such as concessions, security, ticketing, etc.
- j. (\$1.7M) in CapEx
- k. (\$2.2M) in other receipts/disbursements and transfers in/(out).



B. Headcount / Payroll

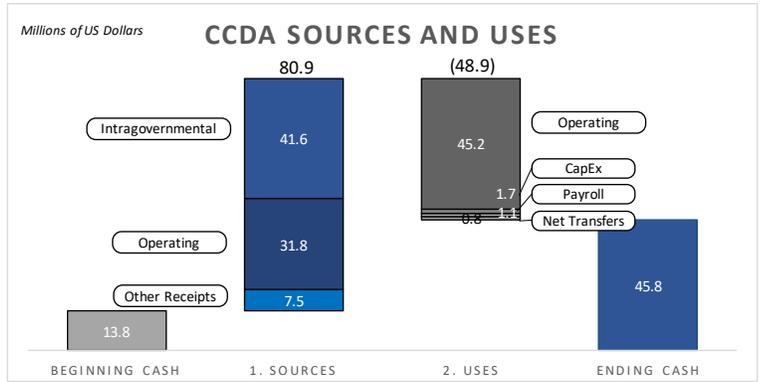
- 1. Headcount FTEs: Increased from 11 to 12 from end of Q4-21 to end of Q4-22.
 - a. Headcount only considers administrative employees of the District and does not consider employees of the Coliseum and Convention Center.
- 2. Payroll: Disbursements amounted to be \$1.1M, which is \$0.1M above Liquidity Plan.



C. Full Year FY22 Sources and Uses of Funds

1. Sources \$80.9M:

- a. Operating receipts of \$41.7M, consisting of: rental income at District of \$2.0M, Coliseum receipts of \$24.1M, and Convention Center receipts of \$15.5M.
- b. Intergovernmental receipts of \$7.5M, including Law 272 hotel room taxes receipts of \$6.6M from the Tourism Company and \$0.9M in receipts from tax incremental financing collected from District vendors per Law 157 - 2014.
- c. Other receipts of \$31.7M, including: \$10.0M of federal funds awarded to CCD A by the SBA for a "Shuttered Venue Operator Grant", \$13.6M of CRF/ARPA funds earmarked for non-operating costs associated with strategic promotional initiatives, and \$3.1M in proceeds from land sales, \$1.0M in FEMA receipts and \$4.0M in other receipts.



2. Uses (\$48.9M):

- a. Operating disbursements of (\$45.2M), consisting of purchased services of (\$36.6M), utilities of (\$7.6M), professional services of (\$0.5M), and other operating costs of (\$0.5M).
- b. CapEx investment of (\$1.7M).
- c. Payroll and related costs of (\$1.1M).
- d. Disaster Relief Disbursements net of in transfers in/(out) of (\$0.9M).

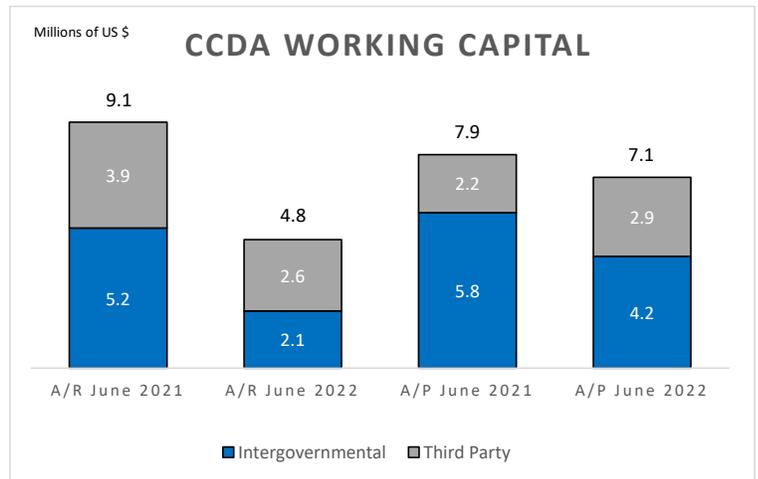
D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:

- a. \$4.3M decrease from end of Q4-21 to end of Q4-22 driven by a \$3.1M decrease in intergovernmental receivables due to collections of FY21 hotel room taxes from Tourism (5% reserve) and collection from FEMA helped by a \$1.3M decrease in third party receivables related to event ticket sales.

