
Commonwealth of Puerto Rico

Current Liquidity Situation and Implications

November 18, 2016

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The Financial Oversight and Management Board Requested an Assessment of the Commonwealth Liquidity

- This presentation will be mainly focused on the Treasury Single Account ("TSA"), which pools approximately two thirds of the Commonwealth's cash flows.
- My intention today is to provide the Oversight Board with an overview to facilitate the understanding about:
 - What is the TSA
 - What is the updated Cash Flow forecast through FY17
 - Recent Historical cash trends that reflect how deficits have been covered
 - What measures have been implemented to preserve cash
 - Where are the proceeds from Clawbacks and Moratorium
 - What is the structure of the Commonwealth's financial debt
 - What debt is being paid currently
 - What are the key considerations the Oversight Board and the new government should address as soon as possible?

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- III. Historical Cash Flow Trends
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The Scope of This Liquidity Report is the TSA, Which Channels Approximately Two Thirds of the Commonwealth Cash Flow

Scope	Description	Select Examples of Covered Entities ⁽¹⁾
<p style="text-align: center;">TSA Treasury Functions</p>	<ul style="list-style-type: none"> ▪ TSA performs treasury functions for agencies without self-generated revenues and independent treasuries ▪ These agencies primarily rely on General Fund (GF) appropriations for operations 	<ul style="list-style-type: none"> ▪ Department of Education ▪ Police ▪ Legislative Assembly ▪ Department of Health ▪ Department of Family ▪ Other Agencies
<p style="text-align: center;">Outside TSA Pool</p>	<ul style="list-style-type: none"> ▪ Entities that maintain independent treasuries (i.e., manage their own cash flows and bank accounts) ▪ Many of these receive either GF and/or pledged revenues that are disbursed from the TSA, these interactions with the TSA are noted beside the entity in the box to the right 	<ul style="list-style-type: none"> ▪ UPR - Receives GF appropriations incl. formula ▪ PREPA/PRASA - Receives GF appropriations for central gov't utilities ▪ HTA - Receives pledged to debt and others ▪ PBA - Receives GF rent appropriations for OpEx and debt service ▪ ASES - Receives fed. funds, GF appropriations ▪ ASEM – GF appropriations ▪ Pension Funds⁽²⁾ ▪ Municipalities - Receives GF appropriations ▪ COFINA

(1) List is not intended to be exhaustive.

(2) TRS and ERS manage the fund assets which are periodically liquidated to transfer to the TSA for the payment of benefits.

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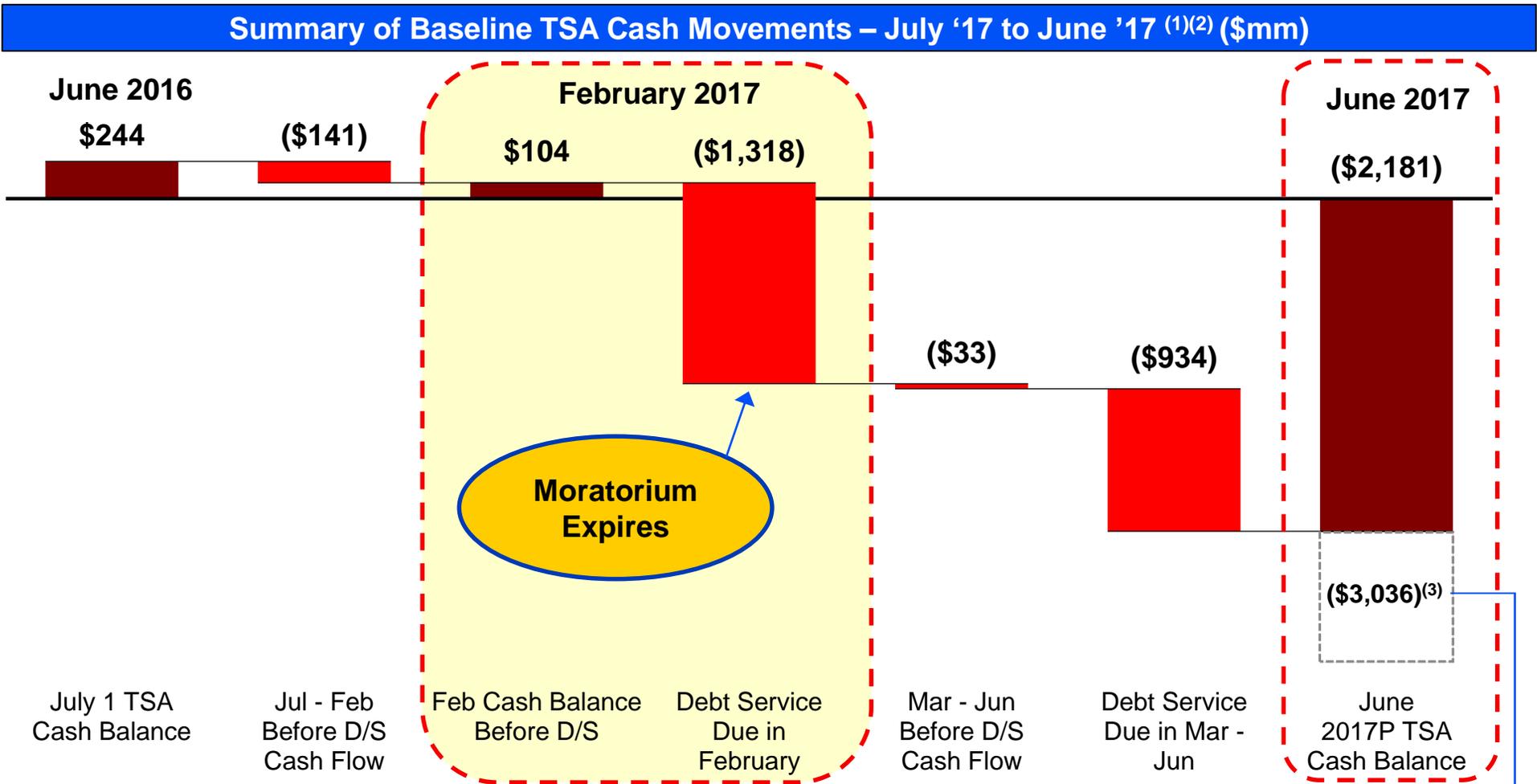
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Cash Projections for the FY 2017 Based on Current Law

- The TSA will not have sufficient liquidity to meet its obligations when the Moratorium period expires
- Excluding debt service, the TSA is expected to end FY 2017 with a bank cash balance of \$71 million



1. See following pages for additional details and notes.

2. Projections as of October 21, 2016.

3. Cash deficit increases to approx. \$3.0 billion assuming repayment of withheld pledged revenues, clawback revenues, and PFC and PRIFA mental health (ASSMCA) debt service, see baseline scenario cash flow details in later pages for more detail.

Key Risks in the FY 2017 Forecast and Issues to Consider in FY 2018

- **ACA Funds:** Significant risk of \$0.8 Bn in FY 2018 (partial year impact), increasing to \$1.5 Bn in FY 2019 and will continue to increase in future years
- **Act 154:** Significant risk of \$0.5 Bn in FY 2018 (half year impact), increasing to \$1.0 Bn in FY 2019
- **Pensions:** Liquid assets of the pension system are expected to be exhausted in early FY 2018 or sooner, necessitating higher contributions to the pension system or a switch to a full "pay-go" system with even higher future payments; the TSA cash flow herein assumes pension system transfers through FY 2017
- **Special Revenue Funds:** Non budgeted funds with positive accounting balances without corresponding cash reserves could have a significant impact on liquidity
- **Litigation Expenses:** After the expiration of the moratorium period the Commonwealth is exposed to litigation, which costs are not in the projections
- Potential deteriorating Component Unit liquidity that operate independent treasuries
- **Cash Inflows Are Limited by Seasonality:** General Fund collections are heavily weighted to the 2nd half of the fiscal year; The first half of the year also includes ~\$720 million of COFINA debt service

FY 2017 Projected GF Collections (\$ Bn)

