



GOVERNMENT OF PUERTO RICO  
Department of the Treasury

# Component Unit Liquidity

FOR QUARTER 3 OF FISCAL YEAR 2023: JANUARY THROUGH MARCH 2023

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## GLOSSARY

<b>AAFAF</b>	Puerto Rico Fiscal Agency and Financial Advisory Authority.
<b>ACAA</b>	Automobile Accident Compensation Administration, an agency of the Commonwealth of Puerto Rico.
<b>ADEA</b>	Puerto Rico Administration for the Development of Agricultural Enterprises, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>AMA</b>	Metropolitan Autobus Authority.
<b>A/P</b>	Accounts payable.
<b>A/R</b>	Accounts receivable.
<b>ARPA</b>	American Rescue Plan Act of 2021, also called the COVID-19 Stimulus Package or American Rescue Plan.
<b>ASEM</b>	Puerto Rico Medical Services Administration, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>ASES</b>	Puerto Rico Health Insurance Administration, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>ASSMCA</b>	Administration of Mental Health and Anti-Addiction Services of Puerto Rico.
<b>ATI</b>	Puerto Rico Integrated Transit Authority.
<b>ATM</b>	Maritime Transportation Authority.
<b>Bahía Urbana</b>	Waterfront Park in San Juan, Puerto Rico.
<b>BTG</b>	Balance to go, which are the remaining months of the fiscal year without actual results.
<b>CapEx</b>	Capital expenditures.
<b>COR3 Revolver Drawdown</b>	Central Office for Recovery, Reconstruction and Resiliency revolving line of credit.
<b>Cardio</b>	Cardiovascular Center of Puerto Rico and the Caribbean, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>CCDA</b>	Puerto Rico Convention Center District Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>CDBG</b>	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.
<b>CMS</b>	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.
<b>Component Unit (CU)</b>	Public corporation of the Commonwealth of Puerto Rico.
<b>COVID-19</b>	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.
<b>CRIM</b>	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.
<b>CU</b>	See 'Component Unit.'
<b>DDEC</b>	Puerto Rico Department of Economic Development and Commerce, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>Disaster-Related Disbursements</b>	Expenditures related to the damage caused from hurricanes Irma and Maria.
<b>Disaster-Related Receipts</b>	Federal emergency funds, insurance related to hurricanes Irma and Maria.
<b>DMO</b>	Destination Marketing Organization.
<b>FEDE</b>	Special Fund for Economic Development, affiliated with PRIDCO.
<b>FEMA</b>	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.

<b>FMAP</b>	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.
<b>FOMB</b>	Financial Oversight and Management Board of Puerto Rico.
<b>Fondo</b>	Puerto Rico State Insurance Fund Corporation, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>FTA</b>	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.
<b>FY</b>	Fiscal year.
<b>General Fund (GF)</b>	The Commonwealth's principal operating fund.
<b>Hacienda (DTPR)</b>	Puerto Rico Department of Treasury.
<b>HFA</b>	Puerto Rico Housing Finance Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>HHS</b>	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.
<b>HMS</b>	Hornblower Maritime Services (HMS), which is a new third-party operator to operate Ferries in partnership with the Puerto Rico Integrated Transit Authority as part of The Ferry Project in Puerto Rico.
<b>HUD</b>	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.
<b>Intergovernmental Receipts</b>	General fund appropriations to and funds transferred between public corporations and municipalities.
<b>Law 3, Law III, Ley III</b>	As it pertains to this document, in Article 15, Act 3 of 2017, savings generated by ACAA and the SIFC, because of the application of the provisions of this Law, if any, will be contributed to the "Special Education Students Services and Therapies Fund," under the custody of the Department of Education, during the term of this Law.
<b>Liquidity Plan (LP)</b>	Projected cash flows for each component unit, based on their respective government FY23 Budget submission reviewed on September 2022 with FOMB.
<b>MCO</b>	Managed care organization.
<b>OCFO</b>	Office of the CFO in the Puerto Rico Department of Treasury ("Hacienda").
<b>OGPe</b>	Permit Management Office - in charge of issuing final determinations and permits, licenses, inspections, certifications and any other authorization or procedure that is necessary to deal with the requests of the citizens.
<b>Operating Disbursements</b>	Includes payroll and related costs, material, and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
<b>Operating Receipts</b>	Revenues collected from operations.
<b>OpEx</b>	Operating expenditures.
<b>OPPEA</b>	Office of the Ombudsman for the Elderly; Oficina Del Procurador De Las Personas De Edad Avanzada of Puerto Rico.
<b>Other Inflows</b>	Sales of toll tags, rental income, and impact fees.
<b>Other Outflows</b>	Payments to suppliers from prior years.
<b>Pandemic</b>	An outbreak of disease prevalent over a whole country or the world.
<b>PayGo</b>	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.
<b>Payroll and Related Costs</b>	Salaries and wages paid to employees, along with taxes and employer matching payments.
<b>PBA</b>	Puerto Rico Public Buildings Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>PBM</b>	Pharmacy Benefit Manager.
<b>Platino</b>	Medicaid + Medicare dual-eligible populations.
<b>Ports</b>	Puerto Rico Ports Authority, a public corporation, and a component unit of the Commonwealth of Puerto Rico.
<b>PREMA</b>	Puerto Rico Emergency Management Agency, which is responsible for the management and coordination of the preparedness, prevention, mitigation, response, and recovery before or after an incident or event that need the coordination of the state support and resources.
<b>Premium Pay</b>	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).
<b>PRIDCO</b>	Puerto Rico Industrial Development Company, a government-owned corporation dedicated to promoting Puerto Rico as an investment destination for companies and industries worldwide.

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

## **INTRODUCTION**

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

This report is for the third quarter of fiscal year 2023 (“Q3-23”) and presents information with respect to 15 select CUs. Fiscal Year 2023 (“FY23”) Liquidity Plans for 15 CUs were completed and reviewed with the team from FOMB in September 2022. These Liquidity Plans are the ones used in this Q3-23 report.

15 of the 15 CUs have reported actual cash flow information through the month of March 2023 (“Mar-23”). 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 Q3-23.

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

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

A Full Year (“FY23”) Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of July 4, 2022 to the ending cash balance as of March 31, 2023. This information is presented in the document under section “C” for each CU, together with a forecast for the FY23 for each CU taking into consideration timing and permanent variances, based on conversations with CU finance and accounting leaders.

This report also contains pertinent working capital information for each CUs. Where available, the CUs have provided quarterly information on Accounts Payable (“A/P”) and Accounts Receivable (“A/R”). **Figures are unaudited and subject to change.** This information is presented in the document under section “D” for each CU.

The report contains two Appendix items. The first of these (Appendix A) is a cash reconciliation between CU’s reported cash account balances and the figures in the cash flows in this report. The “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities,” was released as of March 31, 2023. 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 March 2023

(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
<b>Puerto Rico Ports Authority ("PORTS")</b>			
PORTS Cash Inflow	\$125,902	\$127,945	(\$2,043)
PORTS Cash Outflow	(143,379)	(128,472)	(14,907)
PORTS Net Cash flow	(\$17,477)	(\$527)	(\$16,950)
PORTS Commentary:	Net cash flow vs. Liquidity Plan is -\$17.0M unfavorable mainly driven by a negative net operating result of (-\$45.9M), partially offset by Other receipts of (\$5.6M) and Capex disbursements of (+\$23.3M).		
<b>Medical Services Administration ("ASEM")</b>			
ASEM Cash Inflow	\$184,503	\$159,992	\$24,511
ASEM Cash Outflow	(186,516)	(156,362)	(30,155)
ASEM Net Cash flow	(\$2,014)	\$3,630	(\$5,644)
ASEM Commentary:	Unfavorable variance vs. Liquidity Plan of (\$5.6M) was mainly driven by lower receipts from Physician, Medical Plan and Institutional revenues (\$8.0M), further impacted by an impact from the expectation of old debts collections (\$7.7M). This was partially offset by favorable variances from Intragovernmental Revenue of \$10.0M and a positive timing in operating disbursements of \$0.1M.		
<b>Puerto Rico Integrated Transit Authority ("PRITA")</b>			
PRITA Cash Inflow	\$112,373	\$85,943	\$26,429
PRITA Cash Outflow	(101,635)	(63,858)	(37,777)
PRITA Net Cash flow	\$10,738	\$22,085	(\$11,348)
PRITA Commentary:	Unfavorable net cash flow of (\$11.3M) vs. Liquidity Plan mainly driven by timing of Intra-Government Receipts (\$4.1M), higher disbursements in Purchase and Professional services (\$3.6M), lower operating results from Bus and Ferries income (\$2.5M), and an adverse timing in other operating disbursements of (\$1.1M).		
<b>Puerto Rico State Insurance Fund Corporation ("FONDO")</b>			
FONDO Cash Inflow	\$723,351	\$559,025	\$164,326
FONDO Cash Outflow	(381,265)	(407,594)	26,329
FONDO Net Cash flow	\$342,086	\$151,431	\$190,655
FONDO Commentary:	Favorable net cash flow of +\$190.7M compared to Liquidity Plan was driven by higher receipts of \$164.3M (+\$157.1M Premiums Collections / +\$7.2M Misc. Receipts), together with lower operating expenses giving a favorable variance of +\$26.4M. The need for equipment purchases has remained low throughout the fiscal year, as well as claim-related disbursements.		
<b>Health Insurance Administration ("ASES")</b>			
ASES Cash Inflow	\$3,319,624	\$2,826,235	\$493,389
ASES Cash Outflow	(3,214,631)	(2,826,243)	(388,388)
ASES Net Cash flow	\$104,992	(\$8)	\$105,001
ASES Commentary:	Favorable net cash flow of \$105.0M versus Liquidity Plan was driven by higher operating results of \$119.1, net of corresponding premiums and PBM charges. This was partially offset by an adverse timing intra-governmental receipts and operating expenses of (\$14.1M).		

**EXECUTIVE SUMMARY, CONTINUED**

Component Units Actual Results for the Month of March 2023

(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
<b>Puerto Rico Public Buildings Authority ("PBA")</b>			
PBA Cash Inflow	\$144,827	\$103,128	\$41,699
PBA Cash Outflow	(122,006)	(122,283)	277
PBA Net Cash flow	\$22,821	(\$19,155)	\$41,976
PBA Commentary:	Favorable net cash flow vs. Liquidity Plan of \$42.0M is primarily due to intra-governmental collections (+\$24.8M), higher FEMA-related receipts (+\$13.8M), higher operating receipts (+\$3.1M), and a favorable timing in operating income including CapEx (+\$0.3M).		
<b>Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")</b>			
Cardio Cash Inflow	\$67,165	\$60,999	\$6,166
Cardio Cash Outflow	(73,753)	(61,278)	(12,475)
Cardio Net Cash flow	(\$6,588)	(\$279)	(\$6,309)
Cardio Commentary:	Unfavorable variance of (\$6.3M) versus Liquidity Plan was driven by lower patient collections impacting by (\$1.5M), further affected by a higher need of specialized services of (\$5.5M). These were partially offset by a favorable timing in all other disbursements of \$0.7M. Cardio received a special assignment of \$5.0M constrained to CapEx investments. Remaining balance is reported herein as restricted funds.		
<b>Puerto Rico Industrial Development Company ("PRIDCO")</b>			
PRIDCO Cash Inflow	\$58,463	\$47,192	\$11,271
PRIDCO Cash Outflow	(35,201)	(61,985)	26,784
PRIDCO Net Cash flow	\$23,261	(\$14,793)	\$38,054
PRIDCO Commentary:	Favorable net cash flow variance of \$38.1M versus Liquidity Plan was mainly driven by net operating results of \$13.1M, further increased by a positive impact in non-operating activities of \$25.0M. The latter includes the following favorable variances: \$14.1M in capex disbursements, \$3.9M from asset sales, and \$7.0M from other non-operating activities.		
<b>Puerto Rico Housing Finance Authority ("HFA")</b>			
HFA Cash Inflow	\$321,676	\$276,259	\$45,417
HFA Cash Outflow	(333,907)	(280,170)	(53,737)
HFA Net Cash flow	(\$12,231)	(\$3,911)	(\$8,320)
HFA Commentary:	Unfavorable net cash flow variance versus Liquidity Plan of (\$8.3M) contains a favorable variance of (+\$17.9M) in operations, and (-\$26.2M) unfavorable variance from non-operating activities. The latter was driven by balance sheet items movement (-\$25.7M), higher net disbursement of Disaster Relief (-\$4.4M), partially offset by a favorability in debt-related disbursements of (+\$3.9M).		
<b>Tourism Company of Puerto Rico ("Tourism")</b>			
Tourism Cash Inflow	\$130,554	\$89,534	\$41,020
Tourism Cash Outflow	(120,498)	(91,087)	(29,411)
Tourism Net Cash flow	\$10,057	(\$1,552)	\$11,609
Tourism Commentary:	Favorable net cash flow variance of \$11.6M vs. Liquidity Plan was mainly driven by higher receipts of \$41.0 (\$40.0M Room Taxes / \$1.0M Slot Machines), partially offset by Disbursements & Transfers of (\$29.4M). The latter was driven by transfers to Hacienda regarding last year's room taxes reserve (\$30.3M), and a special transfer to the Office of Management and Budget at their request (\$17.0M).		

**EXECUTIVE SUMMARY, CONTINUED**

Component Units Actual Results for the Month of March 2023

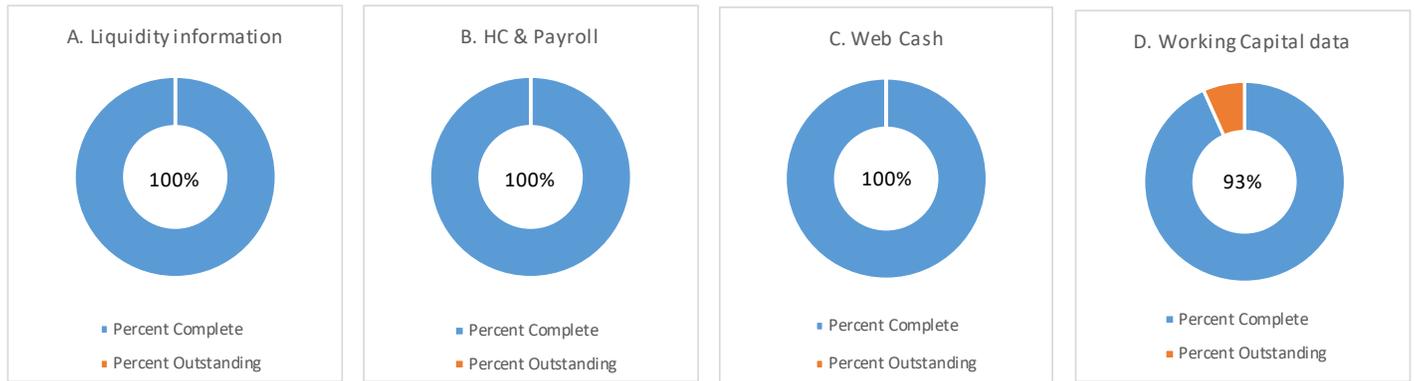
(figures in \$000's)