2. Accounts Payable:

- a. \$0.8M decrease from end of Q4-21 to end of Q4-22 driven by a \$1.6M decrease in intergovernmental accounts driven by paydowns on accrued payables owed to GASNA and PRASA, partially offset by a \$0.8M increase in third party payables related to scheduled events.



3. Working Capital:

- a. Working capital changes were favorable by \$3.5M for the FY22 due to the above changes

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

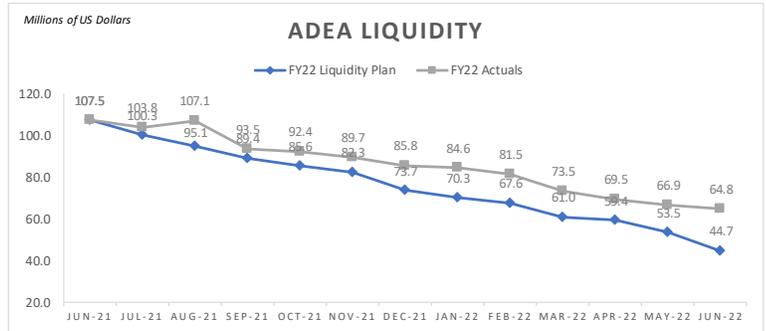
Primary Business Activity: ADEA provides services to the agricultural sector, with the goal of supporting its economic development. Services include rural infrastructure development, providing incentives and subsidies to the industry, agricultural product market making, and other related services.

Key Takeaways: For the FY22 cash decreased by (\$42.7M) from \$107.5M to \$64.8M. This decrease is driven by the nonreceipt of General Fund allocations, which are not considered in the FY22 Certified Budget for ADEA. ADEA did receive; however, \$1.0M in General Fund appropriations for PREPA employees not considered in the forecast. In FY21, ADEA received \$51.0M in General Fund appropriations (net) of holdbacks for PayGo and for Law 40. This is partially offset by favorable operating receipts from coffee market making operations and the school cafeteria program. Year-to-date, ADEA has made (\$36.0M) in subsidies and incentives payments, which is \$35.2M lower than the Liquidity Plan.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

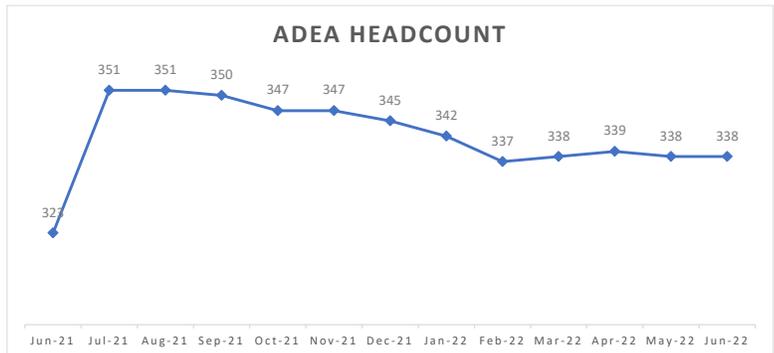
1. \$20.1M actuals vs. Liquidity Plan:

- a. (\$10.5M) unfavorable variance in operating receipts led by a (\$10.0M) variance in school cafeteria revenues due to impact from COVID-19, (\$3.2M) in coffee operations, partially offset by \$2.7M in other revenues led by General Fund receipts for Premium Pay.
- b. (\$3.1M) variance in payroll and related costs.
- c. (\$0.4M) unfavorable timing variance in PayGo.
- d. \$35.2M favorable variance in payment of subsidies and incentives. Payment of subsidies and incentives were delayed due to COVID-19 and delays from revised payment calculation reconciliations.
- e. (\$9.6M) negative variance in rural infrastructure expenses. The program moved to the Land Authority of Puerto Rico, and ADEA is sending remaining account balances previously received.
- f. \$8.5M favorable variance in other operating disbursements considerate of COVID-19 impact on school cafeterias.