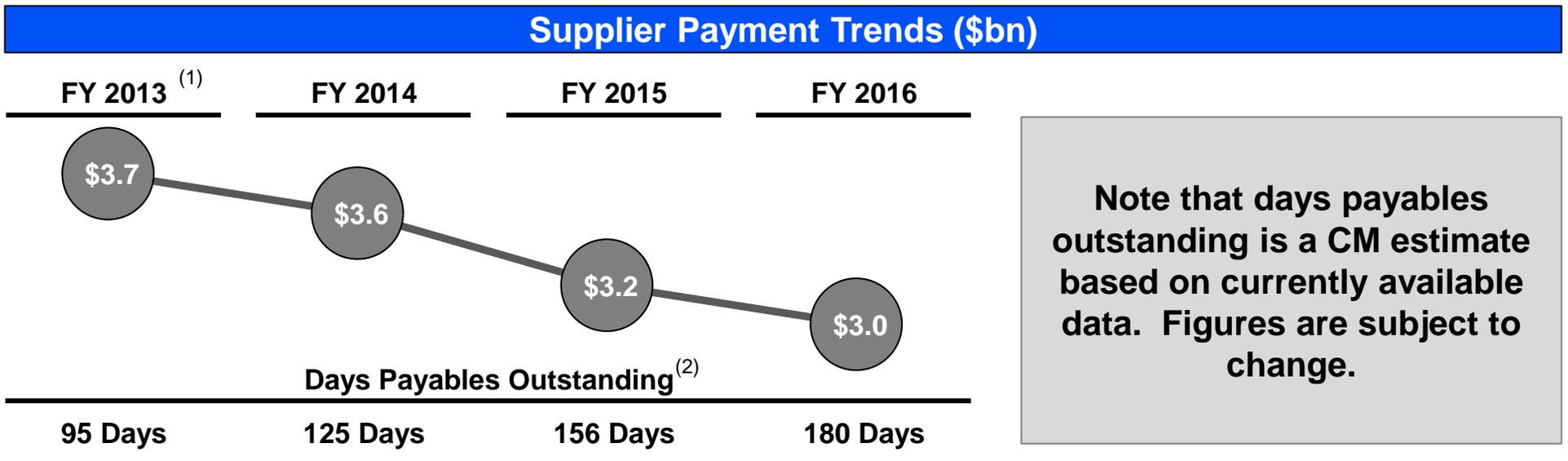
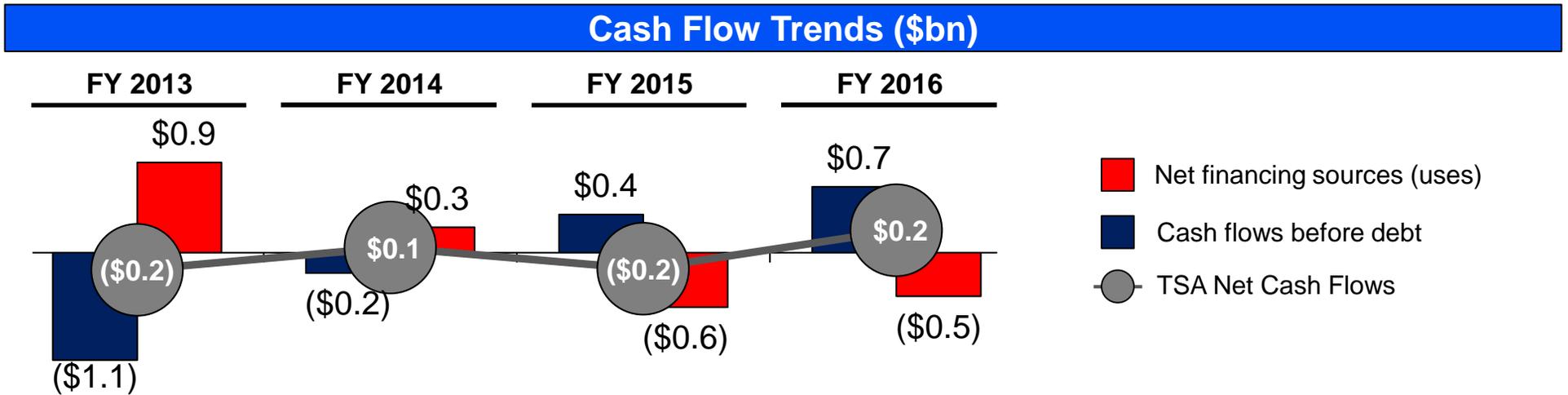


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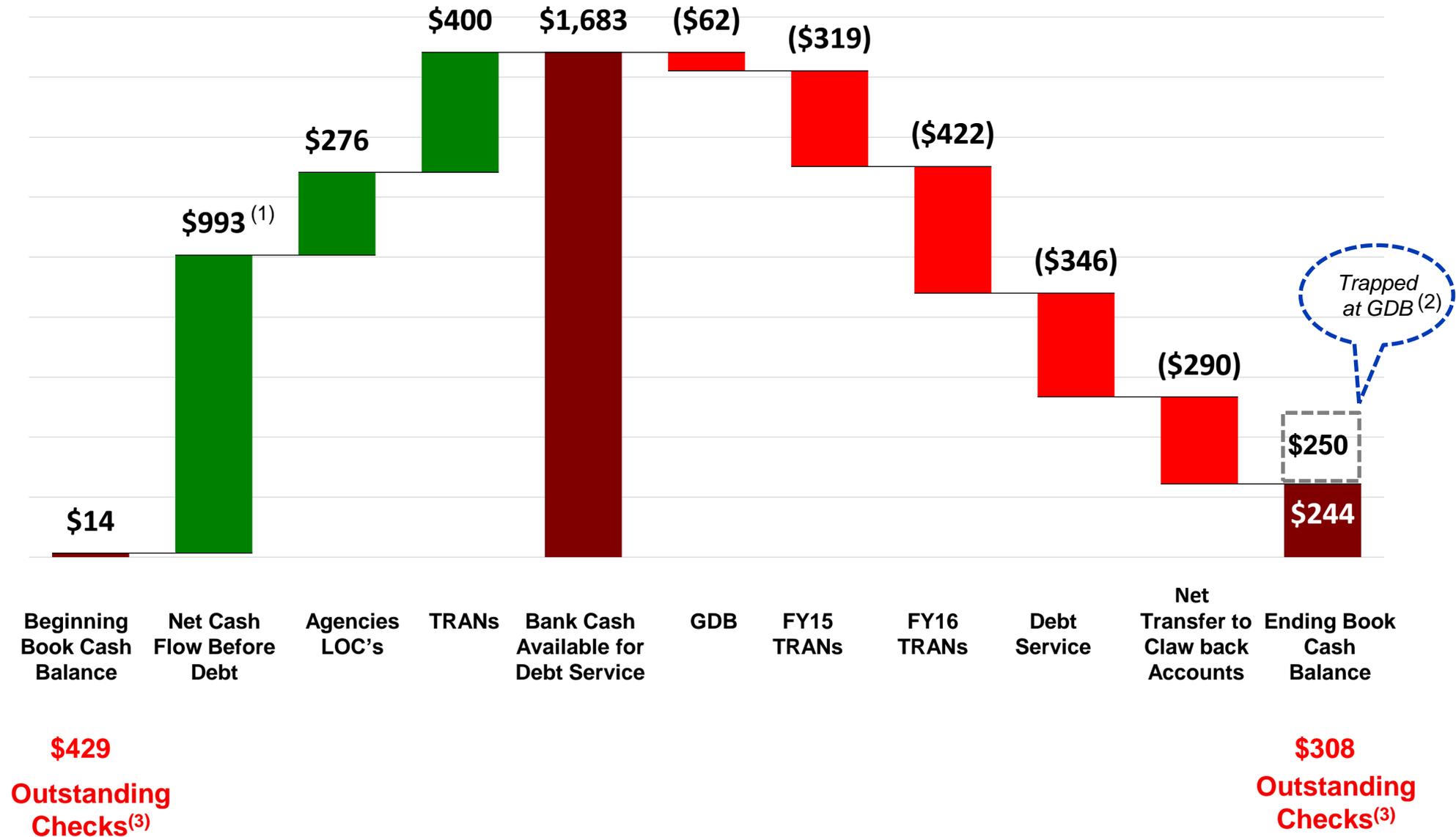
Historical Cash Flow Trends

Historically, the Commonwealth has relied on the credit markets for deficit financing, but delaying vendor payments has also been an important source of financing



1) FY 2013 supplier payments were categorized differently than in other fiscal years. For comparison purposes, certain adjustments were made to FY 2013 to provide a fair historical comparison.
 2) Based on accounts payable data from PR CAFR for FY13 and FY14 and PR Treasury Department estimates for FY15 and FY16

FY 2016 Cash Flow Reconciliation



1) Includes clawback revenues.

2) Deposits at GDB are subject to the provision of Act 21-2016 and Executive Orders.. Excludes clawback accounts at GDB and non-TSA accounts at GDB

3) For FY 2015, outstanding checks and restricted deposits used by the Commonwealth amounted to \$506 million, the sum of outstand checks (\$429mm) and deferral of payments to governmental agency (\$78 mm); amounts do not add up due to rounding. FY 2016 outstanding checks includes \$2 million in checks in transit not in possession of Treasury.