Component Units	FY23 Actual YTD	FY23 LP YTD	YTD Variance Actual vs. LP
<b>Fiscal Agency and Financial Advisory Authority ("AAFAF")</b>			
AAFAF Cash Inflow	\$51,052	\$39,252	\$11,800
AAFAF Cash Outflow	(46,900)	(42,972)	(3,928)
AAFAF Net Cash flow	<u>\$4,153</u>	<u>(\$3,720)</u>	<u>\$7,872</u>
AAFAF Commentary:	Favorable variance versus Liquidity Plan of \$7.9M includes a special receipt of \$8M destined to pay Retiro for AAE employees. Excluding this, the downside would have been (\$0.1M) mainly driven by payments pertaining to last FY and timing in all other operating lines.		
<b>Department of Economic Development and Commerce ("DDEC")</b>			
DDEC Cash Inflow	\$254,825	\$220,691	\$34,134
DDEC Cash Outflow	(196,429)	(223,277)	26,848
DDEC Net Cash flow	<u>\$58,396</u>	<u>(\$2,586)</u>	<u>\$60,982</u>
DDEC Commentary:	Favorable variance vs Liquidity Plan of \$61.0M was mainly driven by special assignments from General Fund totaling \$78.0M. These were designated to the local film industry, small local businesses affected by hurricane Fiona, life science program, Capex, and OGPE Single Business Portal. This was partially offset by timing in other operating receipts and disbursements of (\$17.0M).		
<b>Puerto Rico Convention Center District Authority ("CCDA")</b>			
CCDA Cash Inflow	\$55,959	\$20,889	\$35,069
CCDA Cash Outflow	(56,487)	(20,459)	(36,028)
CCDA Net Cash flow	<u>(\$528)</u>	<u>\$430</u>	<u>(\$958)</u>
CCDA Commentary:	Unfavorable variance versus LP of (\$1.0M) was mainly driven items that were not included in LP: FY22 utilities payment of (\$2.7M), insurance expense of (\$1.8M), and activities subsidized from ARPA funds for (\$3.4M). This was partially offset by a higher operating result of \$5.3M, including the timing benefit of \$3.8M of the Room Tax transfer.		
<b>Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")</b>			
ADEA Cash Inflow	\$98,211	\$97,481	\$730
ADEA Cash Outflow	(108,281)	(96,535)	(11,746)
ADEA Net Cash flow	<u>(\$10,070)</u>	<u>\$945</u>	<u>(\$11,015)</u>
ADEA Commentary:	Unfavorable net cash flow vs. Liquidity Plan of (\$11.0M) was mainly driven by higher expenses required by current operating needs (\$10.1M), further enhanced by disbursements for Rural Development (\$2.0M), and other operating (\$1.2M). This was partially offset by positive variance in CapEx disbursements of \$2.3M.		
<b>Automobile Accident Compensation Administration ("ACAA")</b>			
ACAA Cash Inflow	\$56,031	\$69,080	(\$13,049)
ACAA Cash Outflow	(55,862)	(67,884)	12,021
ACAA Net Cash flow	<u>\$169</u>	<u>\$1,196</u>	<u>(\$1,027)</u>
ACAA Commentary:	Operating net cash flow is (\$1.0M) unfavorable versus Liquidity Plan mainly driven by pending premium collections for February and March (\$14.8M). This was partially offset by lower disbursements in claims-related for \$8.1M, lower Purchased Services of \$2.5M, favorable timing in Pay-Go of \$1.1M, and other operating expenses of \$2.1M.		

**SUMMARY – REPORTING COMPLIANCE FOR COMPONENT UNITS**

15 out of the 15 Component Units provided cash flow data for the month of March 2023 (a). Data was broken down into four sections: A. Liquidity and Cash Flow information, B. Headcount and Payroll Data, C. Sources/Uses of funds, and D. Working Capital data.

The 15 CUs included in this report were overall 99% in compliance with providing data on average. CU that provided insufficient information for reporting is mentioned in note (b) below.



**Notes:**

- (a) Information for the month of March 2023 reflects the period between 2/27/2023 and 3/31/2023.
- (b) Metropolitan Autobus Authority (AMA) was unable to provide correct working capital information. Thus, Section D is incomplete for the Puerto Rico Integrated Transit Authority (PRITA).

## I. PUERTO RICO PORTS AUTHORITY (“Ports”)

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

**Key Takeaways:** Year to date, unrestricted cash decreased by (\$17.5M), from \$125.4M to \$107.9M. Soft operating results, payroll cost for AEE personnel not in the Liquidity Plan, advanced payments such as the insurance for the entire fiscal year, among other timing factors are creating such a reduction in cash.

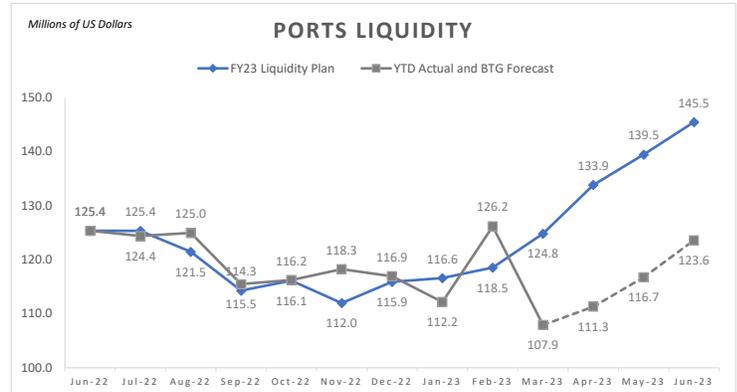
### A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Forecast

1. \$(17.0M) YTD actuals vs. Liquidity Plan:

- (\$10.5M) unfavorable variance in payroll and related cost driven by AEE personnel that was not included in the Liquidity Plan.
- (\$7.7M) unfavorable operating results in maritime revenue coming back from the pandemic period.
- \$1.2M favorable variance in all other operating lines mainly driven by delays in CapEx projects.

2. FY23 expects to end at \$123.6M, which is (\$22.0M) under the Liquidity Plan target of \$145.5M. This downside was mainly driven by:

- (\$16.3M) from operations due to low passenger traffic and ship volume. It regained momentum and maritime revenue showed improvement, but it was not enough to cover the impact created by the pandemic.
- (\$10.1M) impact on salary regarding the PREPA employees that were not included in the Liquidity Plan. At the end of Q3 there are still 99 employees from PREPA active in Ports.
- \$4.4M favorable variance in all other operating lines mainly driven by delays in CapEx projects.

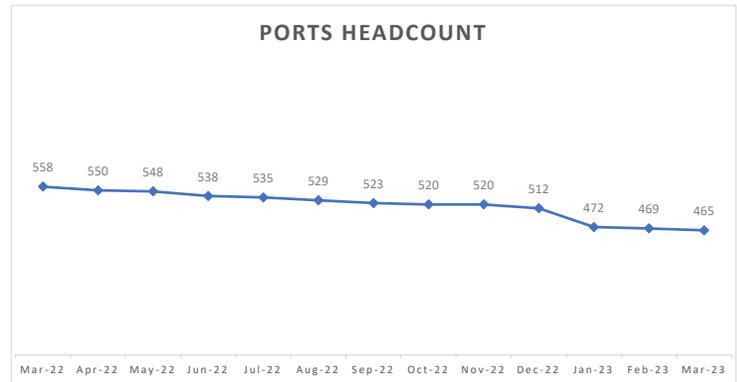


### B. Headcount / Payroll

1. Headcount FTEs: decreased from 558 to 465 from end of Q3-22 to end of Q3-23.

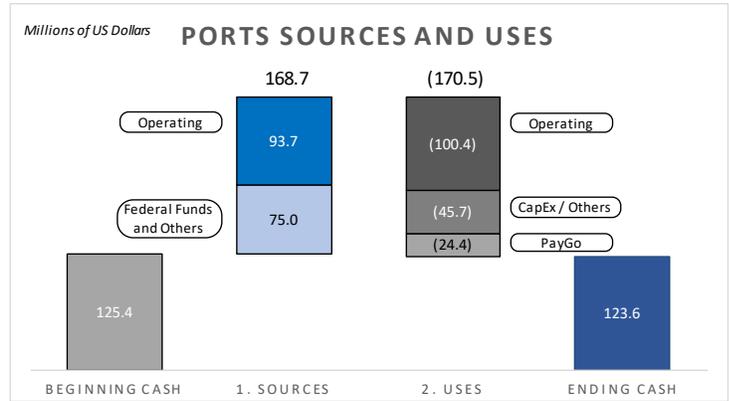
- The headcount decrease for the 13-months period is primarily related to the movement of former PREPA employees out of the agency (-55), further impacted by attrition factors in the market.

2. Payroll cost is forecasted at \$30.2M for the entire FY23. YTD payroll disbursements total \$23.2M. Both amounts exclude the \$1.7M of the Upside Participation Bonus.



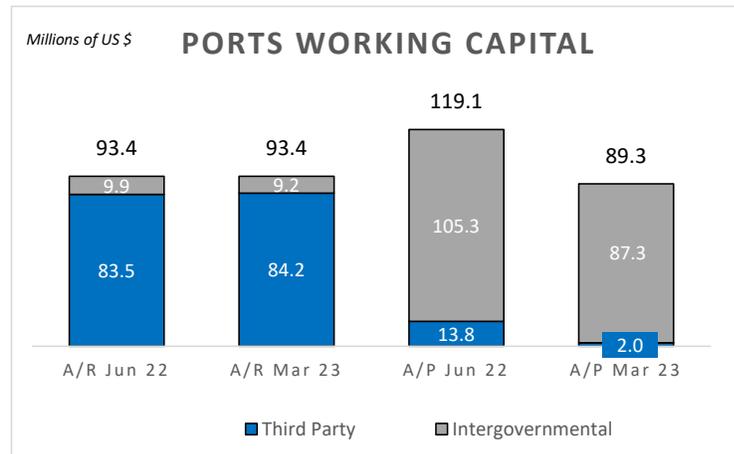
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$168.7M:
  - a. Operating receipts of \$93.7M, comprised of \$79.9M in maritime receipts, \$13.5M from airports, and \$0.3M in other receipts.
  - b. Federal Funds of \$75.0M:
    - i. \$63.1M from Federal Funds earmarked for CapEx investments,
    - ii. \$6.8M from insurance and FEMA.
    - iii. \$5.1M from GF transfers, including the \$1.7M of the Upside Participation Bonus.
2. Uses (\$170.5M):
  - a. Operating disbursements of (\$100.4M) driven by payroll and related costs (\$31.9M), professional services (\$29.9M), purchased services (\$21.1M), facilities (\$12.8M), and other operating expenses (\$4.7M).
  - b. Capex and other receipts of (\$45.7M):
    - i. (\$37.2M) earmarked for CapEx investments,
    - ii. (\$6.8M) for disaster-related projects, and
    - iii. (\$1.7M) of the Upside Participation Bonus.
  - c. PayGo contributions of (\$24.4M).



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. Remained flat from end of Q4-22 to end of Q3-23 decreasing intergovernmental accounts by (\$0.7M) and increasing third party receivables for the same amount.
2. Accounts Payable:
  - a. (\$29.8M) decrease from end of Q4-22 to end of Q3-23. Intergovernmental accounts decreased (\$18.1M) mainly driven by payments to the retirement system (PayGo), further enhanced by payments to third party accounts (\$11.7M), mainly S2 Global (customs and border screening service supplier).
3. Working Capital:
  - a. Working capital changes from the end of last fiscal year to third quarter of FY23 were unfavorable by (\$29.8M) due to the above changes.



## II. MEDICAL SERVICES ADMINISTRATION (“ASEM”)

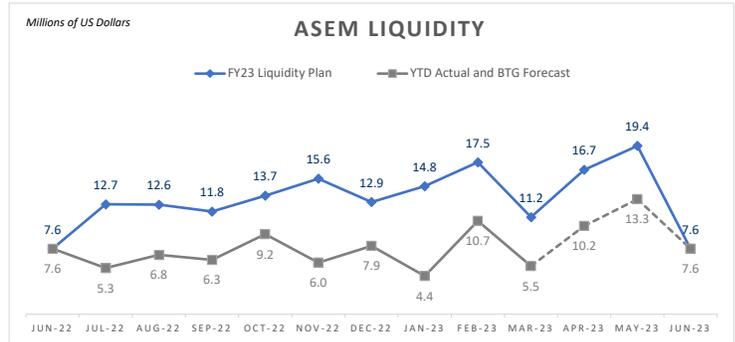
**Primary Business Activity:** ASEM plans, organizes, operates, and administers centralized health services, provided in support of the hospital and other functions, offered to member institutions and users of the medical complex, the Puerto Rico Medical Center.

**Key Takeaways:** Year-to-date, cash decreased by (\$2.0M), from \$7.6M to \$5.6M driven by higher disbursements (\$186.5M) mainly from Facilities and Payments for Public Services, which includes a (\$30.4M) payment of old utilities' debt, and transfers to restricted funds to cover professional services and materials/supplies disbursements (\$22.4M). This was partially offset by \$184.5M in total receipts, including \$62.8M of GF appropriations. There are ongoing risks to liquidity at ASEM primarily driven by timing/collection uncertainty associated with large institutional payers.

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

1. (\$5.6M) actuals vs. Liquidity Plan:

- (\$8.0M) in operating receipts variance driven by lower physician and medical plan receipts.
- (\$7.7M) driven by lower old debt collections included in the LP as Other Income.
- \$10.0M favorable variance in intragovernmental receipts from institutions.
- \$0.1M favorable variance in operating expenses, which includes a positive variance of \$11.0M regarding transfers from restricted funds. These were used to cover a higher need for professional services and materials/supplies.



2. ASEM expects to end FY23 in target with the Liquidity Plan of \$7.6M, assuming collections from large institutional payers during the last quarter of the year materialize.

### B. Headcount / Payroll

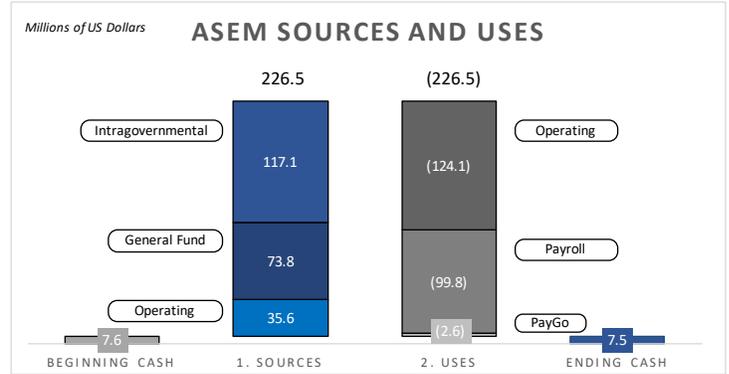
- Headcount FTEs: decreased 2 positions from the end of Q3-22 to the end of Q3-23 due to normal market turnover.
- Payroll: Disbursements are forecasted at \$95.4M for FY23. YTD payroll is \$69.4M. Both amounts exclude the \$4.4M of the Upside Participation Bonus disbursed in November 2022.



**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$226.5M:

- a. \$117.1M of institutional receipts from intergovernmental entities, which includes \$23.4M from Pediatric Hospital regarding prior years' receivables. These were used to settle utilities debts dated prior to FY23.
- b. \$73.8M from General Fund appropriations, including \$19.6M to settle old utilities debts, \$5.1M as the Government Classification and Compensation Plan, \$4.4M for the Upside Participation Bonus, and \$4.4M for CapEx investments.
- c. \$35.6M of operating receipts mainly driven by third party receipts comprised mostly of physician and medical plan receipts of \$27.3M, and other income of \$8.3M.



2. Uses (\$226.5M):

- a. Payroll and related costs of (\$99.8M): (\$95.4M) of regular payroll, and (\$4.4M) of the Upside Participation Bonus.
- b. PayGo contributions of (\$2.6M).
- c. Operating disbursements of (\$124.1M): material and supplies of (\$30.1M), professional services of (\$25.7M), prior year's utilities debt of (\$23.4M), facilities disbursements (\$14.3M), purchase services of (\$8.7M), acquisition of equipment (\$3.0M), and other operating payments of (\$18.9M).