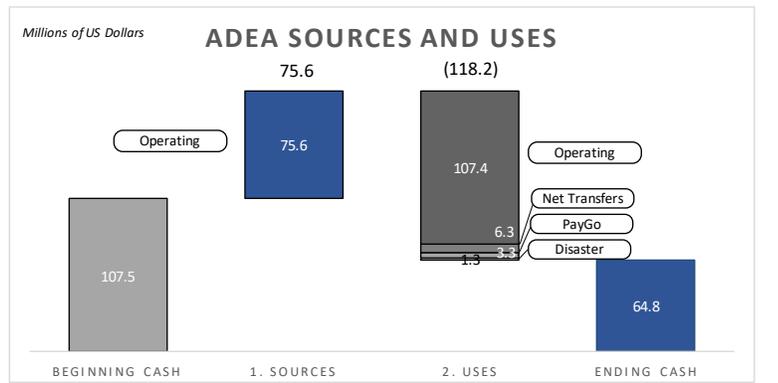
B. Headcount / Payroll

- 1. Headcount FTEs: increased from 323 to 338 from end of Q4-21 to end of Q4-22.
 - a. Increase in headcount is related to the addition of 26 employees from PREPA in FY22, partially offset by normal employee turnover.
- 2. Payroll: Disbursements amounted to \$13.6M for FY22, which is \$3.1M above Liquidity Plan.
 - a. Addition of PREPA employees was considered in the Liquidity Plan.



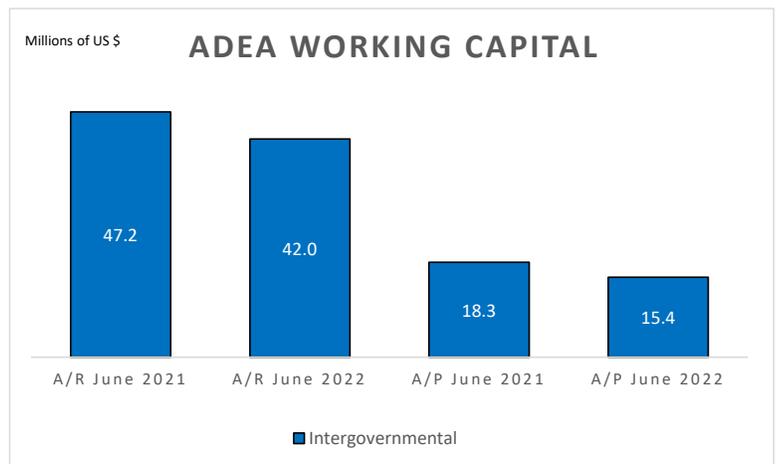
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$75.6M:
 - a. \$75.6M in operating receipts comprised of \$60.1M in coffee market making operations, \$9.3M in school cafeteria programs, and \$6.2M in other receipts including production of seeds.
 - b. ADEA did not receive any General Fund appropriation during FY22.
2. Uses (\$118.2M):
 - a. (\$107.4M) in operating disbursements including subsidies and incentives programs of (\$36.0M), (\$37.7M) in other operating expenses primarily related to the school cafeteria and coffee programs, rural infrastructure outflows of (\$10.5M), payroll and related costs of (\$13.6M), and other operating expenses, including pass-through disbursements tied to government programs, total (\$9.6M).
 - b. (\$6.3M) in transfer(s) to non-operating accounts.
 - c. (\$3.2M) in PayGo contributions and (\$1.3M) in disaster-related FEMA expenses.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$5.2M decrease from end of Q4-21 to end of Q4-22.
2. Accounts Payable:
 - a. \$2.9M decrease from end of Q4-21 to end of Q4-22 driven by a \$4.4M decrease in school and coffee operations payables and a \$1.5M decrease in general and other vendor payables.
3. Working Capital: changes were unfavorable by \$2.3M for the FY22 due to the above changes.



XV. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION (“ACAA”)

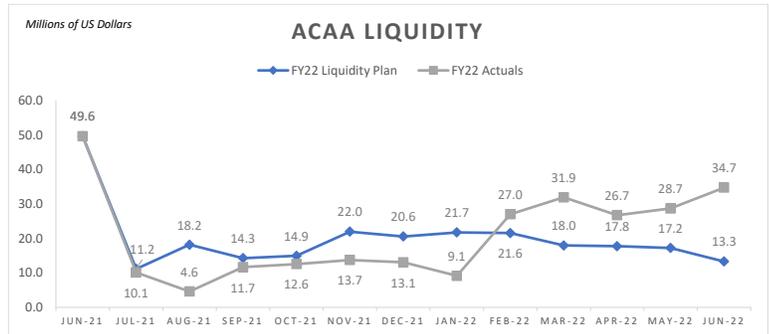
Primary Business Activity: ACAA administers insurance for health services and compensation to benefit victims of car accidents and their dependents. ACAA pays for medical-hospital services offered by third party providers and compensates victims and dependents of deceased victims who were involved in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

Key Takeaways: Cash decreased by (\$14.9M) for FY 22; from \$49.6M to \$34.7M due to ACAA making a transfer of (\$35.0M) to investment account(s) in Jul-21 to fund claims reserves, partially offset by lower claims-related disbursements and favorable timing delays concerning purchased services and equipment expenses. In FY22, ACAA received ~117 employee transfers from PREPA estimated to cost (\$6.2M) annually.