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Short-Term Measures Taken by the Commonwealth to Manage Liquidity in FY 2016

FY 2015/16 Year-End Liquidity Measures

	2015	2016
Fiscal Year End (June 30) Cash Balance <u>After</u> Measures ⁽¹⁾	\$14	\$244
Long Term Loan from the State Insurance Fund issued in June 2015	(\$100)	n/a
Deferral of TRANs Payment	(\$300)	n/a
Non-Payment of General Obligation Debt Service ⁽²⁾	n/a	(\$633)
Non-Payment of PFC Debt Service	n/a	(\$94)
Non-Payment of PRIFA Dedicated Rum Bonds Debt Service	n/a	(\$113)
Non-Payment of GDB Appropriation Debt Service	n/a	(\$275)
Accounts Payable Deferral ⁽³⁾	(\$89)	(\$231)
Deferral of Payment to Governmental Entities ⁽⁴⁾⁽⁵⁾	(\$78)	(\$119)
Fiscal Year End (June 30) Cash Balance <u>Before</u> Measures	(\$553)	(\$1,221)
<i>Outstanding Checks at June 30 ⁽⁵⁾</i>	<i>\$429</i>	<i>\$308</i>
<i>Unpaid Income Tax Refunds at June 30</i>	<i>\$295</i>	<i>\$264</i>

Intra-Year Liquidity Measures Taken in FY 2016

- Pension fund advancements from the Retirement Systems (\$328 million)
- Suspension of set-asides for GO debt service (\$564 million)
- Intergovernmental TRANs funded by the State Insurance Fund, AACA and the Puerto Rico Labor Department's Disability Fund (\$400 million)
- Transfers of Cash (Contributions) from the State Insurance Fund and AACA related to Act 105 (\$100 million)

(1) Account balance includes the TSA operating account, reserve account bank cash balances and \$44 million in restricted cash, also Clawback account balances are excluded.

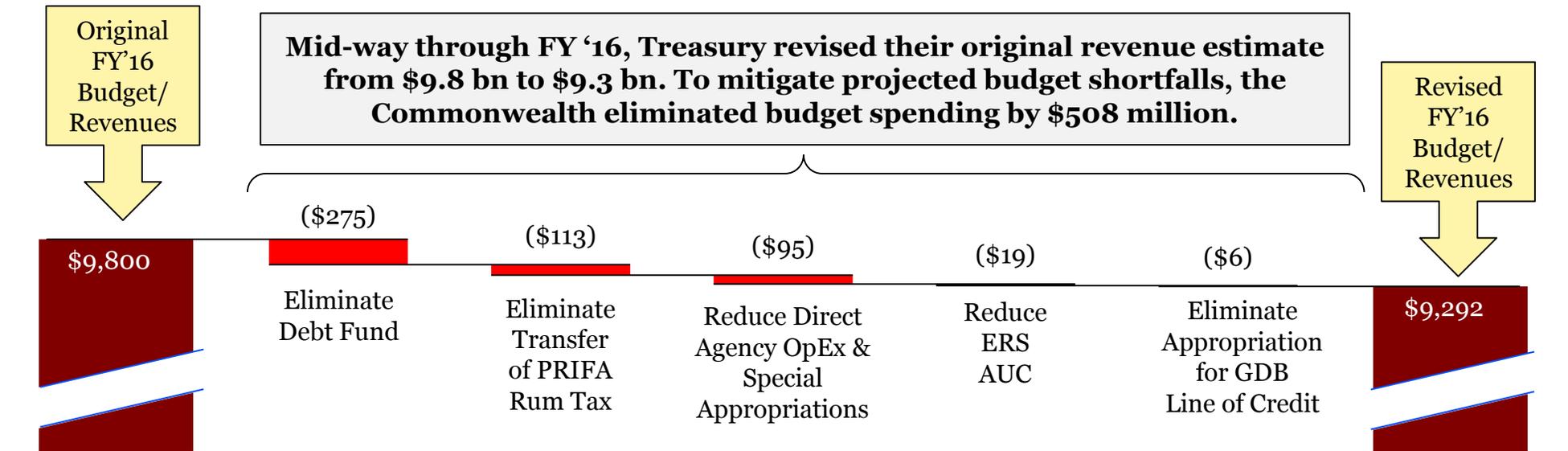
(2) The GO debt obligation of \$779 million was reduced by \$146 million which represents available amounts in the Clawback Account to pay General Obligation debt service. Amounts in the Clawback Account are not included in this analysis as the funds are unavailable for disbursement.

(3) Accounts payable deferral is based on actual FY 2016 PRIFAS outflows as compared to the FY 2015 PRIFAS adjusted for the June 2015 deferral.

(4) FY 2016 excludes approximately \$111 million related to intra-governmental accounts payables.

(5) For FY 2015, outstanding checks and restricted deposits used by the Commonwealth amounted to \$506 million, the sum of outstanding checks (\$429mm) and deferral of payments to governmental agency (\$78 mm); amounts do not add up due to rounding. FY 2016 outstanding checks includes \$2 million in checks in transit not in possession of Treasury.

FY 2016 Budgetary Measures: Actions implemented by the Commonwealth to mitigate major revenue shortfalls



<u>Budgetary Measure</u>	<u>Description/Impact</u>
Eliminate Debt Payment and Economic Development Fund	<ul style="list-style-type: none"> Resulted in non-payment of debts payable from legislative appropriations (e.g., GDB lines of credit, Public Finance Corporation, etc.).
Reduction of Direct Agency Operating Expense Budgets	<ul style="list-style-type: none"> Agencies are primarily responsible for managing these reductions. The impact of these cuts on services is unclear but likely to cause neglect of government assets and degradation of government services.
Reduction to Unencumbered Special Appropriations	<ul style="list-style-type: none"> These cuts may have resulted in incomplete projects or other changes to services.
Eliminate transfer to AFI of pledged General Fund rum taxes revenues	<ul style="list-style-type: none"> Implemented through clawback executive order. Resulted in non-payment of AFI rum bonds.
Reduction of Additional Uniform Contribution to ERS	<ul style="list-style-type: none"> Non-payment of contributions to retirement system necessitates higher future contributions to avoid interruption to retiree benefit payments.
Elimination of Payment to GDB for Line of Credit Payment	<ul style="list-style-type: none"> The Commonwealth has continually not paid GDB lines of credit in order to mitigate its budgetary deficits. Historical non-payment of GDB debts contributed to the liquidity issues facing GDB today.

Source: Office of Management and Budget

Efforts taken to improve tax collections

Technology Upgrades

- Implementation of SURI, an integrated tax processing software platform designed to support the administration of multiple taxes in the Commonwealth:
 - SUT module went live on October 31
 - Corporate income tax module to go live in December, 2017
 - Individual income tax module to go live in December, 2018

Enforcement

- Select enforcement tools increasingly used by the current administration:
 - Repossession of personal property
 - Foreclosure of bank accounts
 - Tightening of requirements needed for debtors to establish payment plans
 - Publication of list of defaulting debtors
 - Imposition of personal penalties on directors and business officers related to withheld and unpaid SUT
 - Retention of payment to government suppliers for the payment of tax debts

E-Filings and New Payment Channels

- Mandatory e-tax filing – individual paper filings went from 369 thousand in FY2014 to 33 thousand in FY2015
- The opening of additional payment channels through “*Hacienda Virtual*” and payments by phone at the contact center “*Hacienda Responde*”

Tax Policy

- Enactment of Law 159 in 2015 amending the provisions of the Internal Revenue Code to establish limitations on the power of the Secretary to formalize Closing Agreements

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Cash accounting of funds collected and disbursed from the clawback account via Executive Order or diverted because of the Moratorium Law through the TSA

(\$ in thousands)

Total ¹	Description	Account
Jul. to Sep. 2016 \$653,186	FY 2016 Clawbacks \$453,118	Paid GO Debt ² \$163,917
		BPPR - Clawback \$146,072
		GDB – Clawback ³ \$143,573
	FY 2017 Moratorium ⁴ \$200,068	TSA - BPPR Moratorium ⁴ \$200,068

Additional funds totaling approximately \$117 million were collected in independent treasuries from July to September 2016 at other entities as a result of the Moratorium Law that are not included above. These entities include ERS, UPR, Desarollos Universitarios, PRHTA, Tourism, and PRIDCO ⁵.

(1) Excludes approximately \$117 million of moratorium related revenue outside the scope of the TSA.

(2) Deposits were utilized for GO debt service in January 2016.

(3) Deposits at GDB are subject to the provision of Act 21-2016 and Executive Orders.

(4) Excludes approximately \$117 million of moratorium related revenue outside the scope of the TSA. Includes approximately \$77 million corresponding to rum excise tax revenues that would have otherwise been transferred to PRIFA for the payment of Special Tax revenue Bonds.

(5) Excludes funds retained by PR Ports Authority pledged to the PRIFA Porta Authority Bonds.