**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:

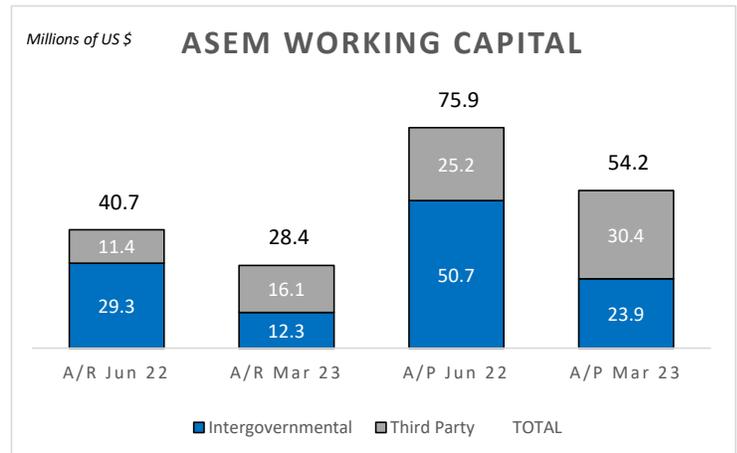
- a. (\$12.3M) decrease from end of Q4-22 to end of Q3-23 driven by a (\$17.0M) decrease in intergovernmental receivables due to collections from the Dept. of Health. It was partially offset by an increase in in third party accounts of \$4.7M

2. Accounts Payable:

- a. (\$21.7M) decrease from end of Q4-22 to end of Q3-23 driven by intergovernmental accounts (\$26.9M) from paydowns of utilities to AEE, partially offset by increases in third party payables of \$5.2M.

3. Working Capital:

- a. Working capital changes were unfavorable by (\$9.4M) from the end of last fiscal year to third quarter of FY23 due to the above changes.



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

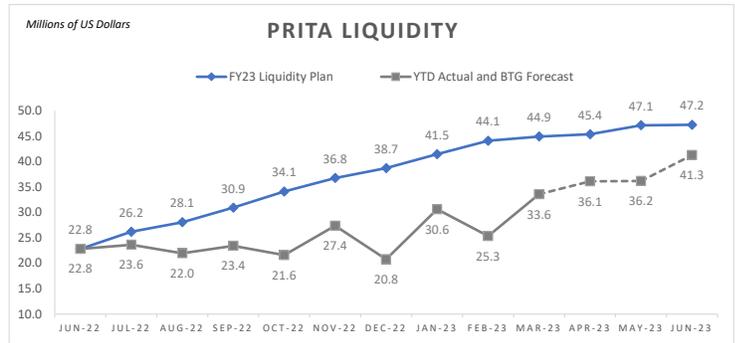
**Primary Business Activity:** PRITA serves as the Commonwealth’s central transit authority and is tasked with operating its network of public transit buses and certain maritime vessels.

**Key Takeaways:** Year to date, cash increased by \$10.7M; from \$22.8M to \$33.5M mainly driven by higher receipts in General Funds allocations and Federal Funds for maintenance. The Ferry Project was approved, and PRITA received a special transfer of \$37.2M from the General Fund reserved for payments to Hornblower Maritime Services: a new third-party operator of Ferries. Funds were moved to a custody account and the remaining balance of \$10.6M is presented as restricted funds. Payments to Hornblower Maritime Services (HMS) as of March 2023 amount to \$26.6M.

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

1. (\$11.3M) YTD actuals vs. Liquidity Plan:

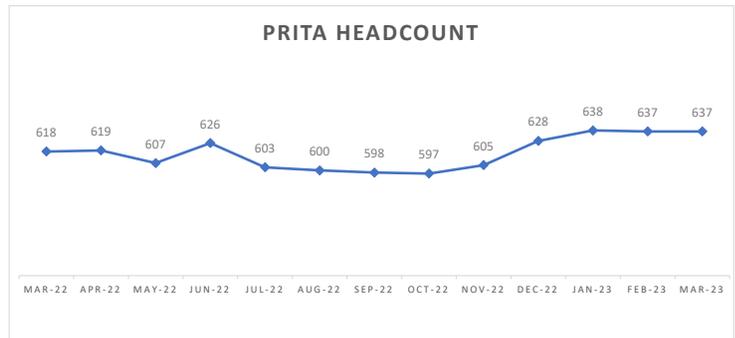
- a. \$37.0M favorable variance in total receipts:
  - \$27.9M from intergovernmental receipts,
  - \$9.1M in operating receipts, including \$4.0M of federal funds received by ATM.
- b. (\$10.6M) net transfer to restricted account, which is the remaining balance of funds restricted to HMS payments.
- c. (\$37.7M) unfavorable in total disbursements:
  - (\$26.6M) in payments to HMS - new private operator,
  - (\$3.3M) in payroll disbursements,
  - (\$1.8M) in purchased services payments,
  - (\$1.8M) in professional services payments, and
  - (\$4.2M) in all other operating disbursements including CapEx.



2. PRITA expects to end FY23 at \$38.4M, or (\$8.8M) under the target in Liquidity Plan of \$47.2M.

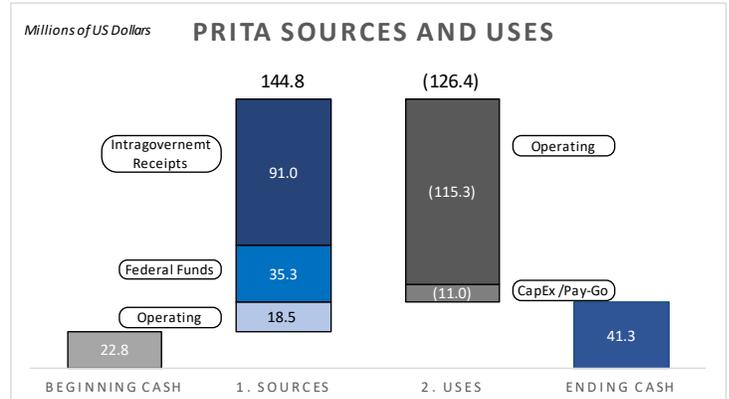
#### B. Headcount / Payroll

1. Headcount FTEs: increased from 618 to 637 from end of Q3-22 to end of Q3-23.
  - a. Positions that were temporarily vacant at the end of Q3-22 were filled.
2. Payroll: disbursements for FY23 are estimated at \$34.0M. YTD payroll cost is \$26.1M. Both amounts exclude the \$1.6M of the Upside Participation Bonus as per resolution 415 of the House of Representatives.



**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$144.8M:
  - a. \$18.5M of operating receipts comprised of \$1.8M for ferries/cargo, bus fare of \$1.1M, and \$15.6M in miscellaneous receipts including federal funds received by ATM.
  - b. \$91.0M of intergovernmental receipts of:
    - \$50.8M in General Fund appropriations (\$37.2M assigned to payments to the new third operator),
    - \$27.1M from the cigarette tax,
    - \$13.1M from special appropriations from government for CapEx investment.
  - c. \$35.3M of federal funds receipts related to grants for maintenance expenses.



2. Uses (\$126.4M):
  - a. (\$115.3M) in operating disbursements, of which (\$37.2M) are for the new third-party operator, payroll and related costs (\$35.5M), materials and supplies (\$11.2M), professional services (\$5.7M), purchased services (\$5.6M), facilities and payments for public services (\$2.1M), Upside Participation Bonus (\$1.6M), and all other operating expenses (\$16.4M) including maintenance expenses.
  - b. (\$9.6M) in CapEx investments, and
  - c. (\$1.4M) of Pay-Go.

**D. Accounts Receivable / Accounts Payable**

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

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

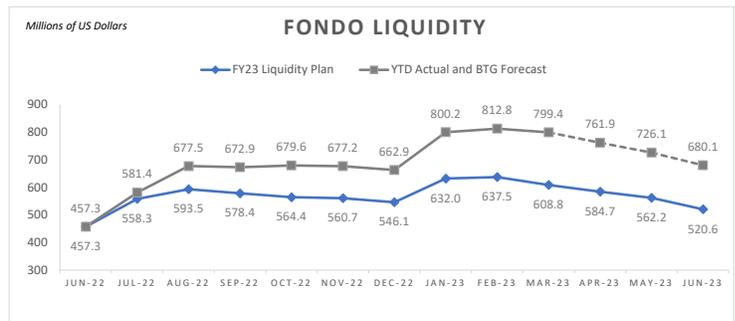
**Primary Business Activity:** Fondo provides workers’ compensation and disability insurance to public and private employees. Fondo is the only authorized workers’ compensation insurance company on the Island. Both public and private companies must obtain this security for their workforces by law.

**Key Takeaways:** Year to date, cash increased by \$342.1M, from \$457.3M to \$799.4M. The cash built was driven by strong premium collections of \$716.2M and Intergovernmental Receipts to cover the Upside Participation Bonus of \$7.2M, partially offset by controlled operating costs (\$381.3M in total). The need for equipment purchases has remained low as well as and claims-related payments. However, the volume of cases requiring specialized physicians, laboratory, radiology, among others, is higher than the expectation in Liquidity Plan. These volume-driven expenses affect contracted services reflected in Professional and Purchase services lines. Premiums receipts are high in January/February when the second payment of employers’ premiums came due. Fondo provides unlimited medical services to its insured population, and there is a high degree of variability in the cost of services.

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

1. \$190.7M actuals vs. Liquidity Plan:

- a. \$157.1M in favorable variance in premiums collections.
- b. \$40.0M favorable in equipment purchases and material/supplies as per current operating needs.
- c. \$26.0M in favorable claims-related disbursements due to lower volume of high-cost services.
- d. (\$16.3M) unfavorable variance versus LP in payroll and related costs.
- e. (\$10.8M) unfavorable variance in Purchase and Professional Services.
- f. (\$8.5M) unfavorable variance in Contributions to Other Governmental Entities due to the timing of disbursement versus the Liquidity Plan.
- g. \$3.2M favorable variance in all other operating expenses lines.



2. \$159.5M of favorable variance versus Liquidity Plan is expected by the end of FY23.

- a. The expectation is to remain with the tendency of premium collections for the fourth quarter, reaching \$766.3M,
- b. further improved by lower claims-related expenses, and the less need for equipment purchases.

#### B. Headcount / Payroll

1. Headcount FTEs: decreased by ten employees from 2,492 to 2,482 from end of Q3-22 to end of Q3-23. Such a fluctuation responds to the normal attrition factor in today’s market.

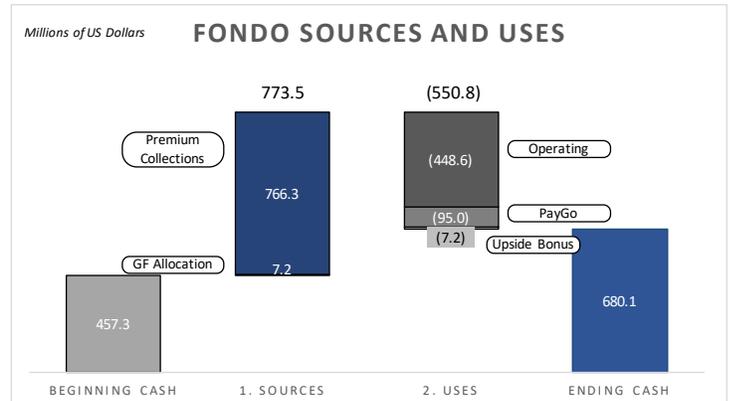
- a. Payroll: total disbursements are forecasted at \$218.8M for FY23, excluding \$7.2M of the Upside Participation Bonus.
- b. This represents an increase of \$33.1M versus the Liquidity Plan, mainly due to adjustments from previous years as per court rulings, and higher medical plan premiums.



2. YTD payroll is \$163.7M excluding the Upside Participation Bonus of \$7.2M, which was covered by a General Fund transfer.

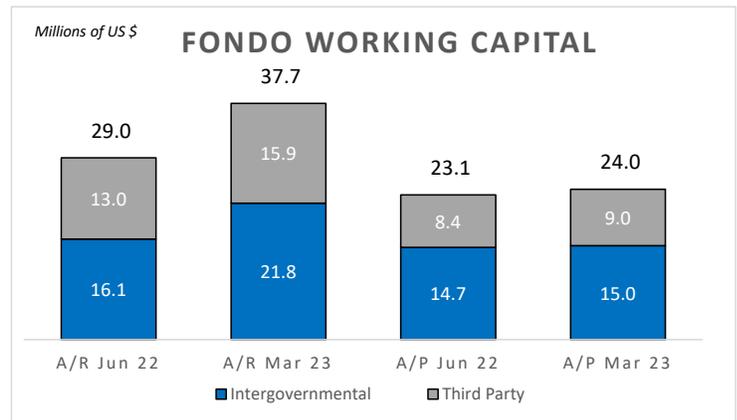
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$773.5M
  - a. \$766.3M in premium collections, and
  - b. \$7.2M in GF transfer for the special bonus.
2. Uses (\$550.8M):
  - a. Operating disbursements of (\$448.6M), consisting of (\$218.8M) in payroll and related costs, (\$74.4M) in claims-related disbursements, (\$61.6M) in purchased and professional services, (\$40.9M) in contributions to government entities, (\$29.9M) in equipment and materials purchases, and (\$23.0M) from all other operations-related expenses.
  - b. PayGo contributions of (\$95.0M).
  - c. Upside participation bonus of (\$7.2M).



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable: \$8.7M increase from end of Q4-22 to end of Q3-23:
  - a. \$5.7M from intragovernmental accounts, further enhanced by a \$3.0M increase from third party customers.
2. Accounts Payable: \$0.9M increase from end of Q4-22 to end of Q3-23 driven by third party accounts totaling \$0.6M, and a \$0.3M increase in the payable account to Hacienda.
3. Working Capital:
  - a. Unfavorable variance of (\$7.8M) in net working capital from Q4-22 to the end of Q3-23 based on the above.



## V. HEALTH INSURANCE ADMINISTRATION (“ASES”)

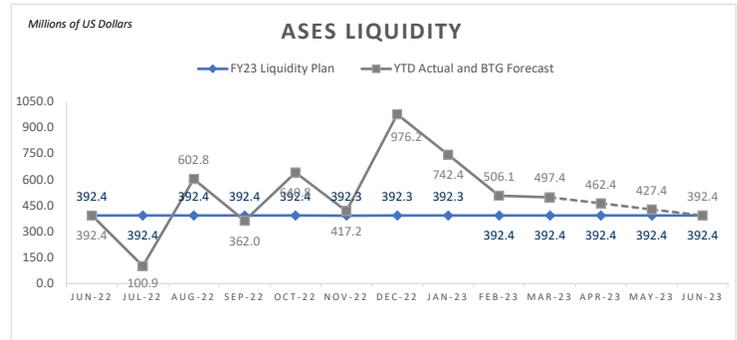
**Primary Business Activity:** ASES implements, administers, and negotiates the Medicaid Health Insurance System in Puerto Rico through contracts with third party insurance underwriters to provide quality medical and hospital care to the Puerto Rico Medicaid and Platino (Medicaid + Medicare dual-eligible)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

**Key Takeaways:** Year-to-date, cash increased by \$105.0M, from \$392.4M to \$497.4M driven by receipts of \$3,319.6M, which were partially offset by combined impact of disbursements for MCO Premiums, Dual Eligible, Payroll and Other Operating Payments (\$3,214.6M). To note, there were no Federal Matching Funds and Administrative Reimbursement receipts in November, but they were received together with December’s ones. Thus, the cash flow trend will show a downside in November, and a material upside in December.

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

#### 1. \$105,001M actuals vs. Liquidity Plan:

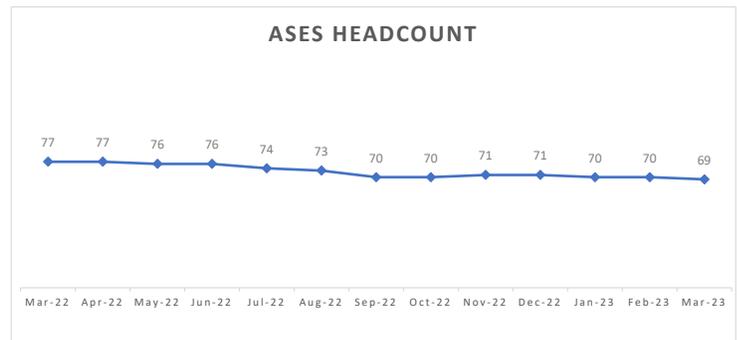
- a. \$493,389M favorable in total receipts
  - i. \$389,402M favorable in reimbursements from the federal government for administrative expenses as part of the matching funds program,
  - ii. \$123,456M favorable receipts related to Prescription Drug Rebates, partially offset by
  - iii. (\$19,469M) unfavorable timing in transfers from General Fund receipts.
- b. \$(388,388M) unfavorable in total disbursements
  - i. (\$392,752M) unfavorable in the disbursements of premiums for MCO and Platino Program, and
  - ii. \$4,364M favorable in other operating disbursements.