A. FY22 Operating Liquidity – Actuals and FY22 Liquidity Plan

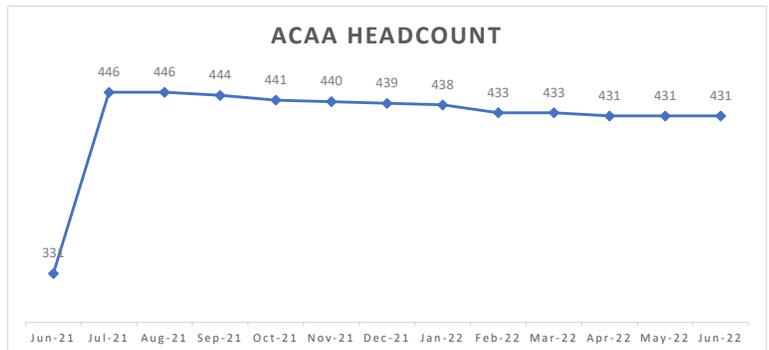
1. \$21.4M actuals vs. Liquidity Plan:

- a. \$10.1M favorable premiums receipts: \$8.2M in related to FY21 revenues and \$1.9M to FY22.
- b. (\$7.2M) unfavorable receipts from General Fund related to payroll and related expenses of former PREPA employees.
- c. \$5.0M in favorable payroll and related costs variance as costs associated with employees transferred from PREPA were forecasted higher.
- d. \$7.6M favorable in claims-related disbursements due to claims processing delays driven by ongoing adjustments to the benefit adjudication system to meet compliance requirements.
- e. \$1.7M favorable in purchase of equipment and CapEx disbursements
- f. \$1.2M favorable in purchased services variance due to contracting delays.
- g. \$1.1M favorable in PayGo disbursements.
- h. \$2.0M in other receipts/disbursements variances.



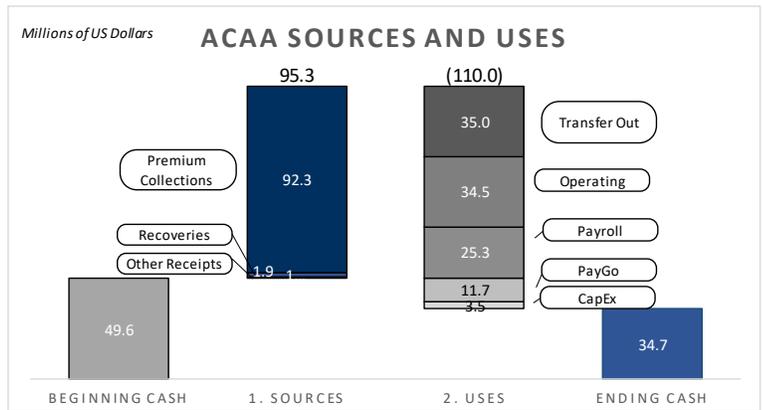
B. Headcount / Payroll

- 1. Headcount FTEs: Increased from 331 to 431 from end of Q4-21 to end of Q4-22.
 - a. 117 employees were transferred from PREPA to ACAA in Jul-21 with estimated annual recurring expenses of \$6.2M not considered in the Budget.
- 2. Payroll: Disbursements amounted to \$25.4M for FY22, which is \$5.0M under Liquidity Plan.
 - a. PREPA employees’ cost included in Liquidity Plan was higher than actual.



