



**GOVERNMENT OF PUERTO RICO**  
**Puerto Rico Fiscal Agency and Financial  
Advisory Authority**

# **Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities**

*Information as of January 31, 2019*

**February 28, 2019**

# Disclaimer

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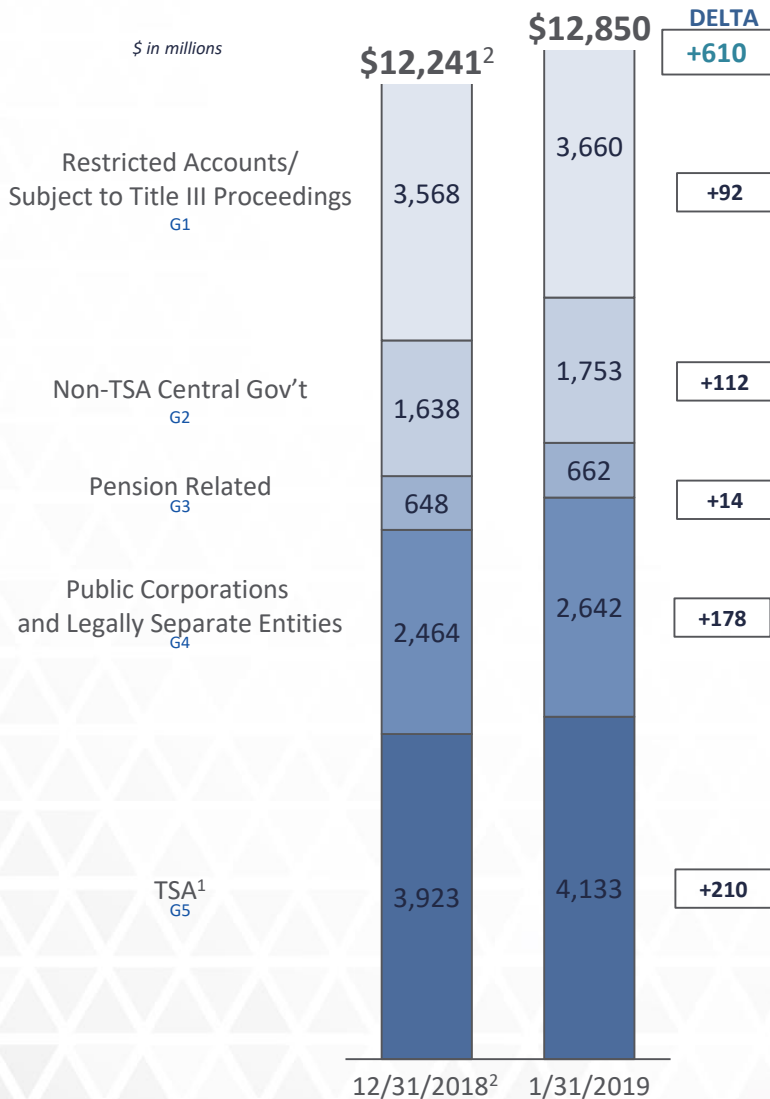
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## Disclaimer (cont'd.)

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# Executive Summary



## Key takeaways:

1. Overall **balance** of reported accounts **increased by approximately \$609M** from December 31<sup>st</sup> to January 31<sup>st</sup>.
2. Mainly **driven by:**
  - a) **+\$210M** Increase in central Government's Treasury Single Account balance ("TSA<sup>1</sup>")
  - b) **+\$179M** Increase Public Corporations and Legally Separate Entities
  - c) **+\$115M** Increase in Central Gov't Non-TSA Accounts.
  - d) **+\$92M** Increase in Restricted Accounts and/or subject to Title III Proceedings
  - e) **+14M** Increase in Pension Related Accounts.

Non-TSA Central Government balances are concentrated in the Department of Labor - PR Unemployment Trust Fund at the US Treasury (35%), Public Housing Administration (27%) and lotteries related funds (11%).

<sup>1</sup> Includes TSA Sweep Accounts.

<sup>2</sup> Refer to the footnotes on Slide 19 - Appendix A, pertaining to revised balances and newly identified accounts as of 12/31..

\* Refer to the groupings, 'G', as they summarize the current classifications presented in detail on Slide 8.

## Executive Summary (cont'd.)

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- AAFAF started its efforts to identify government bank accounts and their balances to obtain a comprehensive view of the cash position of the Government. Requests were sent to governmental instrumentalities, the Office of the Commissioner of Financial Institutions (“OCIF”) and various commercial banks.
- Based on the information obtained, AAFAF prepared an inventory of bank accounts across governmental instrumentalities, including those outside the scope of the fiscal plans submitted to the Financial Oversight and Management Board for Puerto Rico (“FOMB”).
- The exercise and the inventory described in this presentation, which had not been conducted by prior administrations, obtained information on +800 bank accounts. AAFAF now has centralized access to bank account information for most of the Government.
- AAFAF has conducted this process in consultation with the FOMB and its advisors, and has been providing periodic reports to the FOMB since July 2017.
- On October 31, 2017, AAFAF commenced publishing weekly cash flow reports for the TSA on its website and EMMA. On December 18, 2017, AAFAF commenced reporting on month-end cash balance position of the bank accounts included in this presentation to provide additional transparency.
- AAFAF has designed a five-step process to evaluate the cash position of the Government, as described herein. AAFAF has completed the first step of this process and will continue with the other steps to arrive at a comprehensive cash model.
- On December 18, 2017, the FOMB announced that it would conduct an independent forensic investigation of the information on Government bank accounts published by AAFAF. On February 6, 2018, the FOMB announced the retention of Duff & Phelps, LLC (“D&P”) to conduct this forensic analysis. D&P and AAFAF have participated in discussions to coordinate this process.
- The information presented excludes certain funds as set forth in the “Excluded Funds” slide.