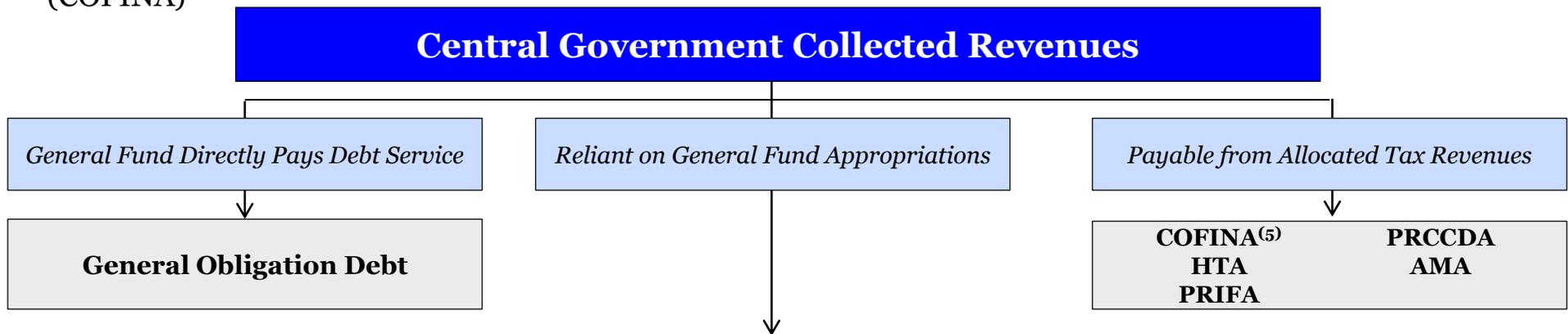
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Overview of Debt Structure

Below illustrates debt of entities included in the Fiscal Plan; All of these rely, directly or indirectly, on the Commonwealth's taxing authority, either directly from tax revenues allocated by law or indirectly from appropriations included in the Commonwealth's General Fund. A majority of the revenues are collected through the TSA.

- Certain entities that have issued debt backed by allocated tax revenues have revenues that are either explicitly "available revenues" that may be diverted to pay Commonwealth general obligations (HTA, PRCCDA, AMA, PRIFA) or have been alleged in litigation by general obligation debt holders to be an "available revenue" (COFINA)



PBA	<ul style="list-style-type: none"> 93%⁽¹⁾ of revenues from the lease payments budgeted in the GF (also fully guaranteed by the CW)
GDB	<ul style="list-style-type: none"> Appropriations made to pay loans owed by CW entities to GDB, which GDB uses to pay its own debt
ERS	<ul style="list-style-type: none"> The Commonwealth is typically responsible for approximately 79%⁽²⁾ of the total AUC contributions to ERS (of which the central government contributes approximately 62%) and nearly all of the contributions to TRS and JRS
PFC	<ul style="list-style-type: none"> Directly reliant on appropriations to pay debt service; does not have any other revenues
UPR	<ul style="list-style-type: none"> Receives ~74%⁽³⁾ of annual revenues from General Fund appropriations and allocated tax revenues
PRIDCO⁽⁴⁾	<ul style="list-style-type: none"> Receives withholding and rum taxes; rental revenue dependent on ability to grant tax subsidies
Other	<ul style="list-style-type: none"> Consists of certain discretely presented non-major component units, including entities such as ADEA that receive transfers from the central government

(1) Source: Conway MacKenzie PBA 5-Year Projections dated July 20, 2015. Percentage shown (93%) represents FY 2016 lease payments made by agencies in the General Fund (i.e., excluding agencies outside the General Fund and municipalities).

(2) Percentages shown per ERS and includes the AUC contributions for component units that are included in the Fiscal Plan and does not include municipalities. (67% to 70%) represent special law, AUC, and employer contributions from the General Fund as a percentage of total contributions, excluding investment income.

(3) Source: Conway MacKenzie UPR projection included in FEGP dated January 18, 2016. Percentage shown (74%) represents FY 2016 Commonwealth appropriations and dedicated tax revenues including collections from slot machines (excluding federal transfers and Pell Grant funding) as a percentage of total cash inflows (excluding debt proceeds which are non-recurring). Excluding slot revenues, UPR receives 70% of revenue from General Fund appropriations.

(4) While PRIDCO receives appropriations for portions of the non-resident withholdings tax and rum excise taxes, such revenues are not specifically dedicated to the payment of debt service. However, PRIDCO's rent revenues are attributable to its ability to provide tax subsidies to private sector companies.

(5) COFINA-allocated tax revenues are not collected by the TSA.

Overview of debt currently being paid and not paid, balances remaining in set aside accounts or reserve funds and expected depletion dates

The below summarizes debt service missed and paid from July 2015 through October 2016. It is important to note that this schedule includes only debt in the Fiscal Plan. Additional detail, including debts excluded below, is provided in the appendix.

(\$ in millions)	FY 2016				FY '17 YTD (Thru Oct.)				Depletion Analysis		
	Due	Paid	Missed ⁽¹⁾	FNs	Due	Paid	Missed ⁽¹⁾	FNs	DSF/DSRF Amount ⁽²⁾	Est. Date of Depletion ⁽³⁾	FNs
Currently Being Paid from Current Revenues:											
COFINA	655	655	—		311	311	—		724	NA	(4)
Being Fully/Partially Paid from Existing Reserves:											
PRIFA - ASSMCA (Mental Health)	3	3	—		2	2	—		2	FY 2018	
UPR	43	43	—		—	—	—		55	FY 2018	
PRIDCO	26	26	—		2	2	—		20	FY 2018	
AFICA - University Plaza Project	6	6	—		—	—	—		7	FY 2018	
PBA - Series L	2	2	—		—	—	—		6	Jul-17	
PRCCDA	30	30	—		—	—	—		18	Jul-17	
HTA (ex. 1998 Resolution Series '98 Sub. Bonds)	317	317	—	(3)	0	0	—	(3)	177	Jul-17	(5)
ERS	167	167	—		42	42	—		86	May-17	
PRIFA - Port	12	12	—		—	—	—		—	NA	(6)
Reserves Exhausted/Not Being Paid:											
GO	1,125	346	779		4	—	4		—	Jul-16	
GDB (Inc. CW-Guaranteed)	1,064	664	360	(2)	48	—	48		—	May-16	(7)
PBA (ex. Series L)	274	249	25		3	—	3	(2)	—	Jul-16	
PFC	94	1	93		54	—	54		—	Aug-15	
PRIFA - Rum	113	—	113		—	—	—		—	Jan-16	
PRIFA BANs	155	155	—		32	—	32		—	Aug-16	
HTA - 1998 Resolution, Sub Series 1998	6	1	4	(4)	—	—	—		—	Jul-16	(9)
Total	\$4,091	\$2,676	\$1,375		\$497	\$357	\$140		\$1,096		

All debt shown above, excluding COFINA, is either not being paid or paid from existing reserves.

Note: The above excludes PREPA, PRASA, AFICA – Guaynabo, HTA - VRDOs (1998 Resolution), MFA, HFA, and CTF debts. All of these debts are continuing to be paid except PRASA rural development debt.

Important information and footnotes is provided in the appendix.

Only includes bonded amounts; Excludes amounts owed to GDB.

Total amount missed represents amounts not paid from the Commonwealth and has not been reduced by amounts paid by insurers, if any.

Amounts do not include any accrued interest on missed payments.

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Final Considerations

The Liquidity Crisis Is Real

- The expected cash position at the expiration of the current Moratorium period in January is \$104 million, not enough to cover the required debt service of \$1.3 billion while providing essential services to the people of Puerto Rico and benefits to its Government retirees

An Expedient Confirmation of a Fiscal Plan is Critical

- The Commonwealth may need time to address the upcoming maturity cliff and develop a broad set of sustainable, long-term structural reforms that meet the PROMESA requirements
- All stakeholders must work together to achieve a fiscal plan that can be certified

Visibility and Transparency of Financial Data are Keys to Credibility

- The Commonwealth must implement quick “fixes” to improve the visibility and reporting of financial information in the short-term; existing tools and processes are inadequate

Appendix

FY 2017 TSA Forecast - Key assumptions

- **General Fund:** FY 2017 estimated revenues⁽¹⁾ and approved budgeted appropriations
- **Tax Refunds:** Estimate consistent with recent trends
- **Federal Funds:** Inflows and outflows are net of the Nutrition Assistance Program
- **Pensions:** Pension inflows are based on input from ERS/JRS and TRS, reduced by the appropriated AUC.⁽²⁾ Pension outflows are based on historical data and estimated changes for FY 2017
- **Current Law:** Retention of pledged revenues and General Fund appropriations from the TSA to certain public corporations for debt service during the moratorium period (July 2016 through January 2017)
- **Special Revenue Funds:** Inflows and outflows are estimated by Treasury based on historical data, recent events and anticipated changes for FY 2017⁽³⁾
- **Seasonality:** The monthly timing of inflows and outflows is based on historical data