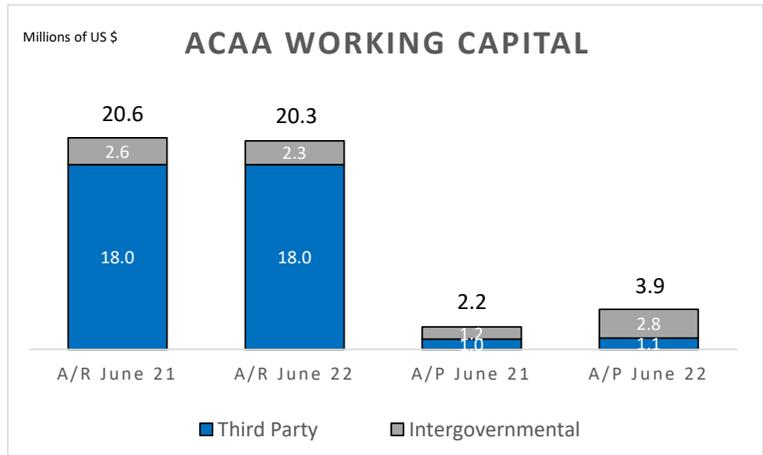
C. Full Year FY22 Sources and Uses of Funds

1. Sources \$95.3M:
 - a. Premium collections of \$92.3M.
 - b. Recoveries of \$1.9M.
 - c. Other operating receipts of \$1.1M
2. Uses (\$110.0M):
 - a. Operating disbursements of (\$34.5M), consisting of claims-related disbursements of (\$25.3M), purchased services of (\$3.3M), contributions to government entities of (\$2.0M), professional services of (\$1.4M), and other operating costs of (\$2.5M).
 - b. Payroll and related costs of (\$25.3M).
 - c. PayGo contributions of (\$11.7M).
 - d. CapEx of (\$3.5M).
 - e. Transfers (to)/from restricted account of (\$35.0M) to cover claims reserves.



D. Accounts Receivable / Accounts Payable

1. Accounts Receivable:
 - a. \$0.3M decrease from end of Q4-21 to end of Q4-22 driven by intergovernmental accounts.
2. Accounts Payable:
 - a. \$1.7M increase from end of Q4-21 to end of Q4-22 driven by a \$1.6M increase in intergovernmental payables and a \$0.1M increase in third party payables.
3. Working Capital: changes were favorable by \$2.0 for the above-mentioned changes.



APPENDIX A: RECONCILIATION BETWEEN JUNE HACIENDA/OCFO REPORTED FIGURES AND THE FIGURES IN THIS REPORT

COMPONENT UNIT	Hacienda/OCFO Reported Balance (a)	Actual Balance 7/1/2022 (b)	Variance	Variance due to:		Comments
				Timing (b)	Non-Operational Accounts	
PUERTO RICO PORTS AUTHORITY ("PORTS")	133.1	125.4	7.7	0.0	7.7	\$7.7M of net non-operational funds for CapEx are excluded from Hacienda/OCFO's balances.
MEDICAL SERVICES ADMINISTRATION ("ASEM")	97.8	7.6	90.2	6.6	83.6	CU reported cash does not consider non-operating funds as follow: CapEx \$81.1M, Malpractice Insurance Reserve \$1.9M, and FEMA Funding \$0.6M. Remaining variance is due to timing of book/bank differences.
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	19.8	22.8	(3.0)	(0.1)	(2.9)	\$2.9M held in a reserve accounts not included in Hacienda/OCFO inventory of accounts. Remaining variance due to timing differences.
STATE INSURANCE FUND CORPORATION ("FONDO")	493.0	457.3	35.7	0.2	35.5	Non-operational funds pertain to COVID-related claims reserve account established by Act. 56 - 2020.
HEALTH INSURANCE ADMINISTRATION ("ASES")	395.5	392.4	3.1	3.1	-	Timing variance mainly driven by outstanding payments.
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	102.2	93.9	8.3	2.0	6.2	\$6.2M held in non-operational accounts at PBA are earmarked for to tax escrow and other restricted cash accounts.
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio")	38.0	37.4	0.6	(0.2)	0.8	Non-operational funds not considered account for \$0.8M, which are reserved for CapEx.
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	77.0	45.2	31.8	7.1	24.7	Non-operational account variance is due to bank accounts which are not considered in the CU cash flow reporting; however, are present in the Hacienda/OCFO inventory of accounts. Remaining variance is due to timing differences.
HOUSING FINANCE AUTHORITY ("HFA")	497.6	202.6	295.0	(11.2)	306.2	Variance is mainly driven by \$306.2M in non-operational accounts including accounts at Banco Popular Trust Division as well as accounts at the Economic Development Bank. Remaining variance is due to timing differences.
PUERTO RICO TOURISM COMPANY ("TOURISM")	128.6	100.6	28.0	(0.0)	28.0	Funds in non-operational accounts consist of \$9.2M in new CCDA debt service reserve account, \$5.2M in newly received ARPA funds, \$13.3M in Tourism subsidiary accounts not included in Tourism operating cash and \$0.3M in other including FEMA.