# Process to Evaluate the Cash Position of the Government

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Steps	Overview
<b>1. Procure and validate complete set of bank accounts</b>	<ul style="list-style-type: none"><li>▪ AAFAF instructed banks, agencies and public corporations to provide inventory of bank accounts.</li><li>▪ Programmed list of bank accounts, in private financial institution web based platforms, which provide access to bank account detail.</li></ul>
<b>2. Conduct an independent evaluation of the source of funds in non-TSA bank accounts</b>	<ul style="list-style-type: none"><li>▪ Engage an independent firm to conduct an evaluation of the cash inflows and outflows into all governmental bank accounts.</li></ul>
<b>3. Perform a legal analysis to determine the restricted or unrestricted nature of funds at non-TSA bank accounts</b>	<ul style="list-style-type: none"><li>▪ Legal review of the results of the independent evaluation to confirm legal restrictions relative to funds deposited in the bank accounts.</li></ul>
<b>4. Determine potential excess cash available in non-TSA governmental bank accounts, if any</b>	<ul style="list-style-type: none"><li>▪ Determine operating cash needs at major component units.</li><li>▪ Assess reliance on appropriations from the TSA.</li><li>▪ Determine excess cash available across the bank accounts, if any.</li></ul>
<b>5. Evaluate and establish path to legally accessing excess cash at non-TSA instrumentalities, if any</b>	<ul style="list-style-type: none"><li>▪ Establish legal mechanism and process to access excess cash, if any.</li></ul>

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## Excluded Funds

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### Agency

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### Description

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#### Legislative Branch

- The Puerto Rico Legislative Assembly receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations.
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#### Judicial Branch

- The Puerto Rico Judicial Branch receives monthly transfers from the General Fund to fund its operations based on budgetary appropriations. The Judicial Branch also holds funds in custody related to legal proceedings.
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#### Municipal Funds

- Municipal funds include funds of Puerto Rico municipalities, the Municipal Revenue Collections Center and the Puerto Rico Municipal Finance Agency.
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#### Government Development Bank

- GDB was the subject of a Qualifying Modification which went effective on November 29, 2018. No funds either held by GDB or transferred to any entity as a result of the Qualifying Modification are accounted for herein.
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#### Investment Accounts

- Various investment accounts are included for certain instrumentalities (e.g. ERS, TRS, JRS, State Insurance Fund Corporation and Automobile Accident Compensation Administration, UPR).
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# Bank Account Balances for the Government and its Instrumentalities

\$ in millions		<i>Balance as of<sup>1</sup></i>		<i>Notes</i>
<i>Revised Grouping</i>	<i>12/31/2018</i>	<i>1/31/2019</i>		
G5	TSA	3,806.6	4,061.5	<ul style="list-style-type: none"> <li>Reported on a weekly basis on AAFAF's website.</li> </ul>
G5	TSA Sweep	116.3	71.3	<ul style="list-style-type: none"> <li>Accounts that collect income and completely pass through to TSA on a daily basis.</li> </ul>
G3	Pension Related	647.8	662.3	<ul style="list-style-type: none"> <li>On January 17, 2019, the Commonwealth, as grantor, and the Retirement Board for the Government of Puerto Rico, as administrator, created a trust pursuant to Act 106-2017 to hold temporarily in said trust individual employee contributions to be credited to their defined contribution retirement accounts. As of January 31<sup>st</sup>, 2019, the balance on the Trust accounts was of \$372.7 million of such contributions at the trust.</li> </ul>
G2				<ul style="list-style-type: none"> <li>Also included, the repayment of employee loans issued by the retirement system (\$261M).</li> </ul>
G1	Central Gov't Non-TSA	1,638.4	1,750.3	<ul style="list-style-type: none"> <li>\$618M at US Treasury pertaining to the PR Unemployment Trust Fund from the Department of Labor</li> <li>\$465M federal funds administered by the Public Housing Authority.</li> <li>\$200M lottery related funds.</li> </ul>
G1	COFINA	1,939.4	1,955.5	<ul style="list-style-type: none"> <li>Balances on deposit at BNYM and subject to the <i>Third Amendment Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation</i> ("the COFINA Plan"). The United States District Court for the District of Puerto Rico confirmed the COFINA Plan by amended order dated February 5, 2019. The COFINA Plan became effective on February 12, 2019.</li> </ul>
G1	Other Restricted Title III Accounts	790.7	788.4	<ul style="list-style-type: none"> <li>ERS related accounts (\$373M), GO Redemption Fund (\$268M), and clawback funds (\$147M).</li> </ul>
G1	PREPA	363.2	432.5	<ul style="list-style-type: none"> <li>Refer to the PREPA slide for breakdown of classified accounts.</li> </ul>
	PRASA	595.9	529.6	<ul style="list-style-type: none"> <li>Refer to the PRASA slide for breakdown of classified accounts.</li> </ul>
G4	HTA	474.9	484.0	<ul style="list-style-type: none"> <li>Refer to the HTA slide for breakdown of classified accounts.</li> </ul>
G1	UPR	398.5	400.1	<ul style="list-style-type: none"> <li>Refer to the UPR slide for breakdown of classified accounts.</li> </ul>
G4	ASES	73.7	252.5	<ul style="list-style-type: none"> <li>State and federal funds used mainly for payments of health insurance premiums and claims.</li> </ul>
G4	Other Public Corps & Legally Separate Entities	1,395.4	1,459.8	<ul style="list-style-type: none"> <li>Government entities with autonomous fiscal authority established by law.</li> </ul>
G4				<ul style="list-style-type: none"> <li>Slide 21 includes an overview of the entities and balances.</li> </ul>
<b>TOTAL</b>		<b>\$12,241</b>	<b>\$12,848</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$52.1M (28 accounts), which have not been updated as of the indicated dates.