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

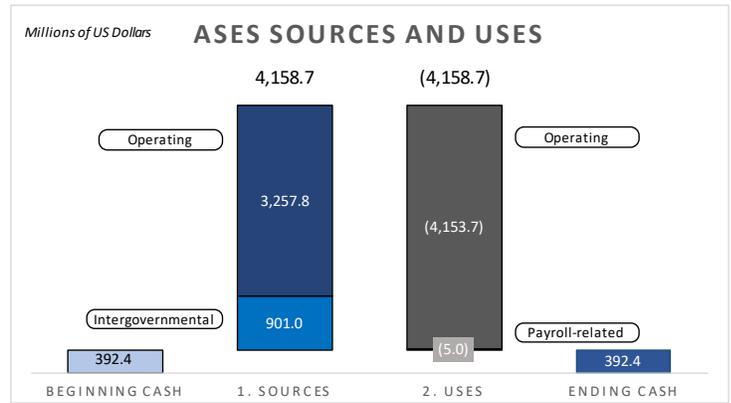
### B. Headcount / Payroll

1. Headcount FTEs: decreased from 77 to 69 from end of Q3-22 to end of Q3-23 due to attrition factors.
  - a. HC has remained stagnant at an average for the last 7 months of FY23.
2. Payroll disbursements are forecasted to be \$4,665M for FY23. YTD payroll is \$3,536M. Both amounts exclude the \$0.2M of the Upside Participation Bonus received and disbursed in November 2022.



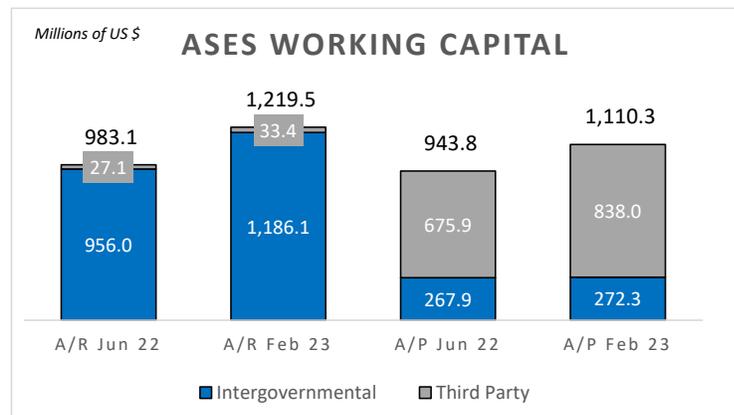
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$4,158.7M:
  - a. Operating receipts of \$3,257.8M, of which \$2,917.1M are from federal government reimbursements as part of the matching funds program and administrative expenses, \$330.6M from Prescription Drug Rebates, and \$10.1M from other income.
  - b. Intergovernmental receipts of \$900.9M, consisting of \$814.6M in General Fund appropriations, and \$86.3M in funding from municipalities (CRIM) and employers.
2. Uses (\$4,158.7M):
  - a. Healthcare premiums of (\$4,015.3M).
  - b. PBM charges of (\$113.8M)
  - c. Payroll-related cost of (\$5.0M).
  - d. Other operating payments of (\$24.6M).



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable: increase of \$236.4M from the end of Q4-22 to end of Q3-23.
  - a. Intergovernmental accounts increased by \$230.1M driven by CMS – Medicaid.
2. Accounts Payable: increase of \$166.5M from the end of Q4-22 to end of Q3-23.
  - a. Third party payables increased by \$162.1M.
3. Working Capital presents an unfavorable variance of (\$69.9M) from Q4-22 to the end of Q3-23 based on the numbers above.



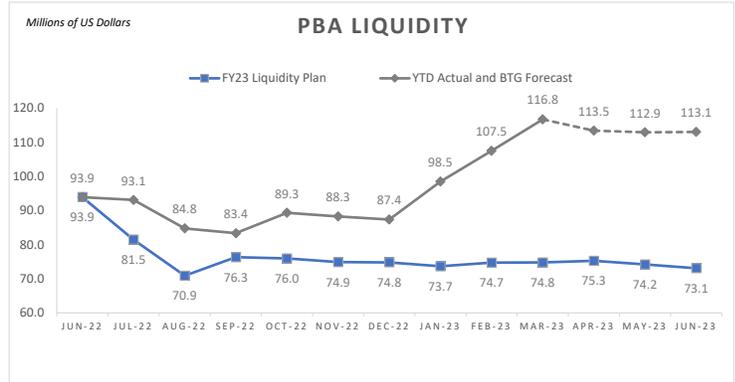
**VI. PUERTO RICO PUBLIC BUILDINGS AUTHORITY (“PBA”)**

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

**Key Takeaways:** Year to date, operating net cash flow increased by \$22.9M, from \$93.9M to \$116.8M driven by operating and intergovernmental rent, further enhanced by receipts from FEMA. Operating costs are controlled across the board, and both factors together lead PBA to this increase in cash.

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

1. \$42.0M actuals vs. Liquidity Plan:
  - a. \$41.7M favorable in total receipts
    - i. \$24.8M favorable in intergovernmental rent receipts
    - ii. \$13.8M FEMA receipts, which were not included in the Liquidity Plan
    - iii. \$3.1M favorable in operating income.
  - b. \$0.3M favorable in all other operating expenses.
2. PBA is expected to end FY23 with \$113.1M cash on hand, showing an upside of \$40M versus the target of \$73.1M in Liquidity Plan.



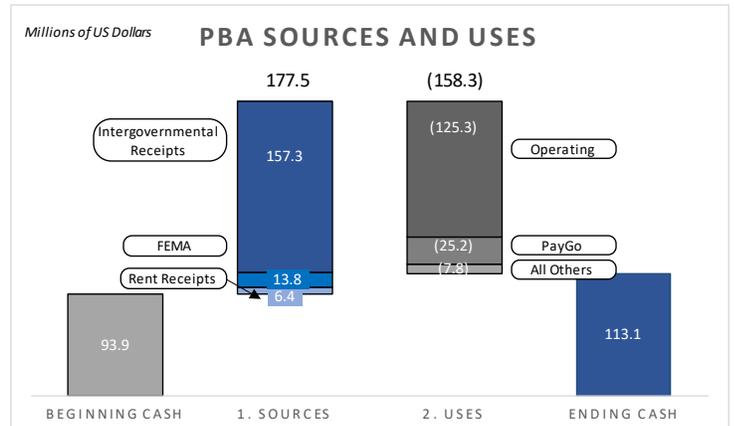
**B. Headcount / Payroll**

1. Headcount FTEs: decreased from 1,475 to 1,384 from end of Q3-22 to end of Q3-23.
  - a. The decrease in headcount is primarily due to reallocation of PREPA employees to other agencies and normal attrition factors. To note, PBA received around 560 employees during FY22.
2. Payroll: disbursements for FY23 are forecasted at \$66.7M, while YTD expense is \$50.0M. Both amounts exclude the Upside Participation Bonus of \$4.6M.



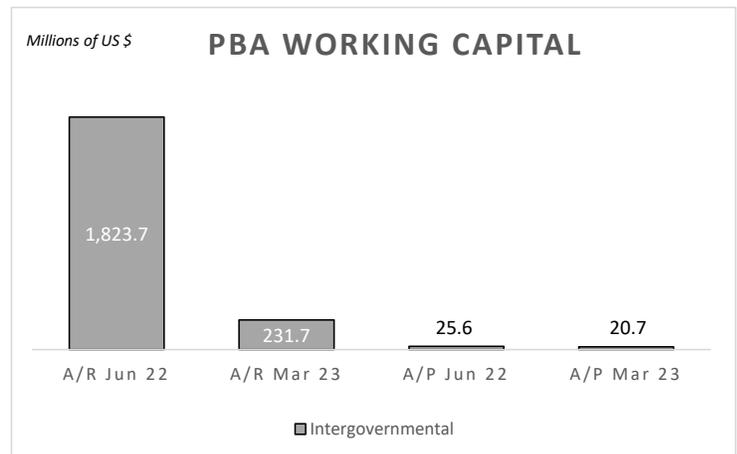
### C. Full Year FY23 Sources and Uses of Funds

1. Sources \$177.5M:
  - a. Intergovernmental receipts of \$157.3M: \$119.4M from rent to governmental agencies, and \$37.9M from General Fund transfers.
  - b. FEMA receipts of \$13.8M.
  - c. Operating receipts of \$6.4M from third party occupancy and interest income.
2. Uses (\$158.3M):
  - a. Operating disbursements total (\$125.3M), consisting of payroll and related costs of (\$66.7M), purchased services of (\$36.7M), utilities of (\$17.4M), professional services of (\$0.9M), and other operating expenses of (\$3.6M).
  - b. PayGo contributions of (\$25.2M).
  - c. Other disbursements of (\$7.8M), which includes the Upside Participation Bonus (\$4.6M), disaster-related from FEMA (\$2.6M), and CapEx investment (\$0.6M).



### D. Accounts Receivable / Accounts Payable

1. Accounts Receivable: decrease of (\$1,592M) from the end of Q4-22 to end of Q3-23.
  - a. PBA recorded during Q3 the previously approved write-off of \$1,588M regarding uncollectible accounts of prior years. The Department of Education was the major offender with \$1,137M, or 72% of the total write-off amount.
  - b. Excluding this adjustment, A/R decreased by (\$5.2M).
2. Accounts Payable: decrease of (\$4.9M) from the end of Q4-22 to end of Q3-23.
3. Working Capital presents a favorable variance of \$1,587M from Q4-22 to the end of Q3-23 based on the numbers above. Excluding the write-off, the unfavorable variance is (\$0.8M).



## 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:** Mar YTD, cash decreased by (\$6.6M), from \$37.4M to \$30.8M mainly driven by lower receipts and a higher need for specialized services (Purchase and Professional Services). In July, Cardio received a special intragovernmental transfer of \$5.0M that was set aside for capital expenditures. Funds were moved to restricted funds and are being reduced as expenses are incurred. The current balance is \$4.5M by the end of Q3. They also received two special transfers from GF to cover for: 1) the Upside Participation Bonus (\$1.6M) as per resolution 415 of the House of Representatives, and 2) the Government Classification and Compensation Plan (\$1.6M). They were both disbursed by December 2022.

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

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

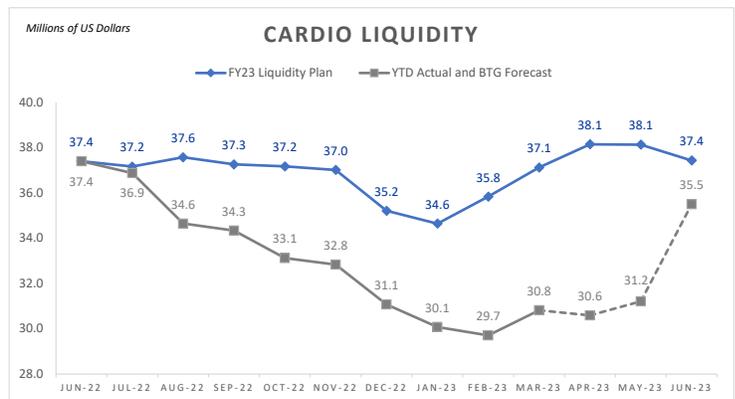
#### 1. (\$6.3M) actuals vs. Liquidity Plan:

- (\$1.5M) in unfavorable variance in operating receipts from patient collections driven by delays on payment from insurance companies, and slowdowns in volume and elective procedures.
- (\$5.5M) unfavorable variance due to a higher need for specialized services (Purchased and Professional Services).
- \$0.7M favorable variance in all other operating expenses.

#### 2. Cardio is expected to finish FY23 on \$35.5M, which is

(\$1.9M) under the target in LP of \$37.4M. The decrease was mainly driven by:

- slower collections of old accounts receivable from insurance companies, and
- decrease in the volume of patients and elective procedures versus expectations in Liquidity Plan.

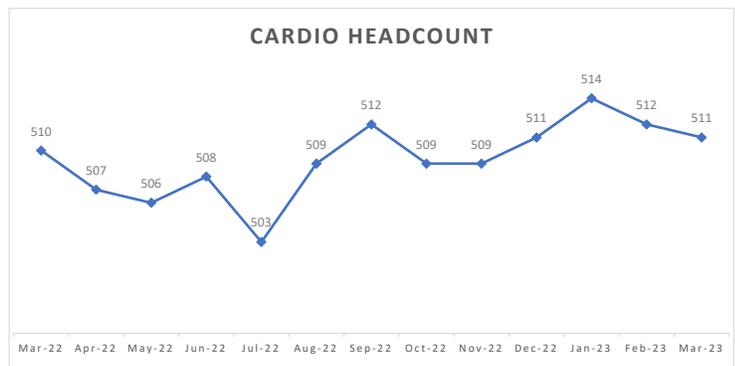


### B. Headcount / Payroll

#### 1. Headcount FTEs: remained almost flat from end of Q3-22 to end of Q3-23: increased from 510 to 511.

- The downward tendency experienced during FY22 due to COVID-19 restrictions has normalized.

#### 2. Payroll disbursements are forecasted to be \$29.3M for FY23. YTD payroll is \$21.0M. These amounts exclude the special payments of \$3.3M regarding Upside Participation and Government Classification bonuses.



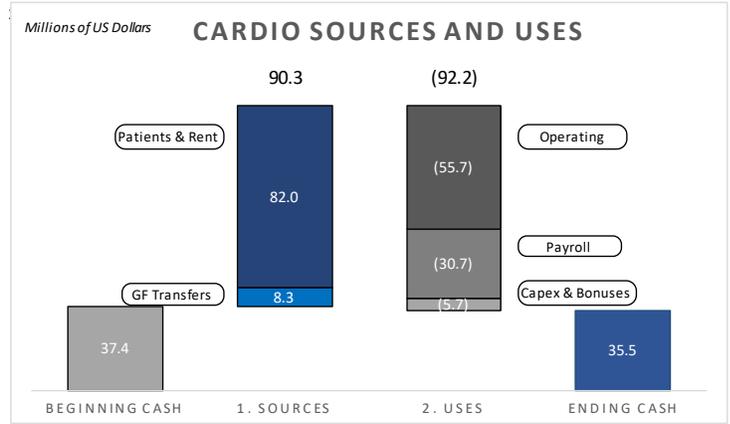
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$90.3M:

- a. Operating patient collections of \$82.0M, including \$1.0M from rental receipts.
- b. Other receipts of \$8.3M, consisting of \$5.0M in a special intragovernmental transfer set aside for capital expenditures, \$1.7M of bonuses as part of the government’s Classification and Compensation Plan, and \$1.6M for the Upside Participation Bonus.