APPENDIX A: RECONCILIATION BETWEEN JUNE HACIENDA/OCFO REPORTED FIGURES AND THE FIGURES IN THIS REPORT

COMPONENT UNIT	Hacienda/OCFO Reported Balance (a)	Actual Balance 7/1/2022 (b)	Variance	Variance due to:		Comments
				Timing (b)	Non-Operational Accounts	
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	297.9	129.7	168.2	1.8	166.4	Non-operational account(s) include \$199.9M in federal pass-through funds (non-operating) sourced from the American Rescue Plan Act ("ARPA") (2021) for PRIFA Project Improvements to Education Institutions and \$4.5M in other non-operating funds sourced from CARES Act. and other.
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	129.5	140.7	(11.2)	2.5	(13.7)	Change in ending cash position is due to incentive funds and bank accounts transferred between PRIDCO to DDEC, which have not been reclassified for cash inventory purposes. Remaining variance is due to timing differences.
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	70.2	45.8	24.4	0.1	24.2	Non-operational accounts include \$24.2M in special purpose funds from ticket sales that do not belong to CCDA.
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	98.9	64.8	34.1	2.7	31.5	Accounts not reported in CU cash balances: \$4.6M are related to Milk subsidies not part of ADEA, \$26.9M in pass through accounts not in the CU build, and \$0.5M in accounts at ADEA not in the Hacienda/OCFO build.
Automobile Accident Compensation Administration ("ACAA")	198.5	34.7	163.8	(1.6)	165.4	Non-operational accounts consist of investment accounts managed by a third party to maintain ACAA's claims liability reserve. Remaining variance is due to timing differences mainly driven by premiums collections.

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

COMMONWEALTH OF PUERTO RICO

COMPONENT UNIT REPORTING

Headcount

	<u>Actual Jun-22</u>
Headcount	
Puerto Rico Ports Authority ("Ports")	538
Medical Services Administration ("ASEM")	1,457
Puerto Rico Integrated Transit Authority ("PRITA")	626
Puerto Rico State Insurance Fund Corporation ("Fondo")	2,480
Health Insurance Administration ("ASES")	76
Puerto Rico Public Buildings Authority ("PSA")	1,464
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	508
Puerto Rico Industrial Development Company ("PRIDCO")	52
Puerto Rico Housing Finance Authority ("HFA")	118
Tourism Company of Puerto Rico ("Tourism")	198
Fiscal Agency and Financial Advisory Authority ("AAFAF")	109
Department of Economic Development and Commerce ("DDEC")	517
Puerto Rico Convention Center District Authority ("CCDA")	12
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	338
Automobile Accident Compensation Administration ("ACAA")	431
Total Component Unit Headcount	<u><u>8,924</u></u>

COMMONWEALTH OF PUERTO RICO

COMPONENT UNIT REPORTING

(Figures in \$000's)

	<u>Actual Jun-22</u>	<u>Actual YTD</u>
Payroll and Related Cost Disbursements		
Puerto Rico Ports Authority ("Ports")	(2,332)	(31,184)
Medical Services Administration ("ASEM")	(12,447)	(99,218)
Puerto Rico Integrated Transit Authority ("PRITA")	(2,947)	(41,894)
Puerto Rico State Insurance Fund Corporation ("Fondo")	(25,215)	(211,628)
Health Insurance Administration ("ASES")	(414)	(5,948)
Puerto Rico Public Buildings Authority ("PSA")	(6,384)	(68,878)
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	(1,781)	(24,675)
Puerto Rico Industrial Development Company ("PRIDCO")	(569)	(7,280)
Puerto Rico Housing Finance Authority ("HFA")	(713)	(8,588)
Tourism Company of Puerto Rico ("Tourism")	(902)	(11,692)
Fiscal Agency and Financial Advisory Authority ("AAFAF")	(1,241)	(10,511)
of Economic Development and Commerce ("DDEC")	(2,944)	(30,697)
Puerto Rico Convention Center District Authority ("CCDA")	(90)	(1,118)
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	(1,282)	(13,587)
Automobile Accident Compensation Administration ("ACAA")	(2,242)	(25,346)
Total Unit Payroll and Related Cost Disbursements	<u><u>(61,503)</u></u>	<u><u>(592,245)</u></u>