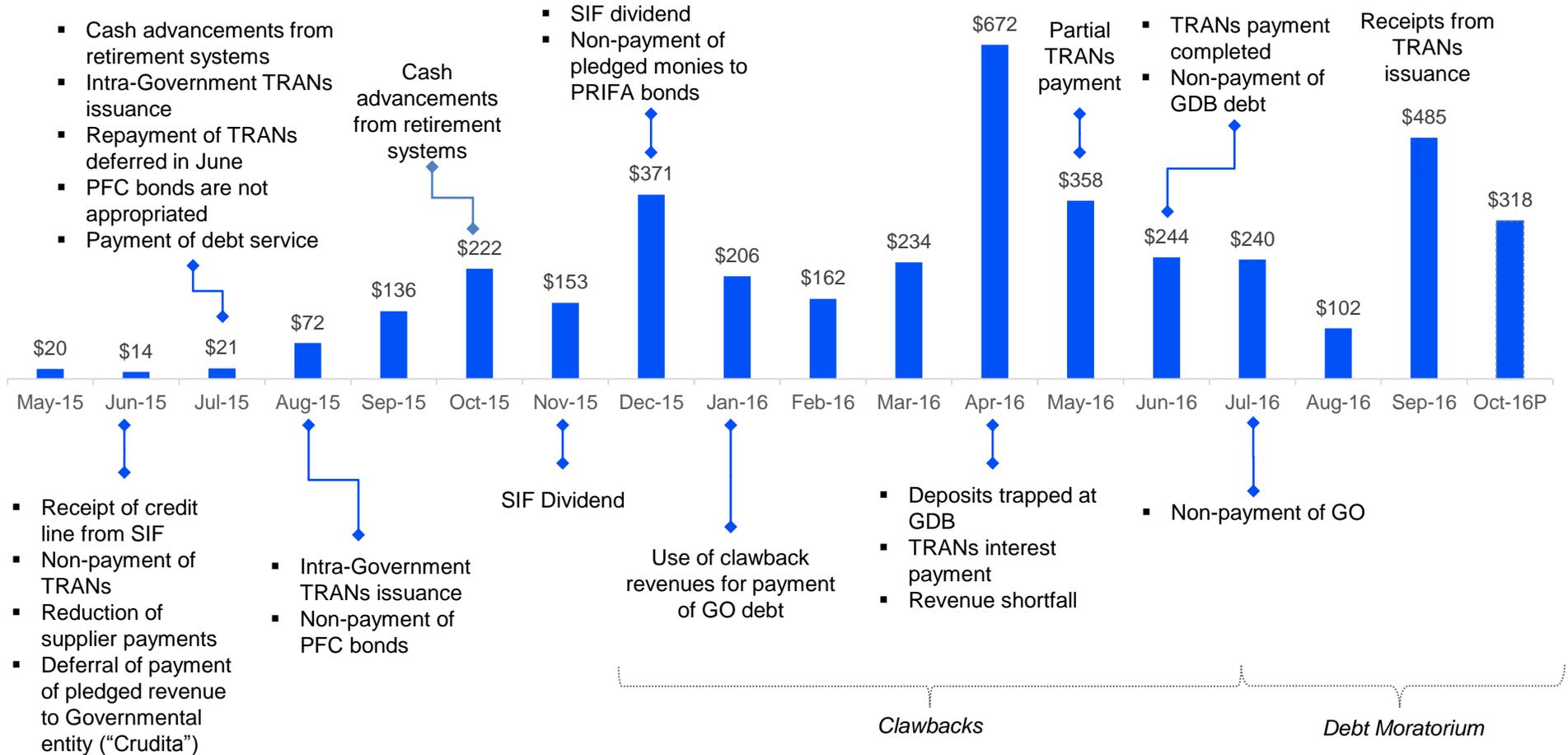
(1) Revenue projections reflect the original projection of \$9.1 billion reduced by \$55 million for projected shortfalls in transfers from electronic and traditional lottery.

(2) Required AUC under statutory law is higher than budgeted amount

(3) Special Revenue funds and special appropriations of the General Fund budget can be expended for up to three fiscal years, therefore current year disbursements may include appropriations made in prior years.

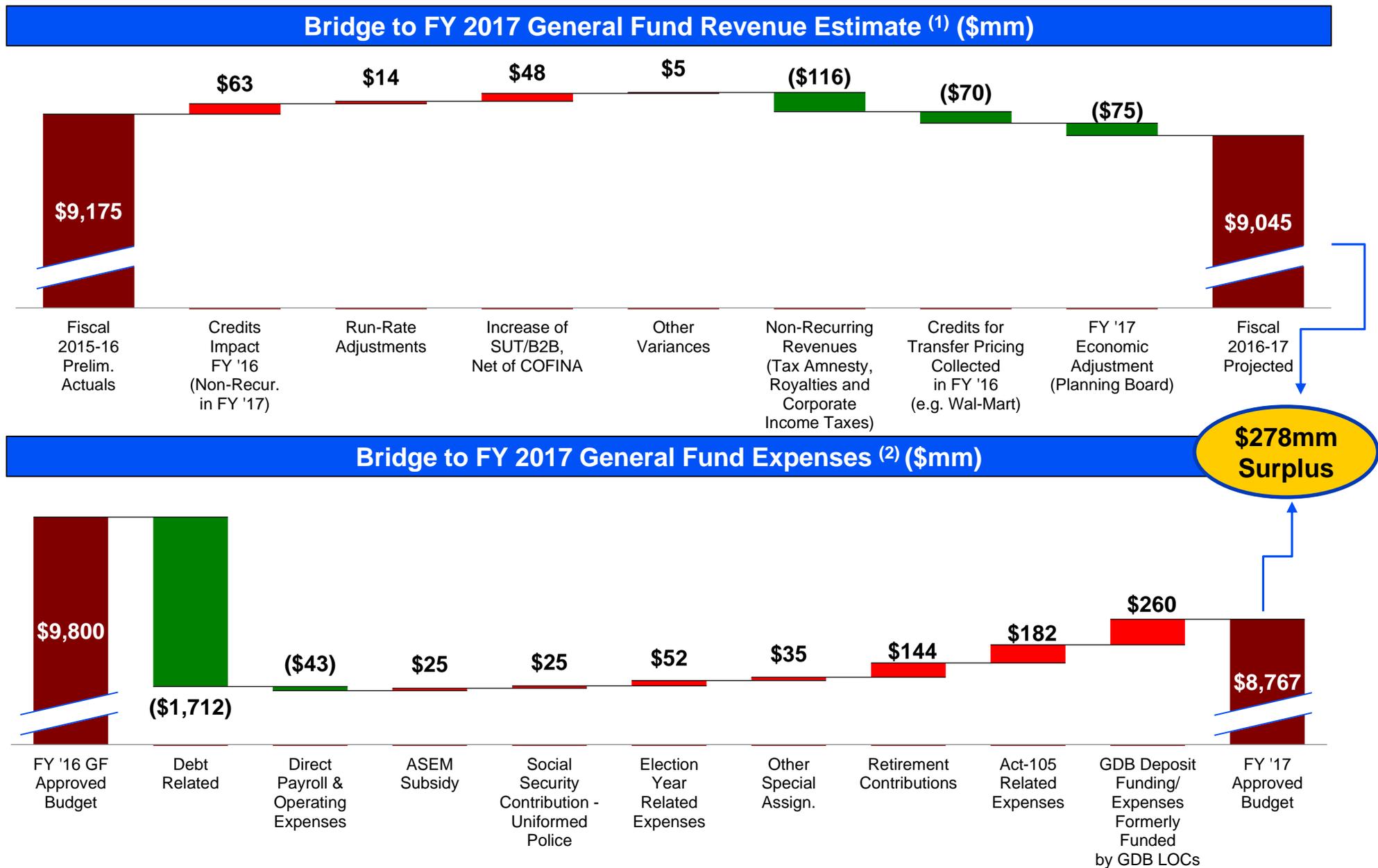
TSA Cash Balances ⁽¹⁾ and Sequence of Emergency Measures

(\$ in millions)



(1) Represents bank cash balances. Excludes clawbacks deposited into GDB from January to March 2016 totaling \$144 million are subject to the provisions of Act 21 and subject to the limitations on the withdrawal of funds (EO 014-2016). Excludes \$146 million of cash retained through "clawbacks" deposited at BPPR from April to June 2016, which is held in a separate bank account at BPPR.
 (2) The end of month TSA cash balances presented are not adjusted by outstanding checks and deposits in transit, which if added result in negative book balance.

In FY 2017, the General Fund is Expected to Generate a Surplus of \$278 million on a Budgetary Basis*



1) Projected FY 2017 revenue of \$9.045 billion is based on an original estimate of \$9.1 billion reduced by lower estimate of revenue related to traditional and electronic lottery.