2. Uses (\$92.2M):

- a. Operating disbursements of (\$55.7M), comprised of materials and supplies of (\$24.5M), purchase services of (\$15.4M), professional services of (\$9.9M), facilities of (\$5.6M), and (\$0.3M) from all other operating disbursements.
- b. Payroll and related costs of (\$32.6M), including Pay-Go retirement contributions of (\$0.3M).
- c. Special transfers of (\$8.3M) consisting of (\$5.0M) for CapEx expenditures, (\$3.3M) to cover for the Upside Participation and Government Classification bonuses.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:

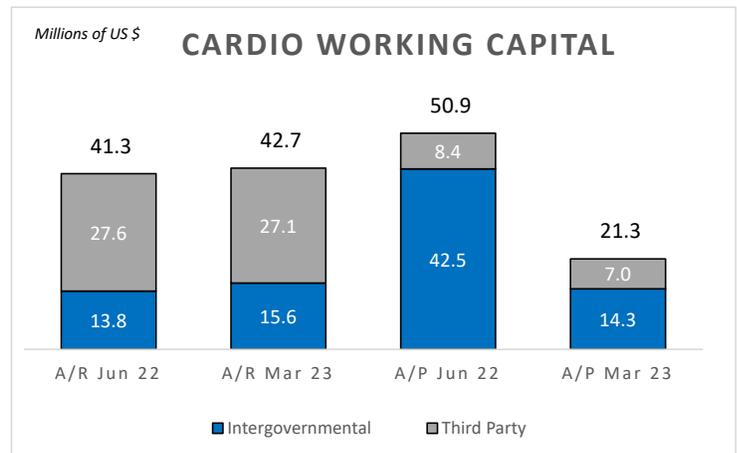
- a. \$1.4M increase from end of Q4-22 to end of Q3-23.
  - i. \$1.9M increase in intragovernmental accounts, driven by payable balance to ASES (“Mi Salud”).
  - ii. (\$0.5M) from third party payables driven by commercial plans.
  - iii. Total amounts presented herein do not consider potential uncollectible accounts, which management estimates at around \$25M.

2. Accounts Payable:

- a. (\$29.6M) decrease from end of Q4-22 to end of Q3-23
  - i. (\$27.9M) decrease in intergovernmental payables mainly in old debts to Public Building Authority totaling (\$23.8M).
  - ii. (\$1.7M) from paydowns of prior years’ debt to distributors.

3. Working Capital:

- a. Working capital changes from Q4-22 to the end of Q3-23 were unfavorable by (\$31.0M) as the combined effect of amounts above.



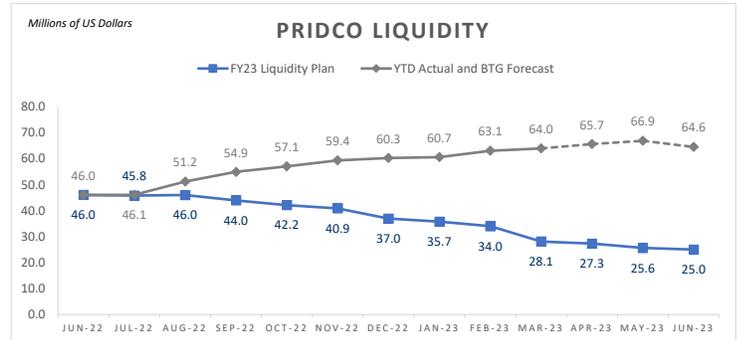
## VIII. PUERTO RICO INDUSTRIAL DEVELOPMENT CORPORATION (“PRIDCO”)

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

**Key Takeaways:** Year to date, operating cash increased by \$18.0M, from \$46.0M to \$64.0M, exclusive of incentive funds, which are restricted sources/uses of cash. Solid rental receipts, controlled operating costs, delays in CapEx investments, together with proceeds on sales of properties were the main enablers to this upside. This was partially offset by non-operating expenses such as Pay-Go liability and Bondholders payments. Versus Liquidity Plan, there is an upside of \$38.1M as detailed in Section A below.

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

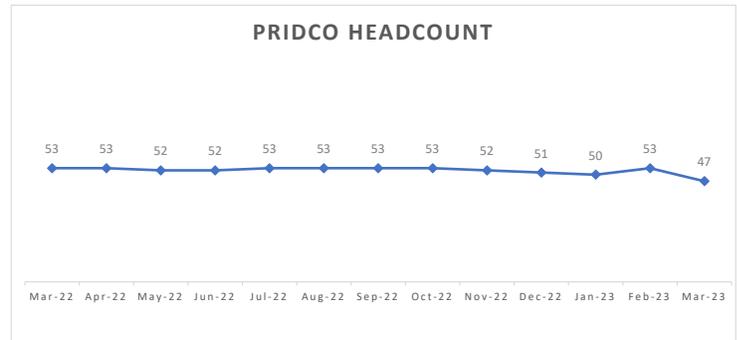
1. \$38.1M favorable variance in unrestricted actual balance vs. Liquidity Plan:
  - a. \$13.1M favorable variance in operating results: controlled operating costs favorable by \$6.8M, and higher rent receipts of \$6.3M.
  - b. \$14.1M from delays in CapEx disbursements.
  - c. \$3.9M from proceeds on sales of properties.
  - d. \$7.0M from budgetary reserve and other non-operating activities.



2. PRIDCO expects to end FY23 with \$64.6M in cash or \$39.6M over the Liquidity Plan target of \$25.0M. The upside mainly comes from delays in CapEx projects totaling \$18.8M, \$12.1M from controlled operating costs mainly from Purchased Services, and higher rent receipts including less delinquency versus expectation for \$8.7M.

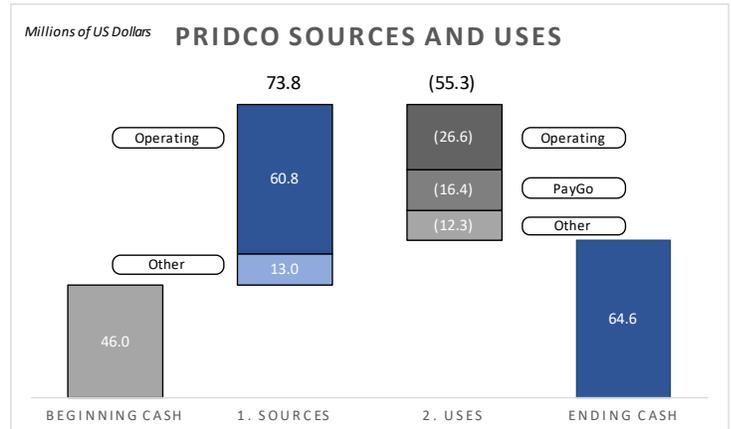
### B. Headcount / Payroll

1. Headcount FTEs: decreased from 53 on Q3-22 to 47 at the end of Q3-23 mainly due to current market attrition challenges.
2. Payroll: disbursements are forecasted to end FY23 at \$7.0M. YTD payroll is \$5.5M. Both amounts exclude the \$0.1M regarding the Upside Participation Bonus.



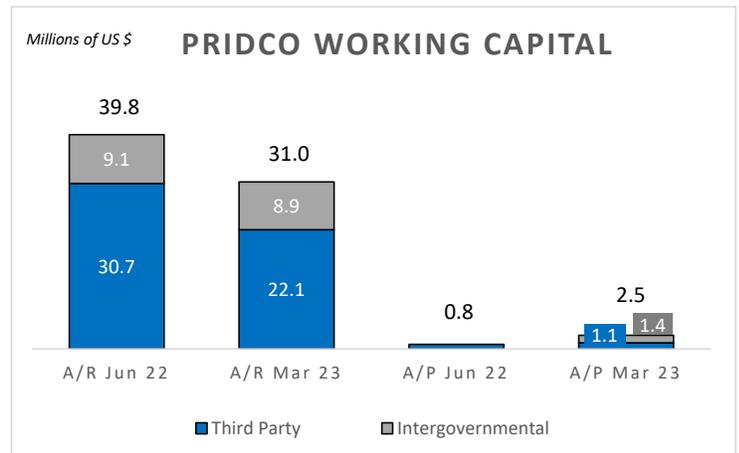
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$73.8M:
  - a. \$60.8M of operating receipts, consisting of the following: \$43.5M trustee property rent; \$13.4M non-trustee property rent; and \$3.9M of PRIICO rent.
  - b. \$13.0M from other receipts: \$9.7M from proceeds on properties sales and interest income, \$2.8M of FEMA receipts, and \$0.5M from Bond income deposits.
2. Uses (\$55.3M):
  - a. (\$26.6M) of operating disbursements, consisting of the following: (\$9.7M) purchased services; (\$7.1M) payroll and related costs; (\$4.8M) of DDEC management fee; (\$2.2M) of facilities, and (\$2.8M) for all other operating expenses.
  - b. (\$16.4M) of PayGo contributions and past due PayGo liability payments.
  - c. (\$12.3M) in other disbursements: (\$9.6M) transferred to non-operating activities and (\$2.7M) of payments to bondholders.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. (\$8.8M) decrease from end of Q4-22 to end of Q3-23 driven by third party/vendor (\$8.6M), and (\$0.2M) in intergovernmental accounts.
2. Accounts Payable:
  - a. \$1.7M increase from end of Q4-22 to end of Q3-23 driven by intergovernmental accounts (\$1.4M), further enhanced by increases in third party/vendor payables (\$0.3M).
3. Working Capital:
  - a. \$10.5M favorable variance in working capital from to the above changes in accounts from Q4-22 to the end of Q3-23.



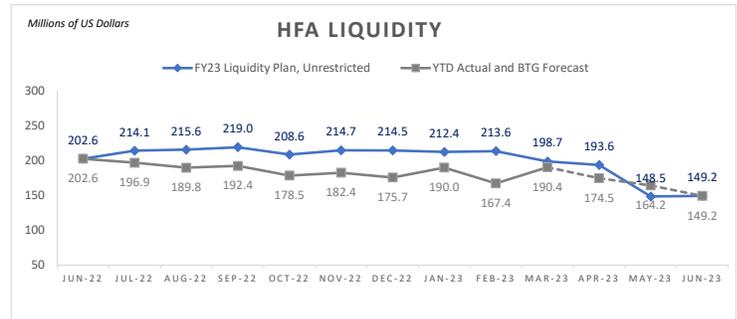
## IX. PUERTO RICO HOUSING FINANCE AUTHORITY (“HFA”)

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

**Key Takeaways:** Year to date, cash decreased by (\$12.2M) from \$202.6M to \$190.4M. The decrease was mainly driven by balance sheet disbursements of (\$41.3M), and disaster relief operations of (\$9.1M). They were partially offset by a favorable combined effect \$38.2M in all other receipts and disbursements.

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

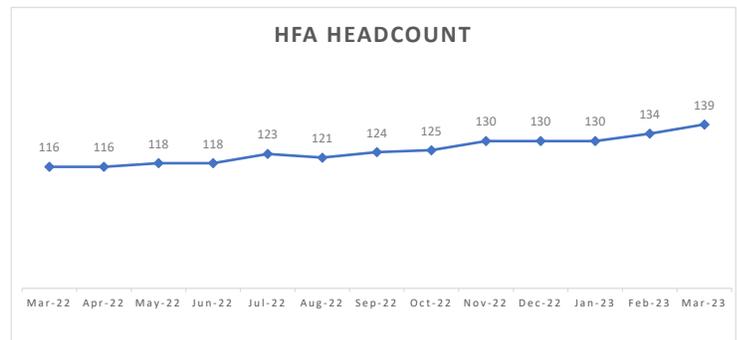
1. \$(8.3M) actuals vs. Liquidity Plan
  - a. (\$25.7M) unfavorable in net balance sheet activity,
  - b. (\$7.0M) unfavorable from net disaster relief funds,
  - c. \$17.9M net favorable variance in operating receipts and disbursement,
  - d. \$3.9M in favorable debt-related disbursements, and
  - e. \$2.6M favorable net effect from the Community Development Block Grant (CDBG), and other federal funds programs.



2. HFA expects to end FY23 in line with the target Liquidity Plan of \$149.2M. Operating results should continue with the current upward trend to cover the YTD gap shown above by the end of FY23.

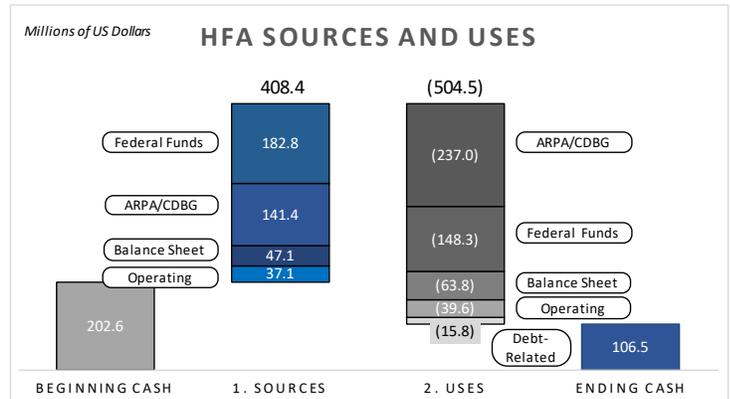
### B. Headcount / Payroll

1. Headcount FTEs: increased from 116 to 139 from end of Q3-22 to end of Q3-23. This increase is due to current volume and operating needs.
2. Payroll: Disbursements are forecasted to be \$11.3M for FY23. YTD payroll is \$7.3M. Both amounts exclude the \$0.5M of the Upside Participation Bonus as per resolution 415 of the House of Representatives.



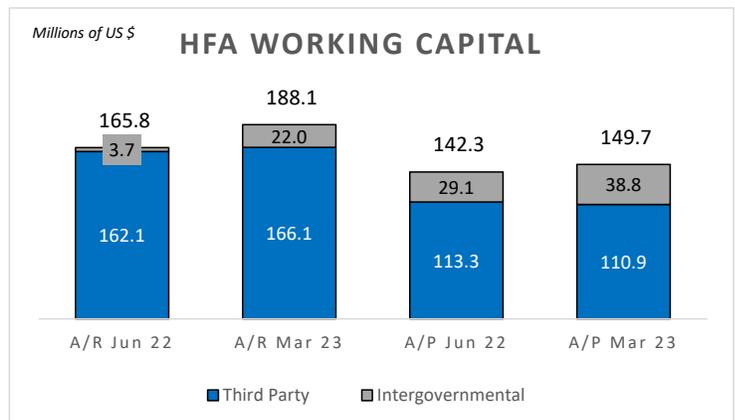
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$408.4M:
  - a. \$182.8M in federal funds from HOME and HUD.
  - b. \$141.4M in federal funds from ARPA and CDBG.
  - c. \$47.1M in balance sheet receipts.
  - d. \$37.1M in receipts from operations.
2. Uses (\$504.5M):
  - a. (\$237.0M) in federal funds from ARPA and CDBG.
  - b. (\$148.3M) in federal funds from HOME and HUD.
  - c. (\$63.8M) in balance sheet disbursements.
  - d. (\$39.6M) in operating disbursements.
  - e. (\$15.8M) in debt service disbursements.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. \$22.3M increase from end of Q4-22 to end of Q3-23 driven by accounts due from federal government of \$18.3M. This was further enhanced by a \$4.0M increase in the third-party sector.
2. Accounts Payable:
  - a. \$7.4M increase from end of Q4-22 to end of Q3-23 driven by intergovernmental accounts of \$9.7M, partially offset by a decrease in third party/vendors of (\$2.3M).
3. Working Capital: changes were unfavorable by (\$14.9M) from Q4-22 to the end of Q3-23 due to the above changes.



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

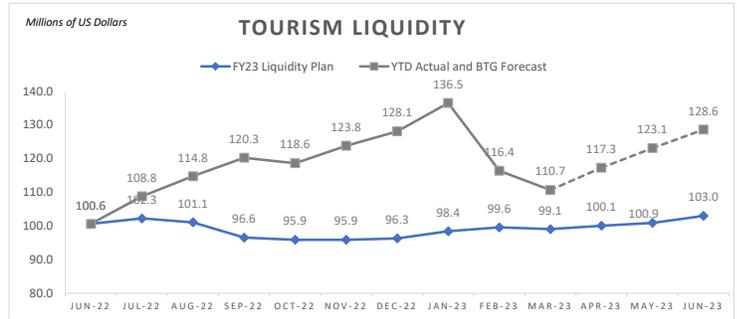
**Primary Business Activity:** Tourism’s purpose is to promote the tourism industry of Puerto Rico.