<sup>2</sup> Refer to the footnotes on Slide 19 for Appendix A, on revised, reclassified and newly incorporated accounts.

\* Refer to the groupings, 'G', as they are summarized on Slide 4.



## TSA, TSA Sweep and Pension Related Accounts

\$ in millions Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2019	
TSA	3,806.6	4,061.5	<ul style="list-style-type: none"> <li>The TSA is the Government's main operational bank account in which a majority of receipts from governmental funds are deposited and from which most expenses are disbursed.</li> <li>It includes tax collections, charges for services, intergovernmental collections, the proceeds of prior short and long term debt issuances held in custody by the Secretary of Treasury for the benefit of Government fiduciary funds, and other receipts.</li> </ul>
<b>TOTAL</b>	<b>\$3,807</b>	<b>\$4,061</b>	

### TSA Sweep Accounts<sup>1</sup>:

General Collection Posts	-	-	<ul style="list-style-type: none"> <li>Account used for Government receipts from all the collection posts Island wide and the web based platform, known by its Spanish name as <i>Colecturía Virtual</i>. Receipts in collections posts account sweep daily to the TSA.</li> </ul>
SUT & Other	116.2	71.3	<ul style="list-style-type: none"> <li>Account used for consolidated receipts of Sales and Use Tax. Balances are swept on a daily basis into accounts held by the trustee of the COFINA bonds, the General Fund and/or the Municipal Administration Fund.</li> </ul>
Agency Collection Posts	-	-	<ul style="list-style-type: none"> <li>Account used to receive amounts collected by collection officers at the agencies mainly for charges for services and fees. Receipts in agency collections posts account sweep daily to the TSA.</li> </ul>
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	

### Pension Related:

Employee Withholding	647.8	662.2	<ul style="list-style-type: none"> <li>On January 17, 2019, the Commonwealth, as grantor, and the Retirement Board for the Government of Puerto Rico, as administrator, created a trust pursuant to Act 106-2017 to hold temporarily in said trust individual employee contributions to be credited to their defined contribution retirement accounts. As of January 31st, 2019, the balance on the Trust accounts was of \$372.7 million of such contributions at the trust.</li> <li>Also included, the repayment of employee loans issued by the retirement system (\$261M).</li> </ul>
Pay-go charges	-	-	<ul style="list-style-type: none"> <li>Pay-go charges include balances from payments made by municipalities and public corporations in connection with benefits paid to retirees. These Pay-Go related charges are being deposited in a separate specific account, and now programmed to sweep back to the TSA account for reimbursement of pension payments pertaining to Municipalities and Public Corporations.</li> </ul>
<b>TOTAL</b>	<b>\$648</b>	<b>\$662</b>	

<sup>1</sup> Includes Zero Balance Accounts which are accounts used for disbursements of vendors payments, payroll and pensions. These accounts make disbursements and are automatically replenished from the TSA account.