2) FY 2017 budget is exclusive of budgetary reserve and emergency fund reserve.

* Excludes working capital impacts (i.e., payment of prior year's expenses)

The historical TSA liquidity trends reflect the impact of the historical deficits discussed in the previous section; Stretching of AP has been a major source of financing in the past three years

Historical Liquidity Trends

(\$ in millions)					Change vs. Prior Year		
	Actual	Actual	Actual	Actual	Favorable / (Unfavorable)		
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2014	FY 2015	FY 2016
Inflows:							
General Collections	9,355	9,663	9,668	8,912	308	5	(756)
Federal Funds	3,223	3,253	3,524	3,573	30	272	48
Retirement System Transfers	1,140	1,260	1,358	1,330	120	98	(27)
Sales and Use Tax	543	641	630	1,560	99	(11)	929
Excise Tax	-	555	424	500	555	(131)	76
Rum Tax and Other	269	364	336	209	95	(28)	(127)
Lotteries	142	128	185	137	(14)	58	(48)
Total	14,671	15,864	16,126	16,222	1,193	262	95
Outflows:							
Payroll-Related	(4,069)	(3,853)	(3,632)	(3,574)	215	221	58
Suppliers, Welfare and Operating Expenses (a)	(4,836)	(4,646)	(4,180)	(3,736)	189	466	444
ASES	(2,023)	(2,047)	(2,595)	(2,669)	(24)	(548)	(74)
Pension Benefits	(1,831)	(1,991)	(2,024)	(2,040)	(160)	(33)	(16)
University of Puerto Rico	(825)	(896)	(860)	(890)	(70)	36	(30)
Tax Refunds	(684)	(978)	(768)	(615)	(294)	210	152
CRIM	(414)	(345)	(359)	(460)	69	(14)	(102)
PBA	(205)	(344)	(317)	(329)	(140)	27	(12)
HTA	(289)	(501)	(548)	(303)	(213)	(47)	245
Traditional Lottery	(282)	(226)	(206)	(191)	56	21	15
Compulsory Insurance	(196)	(120)	(118)	(103)	76	3	15
Other	(128)	(126)	(125)	(186)	2	2	(61)
Subtotal - Outflows	(15,782)	(16,076)	(15,730)	(15,096)	(294)	345	634
Non-Debt Net Cash Flow	(1,111)	(211)	396	1,125	899	607	729
Debt Related Inflows	4,085	7,292	2,625	1,050	3,207	(4,668)	(1,574)
Debt Related Outflows (b)	(3,152)	(7,028)	(3,188)	(1,501)	(3,876)	3,840	1,687
Debt-Related Cash Flow (c)	933	264	(563)	(451)	(669)	(828)	113
Clawback Related Outflows	-	-	-	(443)	-	-	(443)
Clawback-Related Cash Flow	-	-	-	(443)	-	-	(443)
Net Cash Flow	(178)	53	(168)	231	231	(221)	398
Beginning Cash Balance	305	128	181	13			
Ending Cash Balance	128	181	13	244	53	(168)	231

Key Variance Explanations

- Non-debt related inflows
 - General collections unfavorable trend due to repealing Patente Nacional, ceasing tax amnesty programs, decrease in employment and population
 - FY 2016 includes an increase of approximately \$930 million in sales and use tax primarily attributable to the rate increase of 6.0% to 10.5% (net of 1% for municipalities) in July 2015 and B2B tax of 4% in October 2015
- Non-debt related outflows have declined in recent years
 - Payroll and related costs have been reduced through attrition
 - Pension benefits have increase in part because of early retirement programs
 - Income tax refunds have seen reductions due to delay of payment and elimination of the earned income tax credit and reduction of senior citizen tax credit
 - Supplier payments have declined due to deferral of payments to maintain liquidity
- The increase outflows to ASES are partially offset by ACA federal funds receipts
- Debt related inflows experienced significant decrease due to lack of market access

a) For comparison purposes, the line items in ASEM, legislative assignments and suppliers have been included in suppliers and other.
 b) Includes approximately \$251 million of outflows of funds impaired at GDB that are reflected as an outflow for presentation purposes.
 c) Debt service related includes receipts and disbursements of 2014 G.O. issuance, which was receipts were used for debt refinancing purposes.

TSA Liquidity – Fiscal 2016 to Fiscal 2017 Variance

(\$ in millions)

	FY 2016 Actual	FY 2017 Proj.	Variance - B/(W)
1 General Collections	\$8,572	\$8,197	(\$375)
2 Clawback/Moratorium Rev. (Ex. PRIFA Rum)	340	290	(51)
3 Sales and Use Tax	1,560	1,634	75
4 Excise Tax	500	579	78
5 Retirement System Transfers	1,130	893	(237)
6 Electronic Lottery	137	138	1
7 Traditional Lottery	51	-	(51)
8 CRIM	103	-	(103)
9 Rum Tax	208	203	(5)
10 Federal Funds	3,573	3,516	(57)
11 Other Income/Agency LOCs	276	40	(236)
12 Tax Credits	1	-	(1)
13 Tax Revenue Anticipation Notes	400	400	-
14 Clawback Acct. Transfers	164	-	(164)
15 Other	107	-	(107)
16 TOTAL INFLOWS	\$17,122	\$15,890	(\$1,233)
17 Payroll-Related	(\$3,574)	(\$3,619)	(\$45)
18 Pension Benefits	(2,040)	(2,065)	(25)
19 University of Puerto Rico	(890)	(872)	17
20 GDB Transactions /AAFAF	(62)	(207)	(145)
21 Tax Revenue Anticipation Notes	(741)	(423)	318
22 G.O. Debt Service	(346)	-	346
23 ASES	(2,669)	(2,662)	6
24 ACAA	(78)	(78)	-
25 HTA	(303)	(348)	(46)
26 PRIFA BANS	(42)	(18)	25
27 PRITA/AMA	(66)	(71)	(5)
28 Lottery	(242)	(16)	226
29 Compulsory Insurance	(103)	(98)	5
30 CRIM	(460)	(428)	32
31 Suppliers	(3,021)	(3,474)	(453)
32 Legislative Assignments	(595)	(645)	(50)
33 Tax Refunds	(615)	(672)	(56)
34 PBA	(329)	(162)	167
35 PRIDCO	(25)	(60)	(35)
36 ASEM	(95)	(122)	(26)
37 Other - Law 105 & Cigarettes	(45)	(24)	21
38 Transfers to Clawback Acct.	(443)	-	443
39 Transfers to TRS Trust Acct.	(57)	-	57
40 Loss of Funds Trapped at GDB	(51)	-	51
41 TOTAL OUTFLOWS	(\$16,892)	(\$16,063)	\$829
42 NET CASH FLOW	\$231	(\$174)	(\$404)

Key Takeaways

FY 2017 cash flow scenario does not include payment of debt service or repayment of pledged/clawback revenues

- Net cash flow during fiscal 2017 is \$404 million lower than during fiscal 2016
- Significant drivers of reduced inflows:
 - General collections – declined due to non-recurring revenue and economic factors
 - Retirement system transfers based on discussion with ERS and TRS are forecasted to be lower than fiscal 2016
 - Traditional lottery setup an independent treasury
 - CRIM – funds are deposited in a separate bank account, receipts are pledged for General Obligation Bonds
 - Other income/agency LOC's – reduced due to very limited liquidity at GDB
 - Clawback Acct. Transfers – not applicable for fiscal 2017
 - Other – Fiscal 2016 received separate inflows related to pay Act 105 expenses, these expenses are included in the General Fund for fiscal 2017
- Significant drivers of reduced outflows:
 - Tax revenue anticipation notes – fiscal 2016 outflows included \$300 million related to fiscal 2015
 - GO debt service – not included in the General Fund budget and related to the Moratorium Act
 - Lottery – offset by a decrease in inflows due to independent treasury.
 - PBA – related to the Moratorium Act
 - Transfers to Clawback Account – not applicable for fiscal 2017
 - The reduction in outflows above is partially offset by higher outflows from:
 - ☞ GDB/AAFAF – higher outflows related to increased General Fund appropriations in fiscal 2017
 - ☞ Supplier payments – higher outflows to compared to prior fiscal year

Monthly FY 2017 Cash Flow Summary (Baseline Scenario)

The following represents a scenario of TSA cash flows for discussion purposes only, and that the Commonwealth expressly reserves its rights with respect to the timing and amounts of debt service and other payments illustrated herein