**Key Takeaways:** Year-to-date, cash increased by \$10.1M, from \$100.6M to \$110.7M. Outstanding operating receipts of \$130.6M from a higher volume of tourists visiting Puerto Rico, new air and cruise line routes, supported by marketing efforts. Controlled operating disbursements of (\$73.2M) in total also helped with such a rise. This was partially offset by (\$30.3M) that Turismo transferred to Hacienda as part of last year's room taxes reserve (known as debt service), and a (\$17.0M) contribution to the Office of Management and Budget (OGP, a governmental agency). The latter was not included in the Liquidity Plan and interrupted the growing trend as the Liquidity graph depicts in Section A.

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

1. \$11.6M YTD actuals vs. Liquidity Plan:

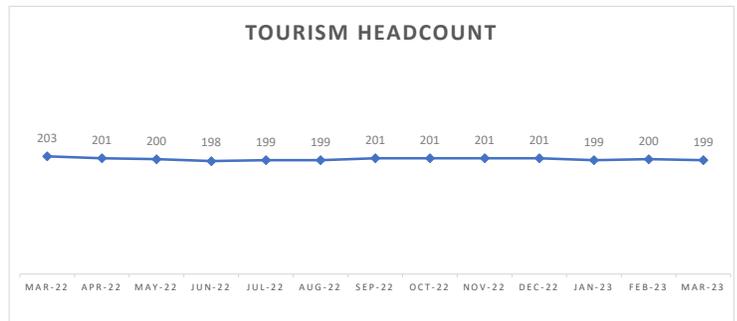
- a. \$35.5M in favorable receipts variance, (net of waterfall disbursements). Hotel room taxes collections were favorable to forecast by \$33.5M, while slot machine collections were also favorable by \$1.0M. The remaining upside includes the \$0.6M received from GF for the Upside Participation Bonus that was not in the Liquidity Plan, and +\$0.4M in other receipts.
- b. (\$17.0M) unfavorable due to a transfer to OGP that was not part of the Liquidity Plan.
- c. (\$8.3M) unfavorable in marketing expenses. Turismo received approval to over-expend in this line to support the strong YTD revenue growth.
- d. \$1.4M favorable in all other disbursements because of a sound control of operating expenses.



- 2. Projected receipts for the full year stand at \$133.5M, net of waterfall disbursements. These are anticipated to exceed operating disbursements of (\$52.4M), the transfers to Hacienda (\$30.3M) and to OGP (\$17.0M) and Pay-Go payments of (\$5.8M).
  - a. Ending cash balance for FY2023 is forecasted at \$128.6M, which is \$25.6M or 25% above Liquidity Plan.

**B. Headcount / Payroll**

- 1. Headcount FTEs: Decreased from 203 to 199 from end of Q3-22 to end of Q3-23. This reduction is due to normal attrition factors and operating needs.
- 2. Payroll: Disbursements are forecasted to be \$12.1M for FY23. YTD disbursements amounted to \$8.5M. Both amounts exclude the \$0.6M of the Upside Participation Bonus.



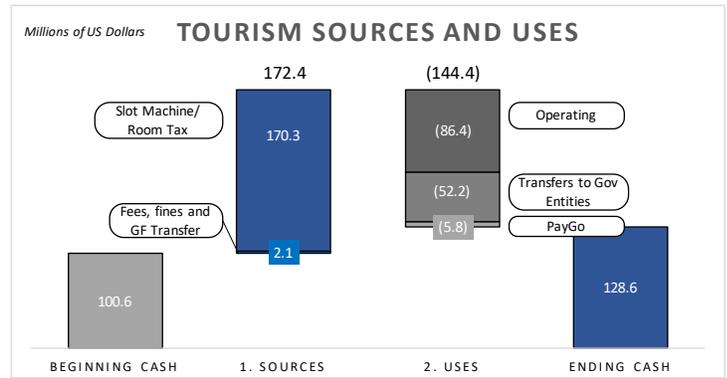
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$172.4M:

- a. Operating receipts of \$170.3M; \$114.3M or 67% from hotel room taxes, \$56.0M or 33% from slot machines via the Gaming Commission.
- b. Miscellaneous receipts of \$1.5M from vendor’s fees and fines.
- c. General Fund transfer of \$0.6M to cover the Upside Participation Bonus.

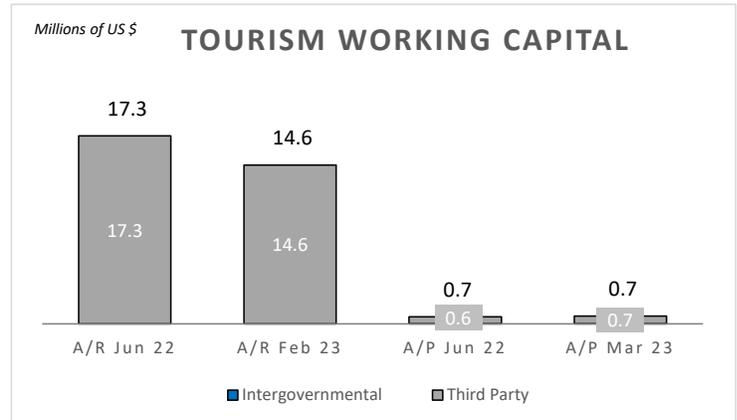
2. Uses (\$144.4M):

- a. Operating disbursements of (\$86.4M), built from payroll and related costs of (\$12.7M), appropriations to the DMO of (\$34.0M), media/ads of (\$15.3M), purchased services of (\$5.3M), professional services of (\$3.5M), and other operating payments of (\$15.6M) consisting of facilities rent, event and promotions costs, air access incentives, utilities, transportation and other costs.
- b. PayGo contributions of (\$5.8M).
- c. Transfers to other governmental agencies (\$52.2M).
  - (\$30.3M) to Hacienda from last FY reserve – debt service,
  - (\$17.0M) to the Office of Budget and Management (OGP), and
  - (\$4.9M) to the Puerto Rico Convention Center District Authority (CCDA).



**D. Accounts Receivable / Accounts Payable**

- 1. Accounts Receivable: (\$2.7M) decrease from end of Q4-22 to end of Q3-23 in hotel room taxes.
- 2. Accounts Payable: \$0.1M increase from the end of Q4-22 to end of Q3-23 across small 3rd party accounts.
- 3. Working Capital: changes were favorable by \$2.8M from Q4-22 to the end of Q3-23 due to the above changes.



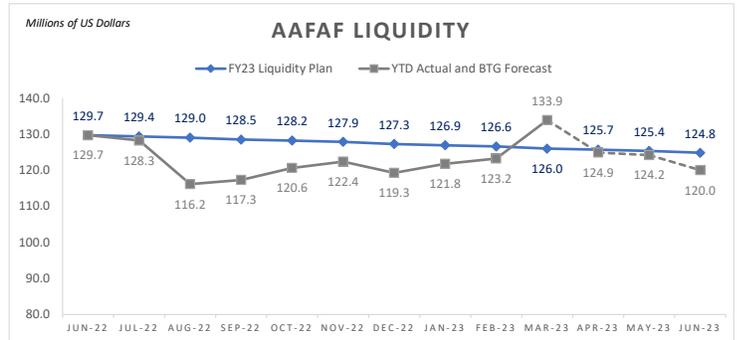
**XI. FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY (“AAFAF”)**

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

**Key Takeaways:** Year to date, cash increased by \$4.2M, from \$129.7M to \$133.9M. This includes a special receipt of \$8.0M earmarked to pay old debt to Retiro regarding AEE employees. They were disbursed in April but remained in cash balance by March 31<sup>st</sup>, 2023. Excluding these \$8M, the downside of (\$3.8M) was mainly created by payments related to last FY: professional services invoices (\$5.0M), and the return of Title III funds surplus (\$4.2M). This was partially offset by a positive result in all other operating lines totaling \$5.4M, including GF appropriations.

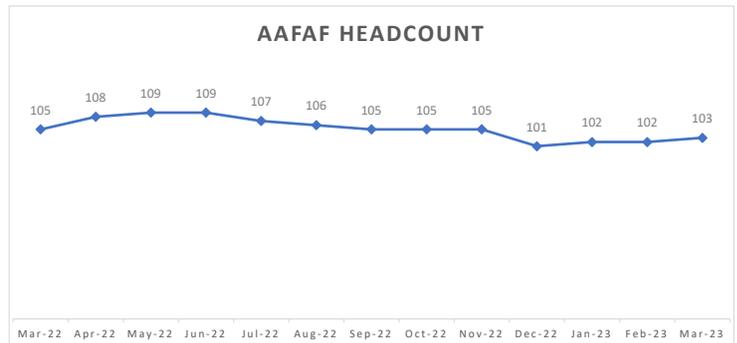
**A. FY23 Operating Liquidity – Actuals and FY23 Liquidity Plan**

1. \$7.9M YTD actual vs. Liquidity Plan:
  - a. \$8.0M of the special receipt earmarked to pay old debt to Retiro regarding AEE employees.
  - b. (\$0.1M) unfavorable net variance in all other operating lines.
2. AAFAF is expected to end FY23 with \$120.0M, which is (\$4.8M) under the Liquidity Plan driven by the transfer out of Title III funds surplus from last fiscal year (\$4.2M), lower operating receipts (\$0.2M), and (\$0.4M) as the combined effect of controlled costs and professional services invoices pertaining to past fiscal year.



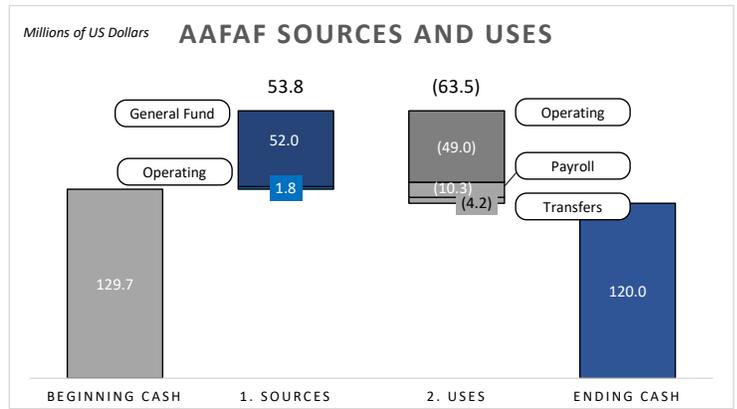
**B. Headcount / Payroll**

1. Headcount FTEs: decreased from 105 to 103 from end of Q3-22 to end of Q3-23 due to attrition factors.
2. Payroll: Disbursements are forecasted at \$10.0M for FY23. YTD payroll is \$7.7M. Both amounts exclude the actual payment of the Upside Participation Bonus of \$0.3M.



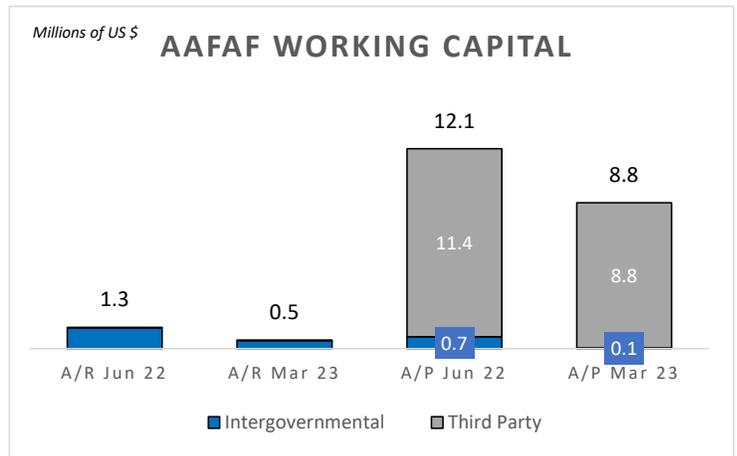
**C. Full Year FY23 Sources and Uses of Funds**

- 1. Sources \$53.8M:
  - a. General Fund appropriations of \$52.0M, which includes the \$0.3M of the Upside Participation Bonus.
  - b. Operating receipts of \$1.8M consisting of fiscal agency fees and interest income.
- 2. Uses (\$63.5M):
  - a. Operating disbursements of (\$49.0M), consisting of professional services of (\$44.4M) including last FY invoices of (\$5.0M), purchased services of (\$2.9M), the budget reserve of (\$1.3M) and other costs of (\$0.4M) including facilities, materials, and others.
  - b. Payroll and related costs of (\$10.3M).
  - c. Transfer out of (\$4.2M) regarding FY22 surplus of Tittle III funds.



**D. Accounts Receivable / Accounts Payable**

- 1. Accounts Receivable:
  - a. (\$0.8M) decrease from end of Q4-22 to end of Q3-23 driven by collections from municipalities.
- 2. Accounts Payable:
  - b. (\$3.3M) decrease from end of Q4-22 to end of Q3-23: (\$2.6M) in third party payables, and (\$0.7M) in intergovernmental accounts.
- 3. Working Capital: changes were unfavorable by (\$2.5M) year to date, due to the above changes.



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

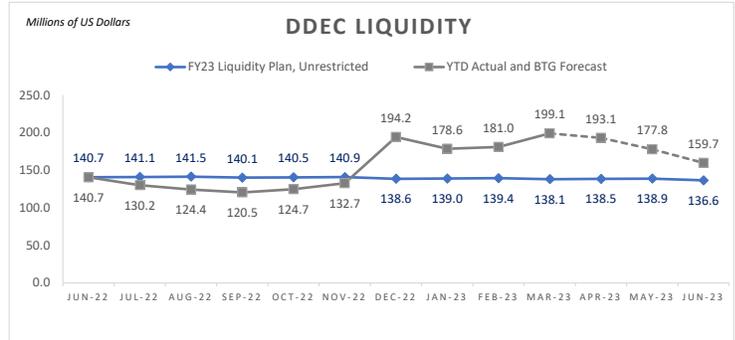
**Primary Business Activity:** DDEC serves as the umbrella agency for key economic development entities in Puerto Rico. It leads efforts to drive competitiveness through structural reforms, promoting private sector investment, and job growth in critical sectors.

**Key Takeaways:** Year-to-date, total cash increased by \$70.2M, from \$128.9M to \$199.1M. This was driven by a special GF transfer of \$78.0M designated to incentives for: 1) the local film industry (\$37.0M), 2) CapEx (\$14.0M). 3) OGPe - single business portal (\$14.0M), 4) support small local businesses that were affected by hurricane Fiona (\$10.0M), and 5) life science program (\$3.0M). To note, \$119.0M of total cash on hand is restricted for specific DDEC’s operating purposes.

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

1. \$61.0M favorable variance in YTD actuals vs. Liquidity Plan.

- \$63.3M favorable variance in General Fund transfers driven by new incentives for the film industry, small local businesses, life science program, capex, and OGPE single business portal (\$78.0M), partially offset by timing in other transfers (\$14.7M).
- \$4.6M positive variance from donations, subsidies, and distributions to other governmental agencies.
- \$4.0M favorable in rent and other operating receipts.
- (\$11.8M) of transfers to restricted accounts.

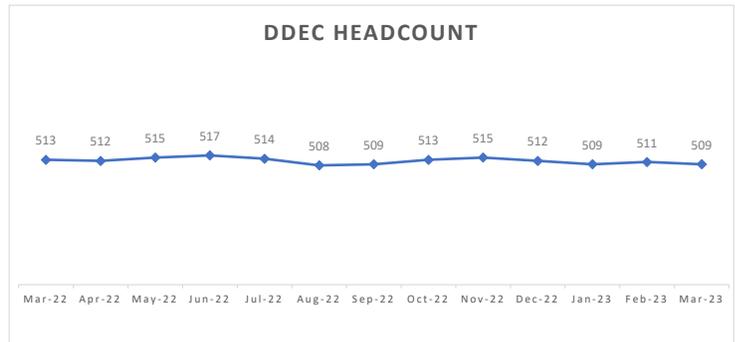


e. \$0.9M favorable in all other operating expenses, which include purchase services, materials, transportation, among others.