## Central Government – Non-TSA

Central Government Entity	Balance as of <sup>1</sup>		Notes
	12/31/2018	1/31/2019	
Public Housing Administration	465.8	465.3	<ul style="list-style-type: none"> <li>PHA accounts include grants of federal funds received to finance public housing programs and their operations.</li> </ul>
Other Treasury Custody Accounts	210.1	280.7	<ul style="list-style-type: none"> <li>Other Treasury Custody Accounts include balances from the <i>Lotteries</i>.</li> </ul>
Department of Labor and Human Resources	752.4	765.5	<ul style="list-style-type: none"> <li>DLHR accounts include operational accounts and other funds as follows:               <ul style="list-style-type: none"> <li>PR Unemployment Trust Fund at US Treasury (\$618M)</li> <li>Work Opportunity Incentive Fund to finance an incentive program to promote job creation.</li> <li>Contribution Trust Fund from employers' receipts used to pay claims to employees.</li> <li>Act No. 15 special revenues for operations.</li> </ul> </li> </ul>
Child Support Administration	51.1	49.8	<ul style="list-style-type: none"> <li>Custody bank account containing child support payments from non-custodial parents.</li> </ul>
Puerto Rico Police	23.1	49.1	<ul style="list-style-type: none"> <li>Bank account used to process Police Department payroll funded through budget appropriations.</li> </ul>
Department of Housing	4.9	4.2	<ul style="list-style-type: none"> <li>DOH accounts include grants of federal funds received to finance public housing programs and their operations.</li> </ul>
DDEC	14.2	17.6	<ul style="list-style-type: none"> <li>DDEC accounts include operational accounts from General Fund appropriations and internally generated revenues, Act No. 22-2012 (\$5.6M), film program (\$2.1M) and federal funds.</li> </ul>
9-1-1 Services	18.7	19.4	<ul style="list-style-type: none"> <li>9-1-1 Services account represents their operational account from special revenues (Act 144-1994).</li> </ul>
Other Non-TSA Entities	98.3	101.8	<ul style="list-style-type: none"> <li>Description included in Appendix B.</li> </ul>
<b>TOTAL</b>	<b>\$1,638</b>	<b>\$1,753</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$30M, which have not been updated as of the indicated dates.

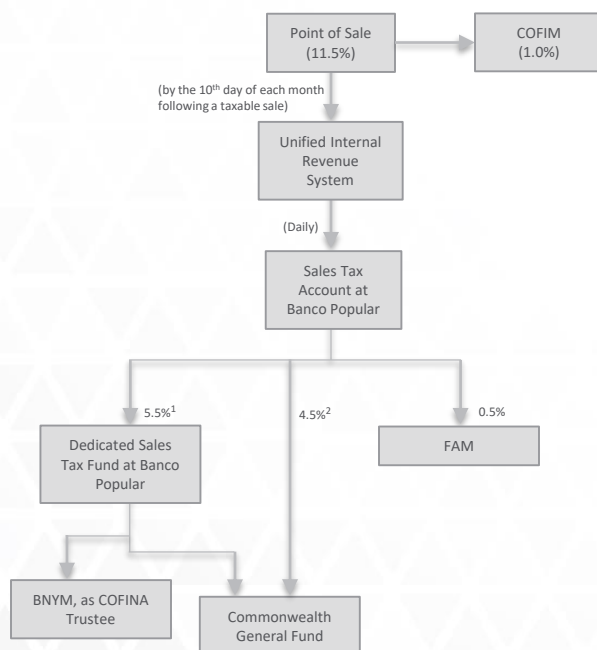
<sup>2</sup> Refer to the footnotes on Slide 19 for Appendix A, on revised, reclassified and newly incorporated accounts.

# Restricted Accounts Subject to Title III Proceedings - COFINA

\$ in millions

<i>Grouping</i>
COFINA Debt Service and Federal Subsidy Accounts at BNYM <sup>3</sup>

	<i>Balance as of</i>	
	<i>12/31/2018</i>	<i>1/31/2019</i>
	\$1,939.4	\$1,955.6



- The Puerto Rico Sales Tax Financing Corporation (“COFINA”) was created pursuant to Act No. 91-2006, as amended, and, prior to the commencements of its Title III proceeding, had issued bonds payable solely from a portion of the sales and use tax imposed by the Government on qualified transactions.
- Sales and use tax collections are consolidated at an account at Banco Popular de Puerto Rico (“BPPR”).
- Amounts are swept on a daily basis into corresponding accounts at BNYM, as trustee for the COFINA bondholders, the Puerto Rico Treasury Department and/or the Municipal Administration Fund.
- As of January 31, 2019, subject to orders of the Title III Court, COFINA’s Amended and Restated Sales Tax Revenue Bond Resolution, as amended on June 10, 2009, (the “2009 Resolution”), governed application of funds held by BNYM. BNYM applies the funds received from BPPR pursuant to the waterfall set forth in the 2009 Resolution. BNYM also receives certain funds from the Federal Government in connection with certain bonds issued by COFINA that receive a federal interest subsidy. The funds on deposit at BNYM may solely be used to pay COFINA bonds and obligations.
- Balance as of January 31, 2019 was restricted pursuant to the court order issued by the United States District Court for the District of Puerto Rico in Adversary Proceeding Nos. 17-133-LTS and 17-257-LTS in COFINA’s Title III proceeding under PROMESA.
- The COFINA Pledged Sales Tax Base Amount deposit requirement for FY19 has been met. Further allocations of the 5.5% Sales and Use Tax transferred through June 30<sup>th</sup>, 2019, go to the Commonwealth’s General Fund.
- The United States District Court for the District of Puerto Rico confirmed the Third Amendment Title III Plan of Adjustment of the Debts of Puerto Rico Sales Tax Financing Corporation (the “COFINA Plan”) by amendment order dated February 5, 2019. The COFINA Plan became effective on February 12, 2019.

<sup>1</sup> Under the 2009 Resolution and then-applicable by law, first revenues up to the “Pledged Sales Tax Base Amount” for the particular fiscal year are deposited with Bank of New York Mellon, as COFINA Trustee. Then, an amount equal to the amount deposited with the COFINA Trustee is transferred to the Government’s General Fund. All other amounts after the Government has received such amount are divided equally between COFINA and the Government. Modification to the foregoing became effective on February 12, 2019.