(\$ in millions)	For the Month Ended												12-Month Ended 6/30/17
	7/31/16	8/31/16	9/30/16	10/31/16	11/30/16	12/31/16	1/31/17	2/28/17	3/31/17	4/30/17	5/31/17	6/30/17	
Beginning Cash Balance (Ex. Clawback Acct.)	\$244	\$240	\$102	\$485	\$318	\$221	\$184	\$97	(\$1,214)	(\$1,249)	(\$1,013)	(\$1,338)	\$244
Receipts:													
TSA Inflows (Ex. Withheld Pledged Revenues)	\$1,113	\$1,059	\$1,655	\$1,204	\$1,019	\$1,268	\$1,063	\$1,252	\$1,444	\$1,821	\$1,178	\$1,524	\$15,600
Withheld Pledged Revenues (Moratorium Related)	39	42	42	42	42	42	42	-	-	-	-	-	290
Total Inflows	\$1,152	\$1,101	\$1,697	\$1,246	\$1,061	\$1,310	\$1,104	\$1,252	\$1,444	\$1,821	\$1,178	\$1,524	\$15,890
Disbursements:													
TSA Outflows	(\$1,156)	(\$1,239)	(\$1,314)	(\$1,413)	(\$1,158)	(\$1,347)	(\$1,191)	(\$1,245)	(\$1,454)	(\$1,560)	(\$1,479)	(\$1,506)	(\$16,063)
2017 G.O. Debt Service (1)*	-	-	-	-	-	-	-	(369)	(1)	(1)	(1)	(755)	(1,128)
2017 Other Debt Service (1)(2)	-	-	-	-	-	-	-	(108)	-	-	-	(83)	(191)
2017 PBA Debt Service (1)(3)*	-	-	-	-	-	-	-	(185)	(23)	(23)	(23)	(23)	(277)
Payment of FY 2016 Unpaid Debt Service (4)	-	-	-	-	-	-	-	(656)	-	-	-	-	(656)
Total Outflows	(\$1,156)	(\$1,239)	(\$1,314)	(\$1,413)	(\$1,158)	(\$1,347)	(\$1,191)	(\$2,563)	(\$1,479)	(\$1,585)	(\$1,503)	(\$2,367)	(\$18,315)
Baseline Net Cash Flow Before Repayment of Clawbacks and Retained Pledged Revenues	(\$4)	(\$139)	\$384	(\$167)	(\$97)	(\$37)	(\$87)	(\$1,311)	(\$35)	\$236	(\$325)	(\$843)	(\$2,426)
Ending Cash Balance (Ex. Clawback Acct.)	\$240	\$102	\$485	\$318	\$221	\$184	\$97	(\$1,214)	(\$1,249)	(\$1,013)	(\$1,338)	(\$2,181)	(\$2,181)
Clawback Account Balance	146	146	146	146	146	146	146	-	-	-	-	-	-
Ending Cash Balance (Inc. Clawback Acct.)	\$386	\$248	\$631	\$464	\$367	\$330	\$243	(\$1,214)	(\$1,249)	(\$1,013)	(\$1,338)	(\$2,181)	(\$2,181)
Memo - Baseline Liquidity After Repayment of Clawback and Retained Pledged Revenues:													
Repayment of Retained Pledged Revenues (5)	-	-	-	-	-	-	-	(217)	-	-	-	-	(217)
Repayment of Clawback Revenues	-	-	-	-	-	-	-	(453)	-	-	-	-	(453)
Payment of 16/17 PFC Debt Service	-	-	-	-	-	-	-	(174)	(1)	(1)	(1)	(1)	(179)
Payment of 16/17 ASSMCA Debt Service	-	-	-	-	-	-	-	(5)	-	-	-	-	(5)
Ending Cash Balance (Ex. Clawback Acct.)	\$240	\$102	\$485	\$318	\$221	\$184	\$97	(\$2,063)	(\$2,099)	(\$1,864)	(\$2,191)	(\$3,036)	(\$3,036)

- (1) Includes payment of missed contractual FY 2017 debt service due is paid in February 2017 after lapse of moratorium related legislation then continued payment of contractual debt service thereafter as it becomes due.
- (2) Other debt service includes PRIFA rum bonds, PRIFA petroleum products BANs, and General Services Administration debt.
- (3) Includes payment of missed FY 2017 contractual debt service for debt held by the Public Buildings Authority in Feb. 2017 after lapse of moratorium related legislation and continued payment of contractual debt service as it becomes due.
- (4) Figures do not consider any debt service reserves or "set-aside" funds that may have been released by trustee to partially satisfy owed payments. Includes missed G.O., PBA (June set-aside), and PRIFA rum bond debt. Excludes HTA, UPR and GDB debt service assumed to be paid from other sources. Missed G.O. debt service has been netted against projected available clawback funds in February 2017.
- (5) Amount has been adjusted by the amount of Jul. '17 through Jan. '17 PRIFA petroleum products BANs debt service paid in February 2017.
- * February amounts represent eight months of equal set-aside payments, amounts there after represent monthly set-aside amounts and not actual debt service due.

Notes:

- a) For illustrative purposes, moratorium revenue retained by the TSA including revenues pledged for PRHTA Bonds, PRMBA Line of Credit and PRIFA BANs is projected to be repaid after the moratorium period expires on January 31, 2017.
- b) For illustrative purposes, clawbackable revenue from FY 2016 related to PRHTA, PRCCDA, PRMBA, PRIFA Petroleum and PRIFA Rum tax is shown in this projection to be repaid after the moratorium period expires on January 31, 2017.
- c) Debt service does not include accrued interest on unpaid amounts.

Note: Other Commonwealth liabilities that have been deferred for GDB appropriation debt, past-due contributions to pension systems (including catch-up payments for the Additional Uniform Contribution (AUC) and Annual Additional Contribution (AAC) of \$405 million and amounts for the unappropriated-portion of the FY 2017 AUC/AAC), third-party payables, tax refunds, intra-government payables, and others are not included in the projections. Note that the AUC/AAC figures are subject to continued revision and refinement.

Additional Clawback and Moratorium Revenues Detail

(\$ in thousands)

FY 2016 Clawback Revenues

Entity	Concept	Through Dec '15	Jan. '16 – Jun. '16	Total
PRIFA	Rum Tax	\$113,000	-	\$113,000
PRIFA	Petroleum Tax	-	12,826	12,826
PRMBA	Cigarette Tax	323	4,674	4,997
PRCCDA	Hotel Room Tax	3,033	9,100	12,134
PRHTA	Petroleum Tax	20,000	60,000	80,000
PRHTA	Gasoline/Diesel/Licenses	27,561	86,369	113,930
PRHTA	Petroleum Tax	-	53,638	53,638
PRHTA	Motor Vehicle Fines	-	29,117	29,117
PRHTA	Motor Vehicle Licenses	-	21,814	21,814
PRHTA	Cigarette Tax	-	11,662	11,662
Total Amount Transferred		\$163,917	\$289,201	\$453,118
GDB - Account Reconciliation ⁽¹⁾				
Beginning Balance		-	\$163,917	-
Transfers to Clawback Acct. (Dec. 2015 - Mar. 2016)		163,917	143,199	307,116
Amount disbursed from Clawback Acct.		-	(163,917)	(163,917)
Interest Earned		-	375	375
Ending Balance		\$163,917	\$143,574	\$143,574
BPPR - Account Reconciliation				
Beginning Balance		-	-	-
Transfers to Clawback Account (Apr. 2016 - Jun. 2016)		-	146,002	146,002
Amount disbursed from Clawback Acct.		-	-	-
Interest Earned ⁽²⁾		-	70	70
Ending Balance		-	\$146,072	\$146,072
Total Ending Balance		\$ 163,917	\$ 289,646	\$ 289,646

FY 2017 Moratorium Revenues Deposited in the TSA ⁽³⁾

Debt Instrument	Jul. '16 - Sep. '16
PRHTA Bonds (Resolution 98 and 68 bonds)	\$ 81,721
PRMBA Line of Credit (Scotiabank)	2,400
PRIFA Bonds Anticipation Notes	39,034
PRIFA Rum Bonds	76,913
Total Moratorium - TSA	\$ 200,068

FY 2017 Moratorium Revenues Retained Directly by Component Units

Component Unit	Jul. '16 - Sep. '16
ERS	57,800.0
UPR	12,000.0
Desarrollos Universitarios	1,400.0
PRHTA	30,000.0
Tourism Company	9,100.0
PRIDCO ⁽⁴⁾	6,400.0
Moratorium - Component Units ⁽⁵⁾	\$ 116,700.0

(1) Deposits at GDB are subject to the provision of Act 21-2016 and Executive Orders.

(2) Includes \$55k of accrued interest from July to September.