2. DDEC expects to finish the year with \$159.7M of cash on hand, which is \$23.1M over the Liquidity Plan target of \$136.6M. DDEC began managing the restricted funds of RUMS, FEDE and Bonds income this fiscal year. These funds used to be managed by PRIDCO in the past and they amount to \$90.0M for FY23.

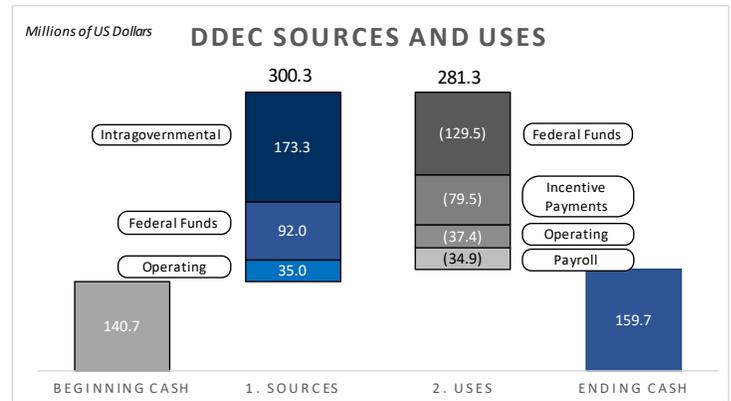
### B. Headcount / Payroll

- Headcount FTEs: decreased from 513 to 509 from end of Q3-22 to end of Q3-23.
  - This was driven by normal attrition factors in the market.
- Payroll: Disbursements are forecasted at \$33.0M for FY23. YTD payroll is \$24.2M. Both amounts exclude the \$1.6M regarding the Upside Participation Bonus received and paid in November 2022.



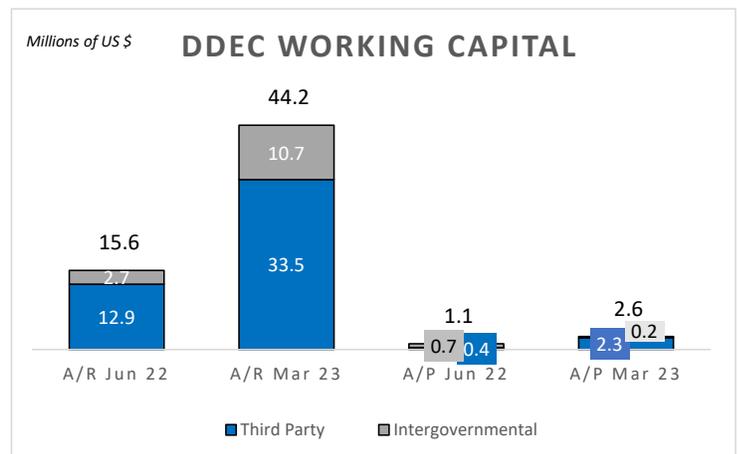
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$300.3M:
  - a. \$173.3M in intergovernmental receipts, including: \$91.9M in General Fund appropriations, \$37.1M in other incentives as per Act 60-2019, \$36.5M of FEDE/RUMS, and \$7.8M of incentives pertaining to past FY.
  - b. \$92.0M of federal grants.
  - c. \$35.0M in operating receipts consisting of industrial tax exemption fees, rental income, receipts from management fees, and indirect cost reimbursement.
2. Uses (\$281.3M):
  - a. (\$129.5M) in federal funds including (\$7.5M) of CapEx investment.
  - b. (\$79.5M) in incentives payments including the new ones for the film industry, small local businesses, life science program, capex, and OGPe - single business portal.
  - c. (\$37.4M) in operating disbursements, including: (\$8.7M) in professional services, (\$8.0M) in purchased services, (\$6.4M) in utilities and insurance, (\$1.8M) in media and advertisement, and (\$12.5M) in other operating disbursements.
  - d. (\$34.9M) in payroll and related costs, including (\$0.4M) in PayGo contributions.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. \$28.6M increase from end of Q4-22 to end of Q3-23: \$20.6M from third party receivables, and \$8.0M from intergovernmental accounts.
2. Accounts Payable:
  - a. \$1.4M net increase from end of Q4-22 to end of Q3-23: \$1.9M from third party accounts, partially offset by (\$0.5M) decrease in intergovernmental receivables.
3. Working Capital:
  - a. Working capital changes were unfavorable by (\$27.2M) year to date, due to the above changes.



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

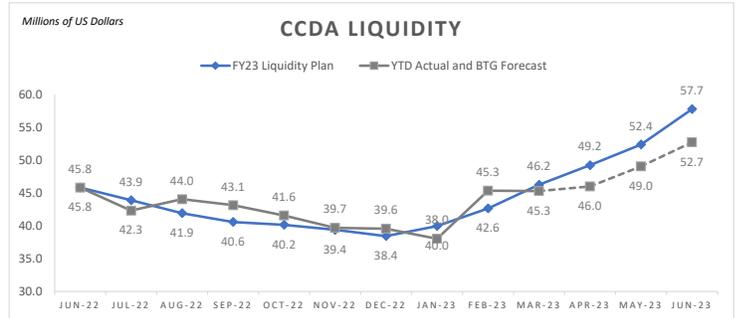
**Primary Business Activity:** CCDA develops, manages, and oversees the Puerto Rico Convention Center, the Coliseo de Puerto Rico José Miguel Agrelot, Bahía Urbana, and other adjacent hospitality, commercial, and residential developments.

**Key Takeaways:** Year-to-date, cash decreased by (\$0.5M), from \$45.8M to \$45.3M. This includes activities subsidized from ARPA funds of (\$3.4M), utilities payment pertaining to last FY for (\$2.7M), prepayment of insurance expense for (\$1.8M), and a net benefit from operations of \$7.4M. The latter includes a \$3.8M room tax transfer from Turismo, on which they rely to operate. To note, about half of CCDA’s reported cash balances consist of non-operating funds for CapEx, promoter ticket sales reserves, and federal funds - ARPA. There are no liquidity concerns forecasted for CCDA.

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

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

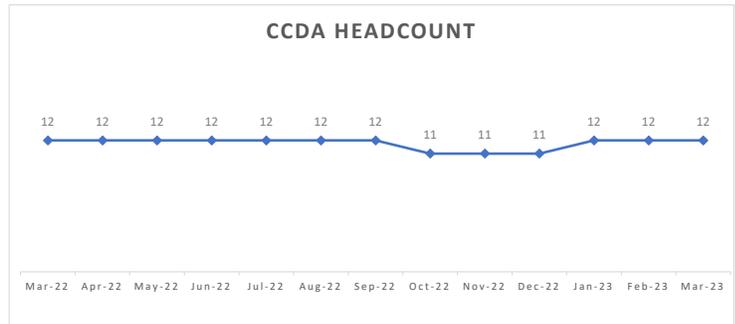
- a. \$3.1M favorable variance in net operating results driven by higher events held at the Coliseum and the District and Convention Center.
- b. \$3.8M of positive timing effect in intergovernmental receipts, mainly in the room tax transfer from Turismo.
- c. (\$4.5M) impact from utilities payment pertaining to last FY (\$2.7M), and prepayment of insurance expense (\$1.8M).
- d. (\$3.4M), net in federally supported projects and activities.



2. CCDA expects to end FY23 (\$5.0M) under the official Liquidity Plan target of \$57.7M. This gap comes from last year’s utilities debt, the insurance payment that was not included in the Liquidity Plan, and approved disbursements from funds on-hand at the beginning of the year. To note, excluding these items, CCDA variance versus Liquidity Plan would have been positive by around \$5M. CCDA shows positive cash flows during the year driven by increase in activities at the Coliseum and the District and Convention Center.

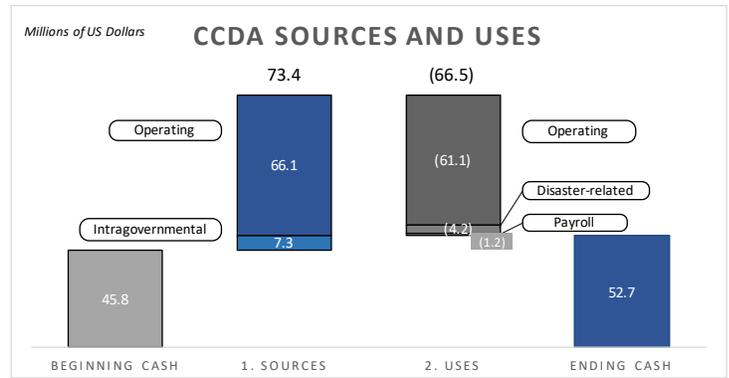
**B. Headcount / Payroll**

- 1. Headcount FTEs: remained flat from end of Q3-22 to end of Q3-23.
  - a. Headcount only considers administrative employees of the District, excluding employees of the Coliseum and the Convention Center.
- 2. Payroll: Disbursements for FY23 are forecasted at \$1.2M. YTD payroll is \$0.9M.



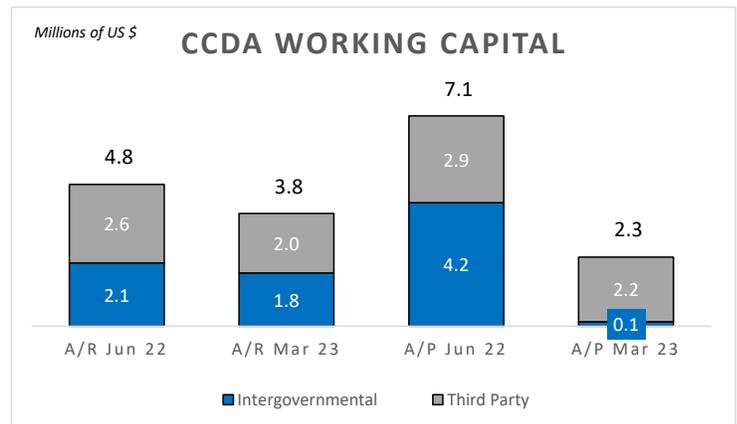
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$73.4M:
  - a. Operating receipts of \$66.1M, consisting of: Coliseum receipts of \$38.8M, Convention Center receipts of \$23.6M, and rental income/others of \$3.7M.
  - b. Intergovernmental receipts of \$7.3M, including hotel room taxes receipts of \$4.9M from the Tourism Company, and \$2.4M in receipts from tax incremental financing collected from District vendors per Law 157 - 2014.
2. Uses (\$66.5M):
  - a. Operating disbursements of (\$61.1M), consisting of purchased services of (\$49.5M), facilities expense of (\$10.9M), and other operating costs of (\$0.7M).
  - b. Activities financed from disaster-relief funds of (\$4.2M), which includes (\$1.1M) of CapEx investments.
  - c. Payroll and related costs of (\$1.2M).



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. (\$1.0M) decrease from end of Q4-22 to end of Q3-23 driven by third-party accounts related to event ticket sales.
2. Accounts Payable:
  - a. (\$4.8M) decrease from end of Q4-22 to end of Q3-23 driven decrease in intergovernmental accounts (\$4.0M) related to paydowns on accrued payables owed to GASNA and PRASA, further enhanced by a (\$0.8M) decrease in third party payables related to scheduled events.
3. Working Capital:
  - a. Working capital changes were unfavorable by (\$3.8M) from Q4-22 to the end of Q3-23 due to the above changes.



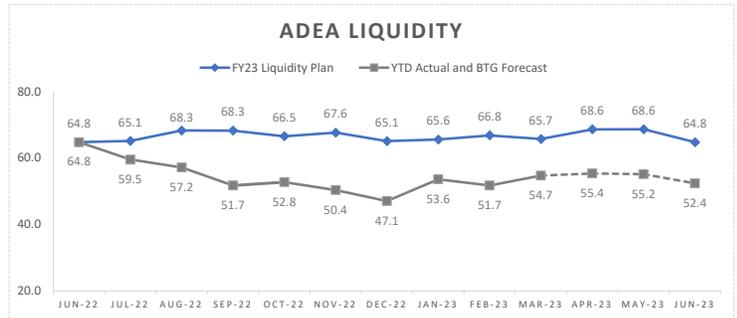
**XIV. PUERTO RICO ADMINISTRATION FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES (“ADEA”)**

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

**Key Takeaways:** Year to date, cash decreased by (\$10.1M), from \$64.8M to \$54.7M. This was mostly driven by higher Purchased and Professional services disbursements required as per current operating needs, further impacted by subsidies and incentives payments.

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

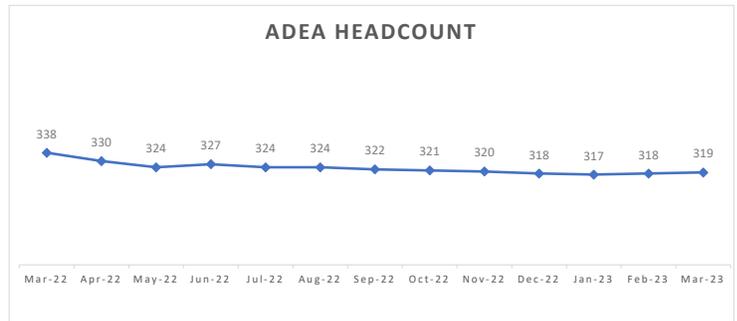
1. (\$11.0M) actuals vs. Liquidity Plan:
  - a. (\$10.1M) unfavorable variance in purchased and professional services to support the current operating needs.
  - b. (\$2.0M) unfavorable variance from disbursements in Rural Development incentives and subsidies.
  - c. \$2.3M favorable variance from CapEx disbursements mainly due to delays in projects.
  - d. (\$1.2M) unfavorable effect in all other operating disbursements, including the timing related to coffee, seeds and cafeteria receipts.



2. ADEA expects to end FY23 with \$52.4M in cash or (\$12.4M) under the target in Liquidity Plan. This downside was mainly driven by low receipts from school cafeterias.

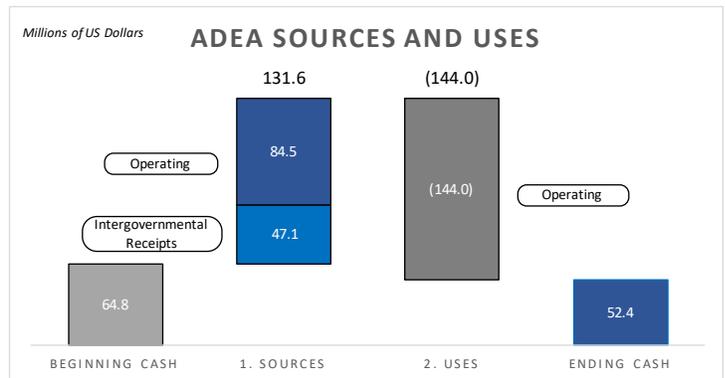
**B. Headcount / Payroll**

1. Headcount FTEs: decreased from 338 to 319 from end of Q3-22 to end of Q3-23.
  - a. The decrease in headcount is related to the movement of PREPA employees to other agencies and/or private positions, together with the normal market turnover.
2. Payroll: Disbursements are forecasted at \$18.8M for FY23. YTD payroll is \$11.5M. Both amounts exclude the Upside Participation Bonus of \$0.8M.