<sup>2</sup> Corresponds to the 4.5% sales and use tax surcharge.

## Restricted Accounts Subject to Title III Proceedings

Grouping Subcategory	Balance as of <sup>1</sup>		Notes
	12/31/2018	1/31/2019	
ERS Related Accounts	376.0	373.3	<ul style="list-style-type: none"> <li>▪ \$87M for operational purposes.</li> <li>▪ \$109M relating to proceeds from sale of investments.</li> <li>▪ \$93M corresponding to a Post-petition Segregated Account created as part of a stipulation entered into as part of the Title III proceedings.</li> </ul>
GO Redemption Funds	268.1	268.1	<ul style="list-style-type: none"> <li>▪ Revenues from the 1.03% property tax collected since fiscal year 2017 and deposited in the Public Debt Redemption Fund, the use of which is currently restricted to the payment of general obligation debt.</li> </ul>
Clawbacks	146.6	146.6	<ul style="list-style-type: none"> <li>▪ \$147M corresponding to revenues retained (or “clawed-back”) by the Government in fiscal year 2016 pursuant to Executive Order 2015-46 for the payment of General Obligation debt.</li> </ul>
<b>TOTAL</b>	<b>\$791</b>	<b>\$788</b>	

*The aforementioned funds are held in segregated accounts and most of them are subject to various claims under the Title III proceedings. The ultimate use of the funds may be subject to court determination.*

<sup>1</sup> Except for accounts with an aggregate balance of \$20.3M, which have not been updated as of the indicated dates.

<sup>2</sup> Refer to the footnotes on Slide 19 for Appendix A, on revised, reclassified and newly incorporated accounts.

## Restricted Accounts / Subject to Title III Proceedings - PREPA

Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2019	
Operating	260.7	330.7	<ul style="list-style-type: none"> <li>Increase primarily due to positive operating cash flow and timing of emergency spend and related FEMA reimbursements</li> </ul>
Segregated	0.0	0.0	<ul style="list-style-type: none"> <li>No significant change from prior month</li> </ul>
FEMA	2.8	2.0	<ul style="list-style-type: none"> <li>Decrease due to transfer from FEMA account to Operating Account</li> </ul>
Insurance (Restricted)	50.6	50.6	<ul style="list-style-type: none"> <li>No significant change from prior month</li> </ul>
Construction & Other Restricted	32.7	32.7	<ul style="list-style-type: none"> <li>No significant change from prior month</li> </ul>
US Bank Accounts	16.5	16.5	<ul style="list-style-type: none"> <li>No significant change from prior month</li> </ul>

<b>TOTAL</b>	<b>\$363</b>	<b>\$432</b>
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# PRASA

Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2019	
Debt Service Accounts	118.1	52.5	<ul style="list-style-type: none"> <li>Payment of principal and interest on senior and senior sub indebtedness due on 1/1/19.</li> <li>Funding for the Commonwealth Guaranteed Debt and Commonwealth Supported Obligations</li> </ul>
Debt Service Reserve	93.8	94.7	<ul style="list-style-type: none"> <li>Debt service required as requested by the MAT for 2008 Series A&amp;B Bonds</li> </ul>
Operating Reserve	93.6	95.8	<ul style="list-style-type: none"> <li>To cover the operating reserve fund for current expenses as required per the MAT. Increase considers deposits made by PRASA following requirements under the MAT.</li> </ul>
Current Expense Fund	90.1	94.5	<ul style="list-style-type: none"> <li>For payment of operational expenses.</li> </ul>
Revenue Fund	3.9	4.8	<ul style="list-style-type: none"> <li>To fund trust reserves with amounts held in deposit following the MAT priority schedule (Sr Debt Service, Sr Sub Debt Service, Current Expense Fund, Operating Reserve, Capital Improvement Fund and the Commonwealth Payment Fund. June increase is related of government payments received.</li> </ul>
Capital Improvement	60.9	61.0	<ul style="list-style-type: none"> <li>Balance to pay for capital improvement investments deposited on a fund held by the Trust</li> </ul>
Construction Fund	58.0	55.6	<ul style="list-style-type: none"> <li>To pay cost of improvements, payment of the costs of issuance of bonds, and interests during construction.</li> </ul>
Disaster Recovery	76.4	69.5	<ul style="list-style-type: none"> <li>Proceeds in accounts for Disaster Recovery Efforts. Moneys including advancements on Insurance proceeds and FEMA Public Assistance Program</li> </ul>
Compliance Escrow	1.2	1.2	<ul style="list-style-type: none"> <li>Established through Consent Decree and Transactional Agreements with the Department of Health.</li> </ul>
<b>TOTAL</b>	<b>\$596</b>	<b>\$530</b>	

## Restricted Accounts / Subject to Title III Proceedings - HTA

Grouping Subcategory	Balance as of		Notes
	12/31/2018	1/31/2019	
Operational	19.7	24.5	<ul style="list-style-type: none"> <li>Includes construction and operational accounts. This bank account is the main deposit account for HTA. Funds from this account are commonly transferred to other HTA bank accounts to cover operational expenses, including payroll accounts for payroll, payroll taxes, and discounts. The increase (+\$4.8M) is primarily due to the net effect of operating and intra-government receipts (+\$21.9M) and transfers from other accounts offsetting operating expenses other than payroll (-\$17.0M) during the month.</li> </ul>
Payroll	7.1	12.5	<ul style="list-style-type: none"> <li>Related to payroll and payroll taxes. The increase (+\$5.4M) is due to transfers from the Operational Account (+\$11.7M) offsetting payroll and payroll taxes payments for the month of January (-\$6.3M).</li> </ul>
Federal Funds	1.2	4.7	<ul style="list-style-type: none"> <li>HTA receives federal funds from the Federal Highway Administration ("FHWA") and the Federal Transit Administration ("FTA") and uses those funds to spend on FHWA and FTA earmarked infrastructure projects. The increase (+\$3.5M) is primarily due to net effect during the month of FHWA and FTA inflows (+\$19.4M) offsetting federal capex spending (-\$7.0M) and transfers to other accounts (-8.9M) during the month.</li> </ul>
Reserve	362.7	359.4	<ul style="list-style-type: none"> <li>Consists of restricted/reserved funds for operational and construction contracts. The decrease (-\$3.3) is primarily due to net effect of transfers from/to other accounts (-3.3M) during the month.</li> </ul>
BNY Accounts (Debt Issuance)	81.9	82.8	<ul style="list-style-type: none"> <li>Consists of restricted/reserved funds for debt issuance.</li> </ul>
<b>TOTAL</b>	<b>\$473</b>	<b>\$484</b>	



# ASES

\$ in millions			
<b>Grouping Subcategory</b>	<b>Balance as of</b>		<b>Notes</b>
	<b>12/31/2018</b>	<b>1/31/2019</b>	
Premium Payments Account	0.8	177.7	<ul style="list-style-type: none"> <li>▪ Premium Payments account receives federal and state funding, and makes disbursements for Managed Care Organizations (“MCO”) premiums.</li> </ul>
Control Account	72.9	75.5	<ul style="list-style-type: none"> <li>▪ The Control Account receives monies from the Rebates and Operational accounts, and makes disbursements for MCO premiums, and general overhead and payroll expenses.</li> <li>▪ The monthly reduction is a timing variance related to receipt of offsetting federal funds related to the federal Bipartisan Budget Agreement, incremental to the approved FY18 federal funds budget, and the related discontinuation of Commonwealth funds to ASES.</li> </ul>
Rebates and Operational Accounts	-	-	<ul style="list-style-type: none"> <li>▪ The Operational account receives monies from appropriations of approximately \$4M per month and additional \$4M to \$5M from federal administrative reimbursements.</li> <li>▪ Each day cash is swept into the control accounts, which brings balance to zero in Operational Account. The Rebate Account operates the same way in that monies are swept from it to Control Account.</li> </ul>
<b>TOTAL</b>	<b>\$74</b>	<b>\$253</b>	

# UPR

\$ in millions	<b>Bank Balances as of</b>		
<b>Grouping Subcategory</b>	<b>12/31/2018</b>	<b>1/31/2019</b>	<b>Notes</b>
Operational Accounts <sup>1</sup>	298.1	300.6	<ul style="list-style-type: none"> <li>▪ Increase of \$2.5M in operational account balances is primarily due to an increase in restricted Pell Grant funds at Recinto de Mayaguez.</li> <li>▪ Approximately \$288.6M, or 96.0% of UPR operational funds are held in five (5) accounts managed by Central Administration, \$145.4M of which are restricted:               <ul style="list-style-type: none"> <li>▪ \$158.4M market value of a securities account (\$90M internally restricted)<sup>1</sup>,</li> <li>▪ \$66.6M in a money market account (\$15.5M<sup>2</sup> restricted),</li> <li>▪ \$33.9M in hurricane insurance proceeds account (restricted),</li> <li>▪ \$23.7M in concentration account (unrestricted),</li> <li>▪ \$6.0M in Pell grant account at Recinto de Mayaguez at BPPR (restricted).</li> </ul> </li> <li>▪ Approximately \$8.2M is in thirty nine (38) active Banco Popular bank accounts managed by UPR, or it's units, which typically contain deposits of federal student aid (\$8.1M restricted).<sup>3</sup></li> </ul>
Component Units Accounts	35.0	33.6	<ul style="list-style-type: none"> <li>▪ Decrease of \$1.4M in component unit account balances mainly due to decrease in Retirement System accounts and DUI debt service accounts.</li> <li>▪ \$15.1M in 12 accounts at <i>DUI</i> (\$13.8M restricted),</li> <li>▪ \$15.1M in 4 accounts at <i>Servicios Médicos Universitarios, Inc. ("SMU")</i> (\$8.3M restricted),</li> <li>▪ \$2.1M in 2 restricted accounts at <i>University of Puerto Rico Parking System Inc.</i>,</li> <li>▪ \$1.0M in 2 restricted accounts related to Retirement Systems,</li> <li>▪ \$0.3M in 2 accounts at <i>Materials Characterization Center, Inc.</i> (\$0.1M restricted).</li> </ul>
Bond Sinking Fund Accounts	62.4	65.4	<ul style="list-style-type: none"> <li>▪ Increase of \$3.0M is primarily due to scheduled funding deposits required for the biannual debt payments according to the UPR Bond Trust Agreement. Next payment is due in June of 2019.</li> <li>▪ Three restricted US Bank accounts related to debt service obligations on UPR revenue bonds.</li> </ul>
<b>TOTAL</b>	<b>\$396</b>	<b>\$400<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• 12/31/18: \$239.3M Restricted (\$150.3M operational; \$26.6M CUs; \$62.4M bonds), or 78%.</li> <li>• 1/31/19: \$248.0M Restricted (\$157.3M operational; \$25.3M CUs; \$65.4M bonds), or 79%.</li> </ul>