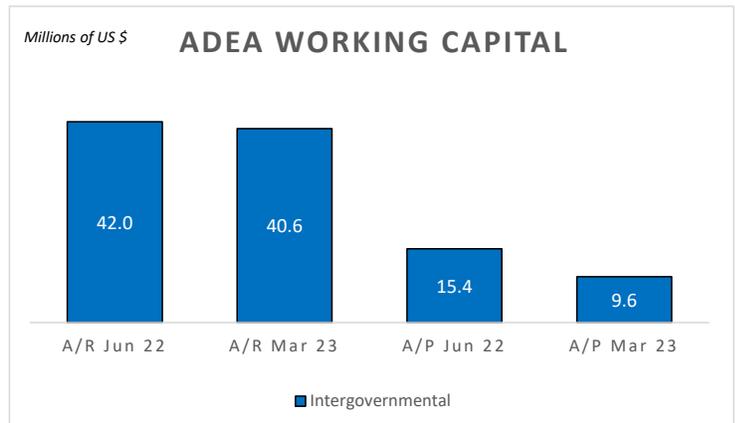
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$131.6M:
  - a. \$84.5M in operating receipts comprised of \$61.9M in coffee market making operations, and \$22.6M in other operating receipts from the production and distribution of seeds, and school cafeteria programs.
  - b. \$47.1M from General Fund appropriations.
2. Uses (\$144.0M):
  - a. Operating disbursements including (\$58.1M) in school cafeteria and coffee programs, and rural infrastructure outflows, (\$46.4M) in subsidies and incentives programs, (\$19.6M) in payroll and related costs, and (\$19.9M) in all other operating expenses including purchase services, transportation, material/supplies, among others.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. (\$1.4M) decrease from end of Q4-22 to end of Q3-23.
2. Accounts Payable:
  - a. (\$5.9M) decrease from end of Q4-22 to end of Q3-23
    - i. (\$6.6M) decrease in Fondo 10 payables, which includes ASUME, retirement plan, office supplies, security, utilities, and professional services disbursements.
    - ii. \$0.7M increase in Fondo 30, which includes coffee, school cafeterias, trees & seeds.
3. Working Capital: changes were unfavorable by (\$4.5M) year to date, due to the above changes.



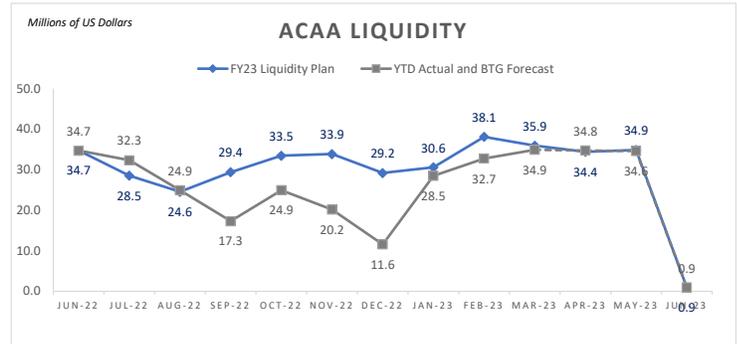
## XV. AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION (“ACAA”)

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

**Key Takeaways:** Year to date, cash increased by \$0.2M, from \$34.7M to \$34.9M driven by low disbursements related to claims. This was partially offset by pending premium collections from February and March.

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

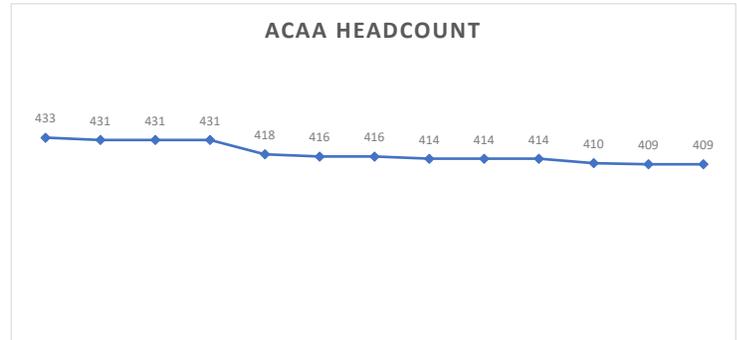
1. (\$1.0M) actuals vs. Liquidity Plan:
  - a. (\$14.8M) unfavorable variance for pending transfer of premiums receipts related to February and March.
  - b. \$13.8M favorable in operating expenses mainly due to positive variances in:
    - i. \$8.1M in claims-related disbursements,
    - ii. \$2.5M in purchased services,
    - iii. \$1.1M timing in Pay-Go payments, and
    - iv. \$2.1M in all other operating expenses, which include purchase services, equipment purchases, among others.



2. ACAA expects to end the fiscal year in line with the Liquidity Plan target. There is a big probability that the \$35M reserve injection to required investments to cover claims will not be materialled. Thus, it is more probable than not that ACAA will end \$35M above plan.

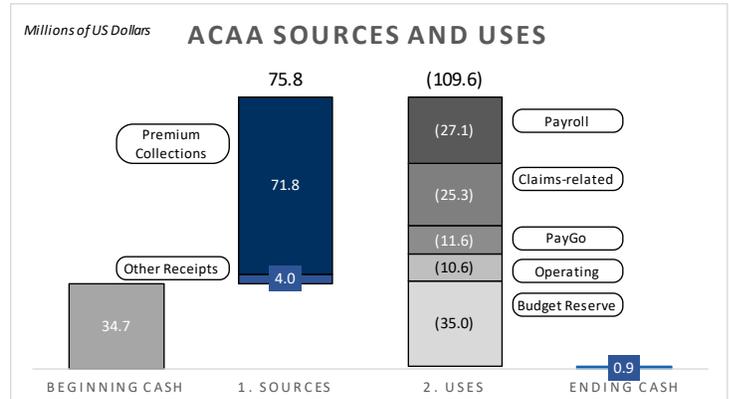
### B. Headcount / Payroll

1. Headcount FTEs: decreased from 433 to 409 from end of Q3-22 to end of Q3-23.
  - a. This was mainly due to relocation of PREPA employees to other agencies or to opportunities in the private sector, in addition to normal attrition factors.
  - b. Payroll: Disbursements for FY23 are forecasted at \$25.7M. YTD payroll is \$18.8M. Both amounts exclude the Upside Participation Bonus of \$1.3M.



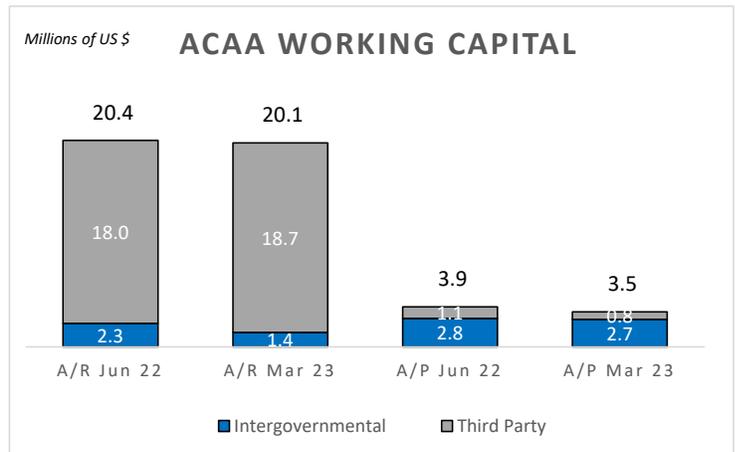
**C. Full Year FY23 Sources and Uses of Funds**

1. Sources \$75.8M:
  - a. Premium collections of \$71.8M.
  - b. Other receipts of \$4.0M: recoveries of \$2.2M, GF transfer of \$1.4M (Upside Participation Bonus), and rental receipts of \$0.4M.
2. Uses (\$109.6M):
  - a. People cost (\$27.1M): regular payroll and related costs of (\$25.7M), and the Upside Participation Bonus of (\$1.4M).
  - b. Claims-related disbursements of (\$25.3M).
  - c. PayGo contributions of (\$11.6M).
  - d. Operating disbursements of (\$10.6M), consisting of purchased services of (\$3.5M), contributions to government entities of (\$2.4M), professional services of (\$1.7M), equipment purchases of (\$1.3M), and other operating costs of (\$1.7M).
  - e. Transfers to restricted accounts of (\$35.0M) to cover claims reserves.



**D. Accounts Receivable / Accounts Payable**

1. Accounts Receivable:
  - a. (\$0.3M) decrease from end of Q4-22 to end of Q3-23: (\$1.0M) decrease in intergovernmental accounts, partially offset by \$0.7M increase in third party payables.
2. Accounts Payable:
  - a. (\$0.5M) decrease from end of Q4-22 to end of Q3-23: (\$0.1M) from intergovernmental payables, and (\$0.4M) across third party accounts.
3. Working Capital: changes were unfavorable by (\$0.2M) from Q4-22 to the end of Q3-23 due to the above changes.



**APPENDIX A: RECONCILIATION BETWEEN HACIENDA/OCFO REPORTED FIGURES AND THE FIGURES IN THIS REPORT**
*Millions of US Dollars*
**APPENDIX A: RECONCILIATION BETWEEN HACIENDA/OCFO REPORTED FIGURES AND THE FIGURES IN THIS REPORT**
*- 15 of the 15 Component Units provided cash flow data for the Month of March 2023*
*Millions of US Dollars*

COMPONENT UNIT	Hacienda/OCFO		Variance	Variance due to:		Comments
	Reported Balance (a)	Actual Balance 3/31/2023 (b)		Other (c)	Non-operational Accounts	
PUERTO RICO PORTS AUTHORITY ("PORTS")	117.0	107.9	9.1	0.0	9.1	CU actual cash balance excludes \$9.1M of non-operational funds reserved for CapEx projects.
MEDICAL SERVICES ADMINISTRATION ("ASEM")	97.5	5.5	92.0	0.1	91.8	CU actual cash balance does not consider \$91.8 in non-operating funds such as CapEx, malpractice insurance reserve, and disaster-related funds. Remaining variance is due to timing differences of book/bank balances.
PUERTO RICO INTEGRATED TRANSIT AUTHORITY ("PRITA")	40.9	33.6	7.3	(3.3)	10.6	\$10.6M balance of reserve for payments to third party operator of Ferry Services, Hornblower Maritime Services (HMS). Remaining variance is due to book vs bank differences that are under management's investigation.
STATE INSURANCE FUND CORPORATION ("FONDO")	854.7	799.4	55.3	1.9	53.3	Non-operational funds pertain to COVID-related reserve account established by Act. 56 - 2020, and self insurance for Hospital Professional Liability. Remaining variance is due to timing differences of book/bank balances.
HEALTH INSURANCE ADMINISTRATION ("ASES")	499.4	497.4	2.0	2.0	-	Variance was due to timing differences between books and bank balances.
PUERTO RICO PUBLIC BUILDINGS AUTHORITY ("PBA")	150	116.8	33.4	(0.0)	33.4	Non-operational accounts at PBA are held in reserve for tax escrow and other restricted purposes. Remaining variance is due to timing differences of book/bank balances.
CARDIOVASCULAR CENTER OF PUERTO RICO AND THE CARIBBEAN ("Cardio")	58.6	30.8	27.7	1.9	25.8	Non-operational funds are reserved for CapEx and investment accounts. Remaining variance is due to timing differences of book/bank balances.
PUERTO RICO INDUSTRIAL DEVELOPMENT COMPANY ("PRIDCO")	92.6	64.0	28.6	(0.2)	28.8	Non-operational accounts include funds from sale of assets, security deposits, disaster-related proceeds, others. Remaining variance is due to timing differences of book/bank balances.
HOUSING FINANCE AUTHORITY ("HFA")	476.3	190.4	286.0	(1.1)	287.1	Non-operational includes accounts at Banco Popular Trust Division and Economic Development Bank. Remaining balance is due to timing differences of book/bank balances.
PUERTO RICO TOURISM COMPANY ("TOURISM")	172.4	110.7	61.7	-	61.7	Funds in non-operational accounts consist of \$39.4M in debt service reserve account, \$15.1M in Tourism subsidiary accounts not included as operating cash, and \$7.2M in ARPA funds.
FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY ("AAFAF")	202.2	133.9	68.3	0.1	68.2	Non-operational accounts include \$50.7M in federal pass-through funds sourced from the American Rescue Plan Act (ARPA 2021), and \$17.5M from Coronavirus relief funds for PRIFA Project Improvements to Education
DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE ("DDEC")	200.6	91.8	108.8	2.3	106.5	Restricted cash: \$37.0M earmarked for the Film Industry Program, \$21.8M regarding Laws 20 and 60, \$23.3M related to FEDE & RUMS, \$10.8M of ARPA and other federal funds, \$10.7M of COVID-related reserve, and \$2.8M of customers' bails. Remaining variance is due to outstanding checks and other timing book/bank balances differences.
CONVENTION CENTER DISTRICT AUTHORITY ("CCDA")	53.4	45.3	8.1	(0.0)	8.1	Non-operational accounts include funds from ticket sales that do not belong to CCDA. Remaining variance is due to timing book/bank balances differences.
PUERTO RICO AGRICULTURAL DEVELOPMENT ADMINISTRATION ("ADEA")	83.8	54.7	29.1	(1.3)	30.4	Accounts not reported in CU cash balances: \$20.9M in pass through accounts, \$9.4M related to milk subsidies not part of ADEA, and \$0.2M of projects funded from federal funds. Remaining variance is due to timing differences of book/bank balances.
AUTOMOBILE ACCIDENT COMPENSATION ADMINISTRATION ("ACAA")	204.2	34.9	169.3	3.3	166.0	Non-operational accounts consist of investment accounts managed by a third party to maintain ACAA's claims liability reserve. Remaining variance is due to timing differences of book/bank balances.

**Footnotes:**

(a) Hacienda/OCFO reported balances at bank accounts as 3/31/23.

(b) Ending cash balance reported in CU's cash flow reports as of 3/31/23.

(c) Include variances due to timing differences between books and bank balances. Material timing differences may be present.

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

**COMMONWEALTH OF PUERTO RICO**

**COMPONENT UNIT REPORTING**

Headcount

	<b>Actual Mar-23</b>
<b>Headcount</b>	
Puerto Rico Ports Authority ("Ports")	465
Medical Services Administration ("ASEM")	1,443
Puerto Rico Integrated Transit Authority ("PRITA")	637
Puerto Rico State Insurance Fund Corporation ("Fondo")	2,482
Health Insurance Administration ("ASES")	69
Puerto Rico Public Buildings Authority ("PBA")	1,384
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	511
Puerto Rico Industrial Development Company ("PRIDCO")	47
Puerto Rico Housing Finance Authority ("HFA")	134
Tourism Company of Puerto Rico ("Tourism")	199
Fiscal Agency and Financial Advisory Authority ("AAFAF")	103
Department of Economic Development and Commerce ("DDEC")	509
Puerto Rico Convention Center District Authority ("CCDA")	12
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	319
Automobile Accident Compensation Administration ("ACAA")	409
<b>Total Component Unit Headcount</b>	<b>8,723</b>

**COMMONWEALTH OF PUERTO RICO**

**COMPONENT UNIT REPORTING**

(Figures in \$000's)

	<b>Actual Mar-23</b>	<b>Actual YTD FY23</b>
<b>Payroll and Related Cost Disbursements</b>		
Puerto Rico Ports Authority ("Ports")	(\$2,519)	(\$24,853)
Medical Services Administration ("ASEM")	(9,826)	(73,866)
Puerto Rico Integrated Transit Authority ("PRITA")	(3,272)	(27,680)
Puerto Rico State Insurance Fund Corporation ("Fondo")	(28,413)	(170,868)
Health Insurance Administration ("ASES")	(438)	(3,764)
Puerto Rico Public Buildings Authority ("PSA")	(6,805)	(54,638)
Cardiovascular Center of Puerto Rico and the Caribbean ("Cardio")	(2,875)	(24,198)
Puerto Rico Industrial Development Company ("PRIDCO")	(530)	(5,571)
Puerto Rico Housing Finance Authority ("HFA")	(879)	(7,772)
Tourism Company of Puerto Rico ("Tourism")	(1,128)	(9,119)
Fiscal Agency and Financial Advisory Authority ("AAFAF")	(1,132)	(7,992)
of Economic Development and Commerce ("DDEC")	(3,934)	(25,831)
Puerto Rico Convention Center District Authority ("CCDA")	(144)	(898)
Puerto Rico Administration for the Development of Agricultural Enterprises ("ADEA")	(1,894)	(14,376)
Automobile Accident Compensation Administration ("ACAA")	(2,031)	(20,184)
<b>Total Unit Payroll and Related Cost Disbursements</b>	<b>(\$65,820)</b>	<b>(\$471,610)</b>