***In general, the unrestricted account balances in operational accounts are used as working capital for payments of the ordinary obligations of the University, which are not subsidized by other sources. For example, accounts payable, budget deficits (including those related to UPR's Retirement System), and needs resulting from spend/reimbursement timing and uninsured portions for 2017 hurricane damages.***

<sup>1</sup> UPR purchased T-Bills with monies from the BPPR money market account in three trades, each \$50M - with maturities of only 30, 60 and 90 days, most of which has been earmarked for Capital Expenditure projects.

<sup>2</sup> Building and Facilities (Molecular Sciences/Plant Nursery): \$7.8M; Endowment Fund: \$6.2M; Perkins Federal Program: \$1.0M; Donations: \$0.5M.

<sup>3</sup> Overall balance also includes restricted funds totaling \$0.4M in a donation account at Banco Santander and \$3.4M at UBS.

<sup>4</sup> Confirming whether there are other legally separate entities, under the UPR structure that could have additional bank accounts. For example, totals do not include approximately \$51M in restricted endowment funds held in a separate bank account at BNY Mellon. Will continue to update disclosure as information is available and validated.

## Other Public Corporations and Legally Separate Entities

PC or Legally Separate Entity	Balance as of <sup>1</sup>		Notes
	12/31/2018	1/31/2019	
State Insurance Fund Corporation	231.2	310.9	<ul style="list-style-type: none"> <li>Almost all of the balances include unrestricted operational accounts for premium collections and concentration purposes. The remaining balance consists of reserve and operational pass-through accounts.</li> </ul>
Automobile Accident Compensation Administration	123.7	126.3	<ul style="list-style-type: none"> <li>The majority of these funds represent investment reserves for the purposes of meeting future benefit payments, a standard operating procedure of insurance providers. The remaining amounts are mostly used for operational expenses.</li> </ul>
Tourism Company	106.3	111.4	<ul style="list-style-type: none"> <li>\$63.8M in debt service reserve accounts, \$7.3M related to room tax revenues and the rest are funds in operational accounts.</li> </ul>
Agricultural Enterprises Development Administration	61.2	64.4	<ul style="list-style-type: none"> <li>The majority of the balances include operational accounts including sweep and deposit accounts. The remaining balances consist of restricted/reserve accounts.</li> </ul>
Housing Financing Authority	70.9	54.6	<ul style="list-style-type: none"> <li>A portion of the balances are composed of restricted accounts including debt service, escrow, and federal funds. The remaining accounts are unrestricted operational accounts.</li> </ul>
Industrial Development Company	138.9	162.7	<ul style="list-style-type: none"> <li>Most of these funds are deposited for specific uses including, but not limited to, debt service reserves, incentive payments established by law, and capital expenditures. Remaining funds are mostly used for PRIDCO and Rums of PR operating expenses.</li> </ul>
Other Public Corporations <sup>2</sup>	663.3	629.6	<ul style="list-style-type: none"> <li>Description included in Appendix C.</li> </ul>
<b>TOTAL</b>	<b>\$1,395</b>	<b>\$1,460</b>	

<sup>1</sup> Except for accounts with an aggregate balance of \$.2M which have not been updated as of the indicated dates.

<sup>2</sup> Refer to the footnotes on Slide 19 for Appendix A, on revised, reclassified and newly incorporated accounts.

## Appendix A: Reconciliations and Revisions of Reported Balances to Date

### Detail of Updated Balances vs. November 30<sup>th</sup> disclosure

(12/31/2018 balances reported on January, \$ in millions)

\$ in M	TSA	TSA Sweep	Pension related	Central Government - Non TSA	COFINA DSR	Other Restricted Title III Accounts	PREPA	PRASA	HTA	UPR	ASES	Other Public Corp's.	Total
Reported 12/31 Balances	3,727.4	136.6	649.2	1,645.6	1,939.4	790.5	363.2	596.0	390.8	395.6	73.3	1,402.3	12,110
Account Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-	0
Revisions to Balances	-	(20.3)	(1.3)	(7.4)	-	-	-	-	2.2	2.5	-	(8.0)	46.9 <sup>2</sup>
Incorporated Accounts	-	-	-	.2	-	-	-	-	81.9 <sup>1</sup>	.4	-	1.1	83.6
Removed Accounts	-	-	-	-	-	-	-	-	-	-	-	-	0
Revised 12/31 Balances	3,806.6	116.3	647.9	1,638.4	1,939.4	790.5	363.2	596.0	474.9	398.5	73.3	1,395.4	12,240

<sup>1</sup> Newly incorporated accounts for HTA at Bank of New York Mellon, classified as restricted and debt service related.

<sup>2</sup> Revisions to Balances across various entities and accounts, mainly for the programmed accounts at local banks, as the online reads for the prior disclosure were as of 12/28 in various instances, including the TSA, instead of 12/31 as per month end bank statement balance.

# Appendix B: Central Government – Non TSA

\$ in '000s

<u>Agency Name</u>	<i>Balance as of</i>		<i>DELTA</i>
	<u>12/31/2018</u>	<u>1/31/2019</u>	<u>1/31/2019</u>
PR Investment Fund	\$ 33,827.48	\$ 33,833.74	\$ 6.26
Office of Government Ethics	5,702.1	5,861.9	159.7
Telecommunication's Regulatory Board	12,293.0	12,906.6	613.7
Department of Education	23,418.8	24,624.8	1,206.0
Office of the Comptroller	5,984.2	6,216.7	232.4
Administration for Socioeconomic Development of the Family	150.8	135.0	(15.8)
Institute of Statistics	2,977.1	2,995.6	18.4
Institute of Forensic Sciences	4,114.7	4,022.0	(92.6)
Department of Correction and Rehabilitation	1,585.7	1,581.3	(4.4)
OCAM - OGP	2,538.6	2,538.6	-
Puerto Rico Education Council	4,265.5	3,534.9	(730.5)
Families and Children Administration	246.5	258.1	11.6
Environmental Quality Board	253.2	2,115.1	1,861.9
Puerto Rico National Guard	3.6	3.5	(0.1)
Department of Natural Resources	-	-	-
Department of Justice	12.3	12.3	-
Office of Socioeconomic Development	351.1	352.0	0.9
Department of Consumer Affairs	458.4	441.0	(17.4)
Industrial Commission	-	-	-
Commonwealth Election Commission	98.3	326.3	228.1
Office of the Governor	9.9	-	(9.9)
<b>Total</b>	<b>\$ 98,291</b>	<b>\$ 101,759</b>	<b>\$ 3,468</b>

# Appendix C: Other Public Corporations and Legally Separate Entities

\$ in '000s

Agency Name	Balance as of		DELTA
	12/31/2018	1/31/2019	1/31/2019
Government Employee and Judiciary Retirement System Administration	\$ 1,866.30	\$ 1,867.32	\$ 1.02
Public Buildings Authority	85,121.6	70,426.2	(14,695.4)
Comprehensive Cancer Center	26,769.3	27,621.4	852.1
Other	16,814.9	15,522.2	(1,292.7)
Fiscal Agency and Financial Advisory Authority	44,184.5	48,397.9	4,213.4
Financial Oversight Board	25,313.0	28,370.6	3,057.6
Ports Authority	30,281.9	34,070.3	3,788.4
Infrastructure Financing Authority	81,791.8	77,409.6	(4,382.1)
Medical Services Administration	27,034.9	28,444.5	1,409.6
Puerto Rico Trade and Export Company	14,867.3	14,193.9	(673.4)
Economic Development Bank	105,420.5	104,918.6	(501.9)
Land Authority	14,675.1	15,123.0	447.9
Teacher's Retirement System	9,506.1	8,592.9	(913.2)
Puerto Rico and the Caribbean Cardiovascular Center Corporation	10,384.5	8,661.9	(1,722.6)
Integrated Transport Authority	15,019.6	13,920.2	(1,099.4)
Solid Waste Authority	12,286.8	12,099.4	(187.4)
Convention Center District Authority	22,386.4	18,658.4	(3,728.0)
Farm Insurance Corporation	5,329.9	5,171.0	(158.9)
Land Administration	11,786.1	11,699.7	(86.4)
Musical Arts and Stagecraft Corporation	5,556.0	5,504.1	(51.8)
Energy Commission	9,960.6	13,073.8	3,113.2
National Guard Institutional Trust	5,908.5	5,908.5	-
Institute of Puerto Rican Culture	4,532.3	3,606.0	(926.3)
Fine Arts Center Corporation	3,695.9	3,933.7	237.9
Public Broadcasting Corporation	898.4	1,227.8	329.4
Authority for the Redevelopment of the land and facilities of the Roosevelt Roads Naval Station	1,740.1	2,172.7	432.6
Conservatory of Music	1,578.3	1,734.5	156.2
Center for Research, Education and Medical Services for Diabetes	801.3	811.0	9.7
Company for the Integral Development of Cantera's Peninsula	722.2	690.3	(31.9)
School of Plastic Arts	593.1	1,326.5	733.3
Port of the Americas Authority	-	-	-
Culebra Conservation and Development Authority	121.3	121.7	0.4
Bosque Modelo de PR	107.9	111.0	3.2
Martín Peña Canal ENLACE Project Corporation	5.0	5.0	-
Public Private Partnership Authority	66,293.7	44,178.2	(22,115.5)
<b>Total</b>	<b>\$ 663,355</b>	<b>\$ 629,574</b>	<b>\$ (33,781)</b>