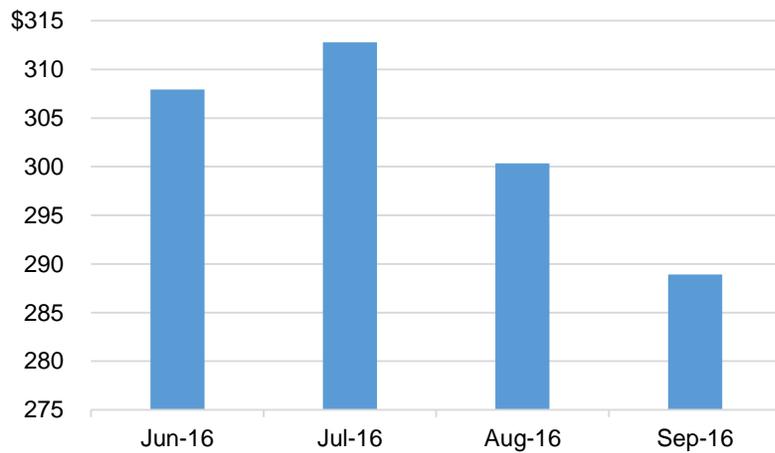
(3) Includes approximately \$77 million corresponding to rum excise tax revenues that would have otherwise been transferred to PRIFA for the payment of Special Tax revenue Bonds.

(4) Estimated amount.

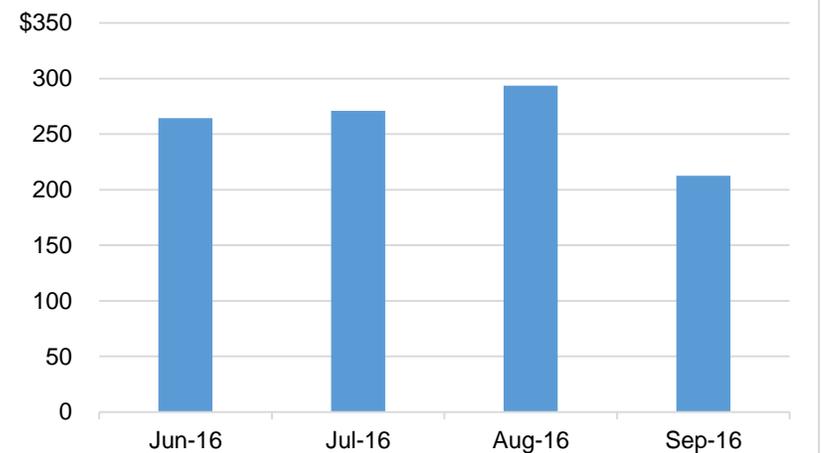
(5) Excludes funds retained by PR Ports Authority pledged to the PRIFA Porta Authority Bonds

Checks and Tax Refunds Outstanding – FY 2017

Checks Outstanding (\$000's)



Tax Refunds Outstanding (\$000's)



(1) Source: PR Treasury Department

Additional Detail on Debt Service

Debt Service Introduction

The following slides provide summary information on the Commonwealth's debt obligations in FY 2016 and year-to-date FY 2017

- In assessing the information included herein, it is important to note:
 - Fiscal Year 2016 debt service includes principal and interest payments due on July 1, 2016
 - ☞ Annual COFINA debt service shown herein corresponds to an August to July schedule, whereas the Fiscal Plan shows COFINA debt service on a September to August schedule to align debt service with the revenues collected to pay such debt service in the Commonwealth's fiscal year
 - Only bonded debt service is included herein; debt service related to loans, including amounts owed to GDB, is not included⁽¹⁾
 - Debt service is shown on a cash basis when payments to bondholders actually come due, so the amounts shown do not include amounts that otherwise would have been “set-aside” into deposit accounts or accruing interest on capital appreciation (*i.e.*, zero coupon) bonds that is not due and payable
 - ☞ Certain bonds are beneficiaries of federal subsidies (including, for example, those related to the Build America Bonds program), cash that was set-aside at the time the bonds were issued (“capitalized interest”), or cash that was set aside to “pre-refund” the bonds. Debt service shown herein is presented net of such federal subsidies, capitalized interest, and pre-refunding amounts where applicable
 - Amounts shown herein do not incorporate any default interest that may be due and payable
 - Any payments made by insurers on account of missed payments by the Commonwealth are also not incorporated
- Note that interest and principal amounts due in FY 2017 are based on Commonwealth estimates and precise payment amounts have not been confirmed by bond trustees for all issuers; in addition, where possible, current reserve balances are based on information provided by the bond trustees, but such information has not been confirmed in all cases
 - The Commonwealth is not directly responsible for maintaining the reserve accounts shown nor making *direct* payments to bondholders; the Commonwealth expects to update the information contained herein regularly for the Oversight Board. While the Commonwealth relies on account information provided by third-parties, to the extent new information becomes available from the trustees it will be included in future submissions

(1) For example, the amount shown herein exclude Port of the Americas (“POA” or “APLA”) bonds, GO Notes, and GSA loans.

FY 2016 Debt Service

The following provides a summary of the debt service due, paid, and missed in FY 2016

FY 2016 Debt Service Due, Paid and Missed (\$ millions)

	FY 2016 Interest			FY 2016 Principal			FY 2016 Total Debt Service		
	Due	Paid	Missed	Due	Paid	Missed	Due	Paid	Missed
Debt Included in Fiscal Plan									
GO	\$699	\$346	\$353	\$426	–	\$426	\$1,125	\$346	\$779
GDB ⁽²⁾	173	173	–	569	209	360	742	382	360
GDB (CW-Guaranteed)	15	15	–	267	267	–	282	282	–
PBA (ex. Series L)	188	188	–	86	61	25	274	249	25
PBA - Series L	2	2	–	–	–	–	2	2	–
PFC	57	1	57	36	–	36	94	1	93
COFINA	643	643	–	11	11	–	655	655	–
PRIFA - Rum	72	–	72	41	–	41	113	–	113
PRIFA - Port	10	10	–	2	2	–	12	12	–
PRIFA - ASSMCA (Mental Health)	2	2	–	1	1	–	3	3	–
UPR	23	23	–	20	20	–	43	43	–
PRCCDA	19	19	–	11	11	–	30	30	–
PRIDCO	9	9	–	17	17	–	26	26	–
PRIFA BANs	13	13	–	142	142	–	155	155	–
HTA - 1968 Resolution	44	44	–	28	28	–	72	72	–
HTA - 1998 Resolution, Senior ⁽³⁾	161	161	–	59	59	–	220	220	–
HTA - 1998 Resolution, Sub Series 1998 ⁽⁴⁾	3	1	1	3	–	3	6	1	4
HTA - 1998 Resolution, Sub Series 2003	12	12	–	13	13	–	24	24	–
Teodoro Moscoso Bridge ⁽⁵⁾	7	7	–	7	7	–	14	14	–
ERS	167	167	–	–	–	–	167	167	–
AFICA - University Plaza Project	3	3	–	2	2	–	6	6	–
Total Debt Included in Fiscal Plan	\$2,323	\$1,840	\$483	\$1,741	\$850	\$891	\$4,064	\$2,690	\$1,375

Additional Debt Not Shown in Fiscal Plan

HTA - VRDOs (1998 Resolution)	24	24	–	–	–	–	24	24	–
AFICA - Guaynabo	1	1	–	2	2	–	2	2	–
PRASA - 2008 Series A&B, Senior	76	76	–	15	15	–	91	91	–
PRASA - 2012 Series A&B, Senior	107	107	–	34	34	–	140	140	–
PRASA - 2008 Series A&B, Sub	17	17	–	–	–	–	17	17	–
PRASA - Rural Development ⁽⁶⁾	16	9	6	10	5	5	25	14	11
MFA ⁽⁷⁾	34	34	–	83	83	–	117	117	–
HFA ⁽⁸⁾	21	21	–	24	24	–	46	46	–
CTF	47	47	–	–	–	–	47	47	–
PREPA	382	382	–	354	354	–	736	736	–

See following page for footnotes.

Footnotes to “FY 2016 Debt Service “

The below serve as the footnotes for the FY 2016 debt service schedule shown on the previous page

Note: payments shown for FY 2016 include principal and interest payments due on July 1, 2016.

1. Total amount missed represents amounts not paid by the Commonwealth and has not been reduced by amounts paid by insurers, if any.
2. GDB contractual debt service due shown herein excludes the \$40 million principal payment due in May 2016 that was subsequently extended to May 2017.
3. Amount shown does not include amounts associated with the 1998 Resolution Series A Variable Rate Demand Obligation (“VRDO”) bonds, which are shown separately in the “Additional Debt Not Shown in Fiscal Plan” section, as these bonds are held by GDB and therefore eliminated in Fiscal Plan due to consolidation.
4. Total payment missed represents the missed payment on the 1998 Resolution subordinated Series 1998 bonds, which have a \$15 million reserve held at GDB which was not available to make the debt service payment due.
5. Teodoro Moscoso Bridge bonds shown here for illustrative purposes, as these bonds are included in the Fiscal Plan. The concessionaire is currently responsible for the debt service payments.
6. The Rural Development Bonds have been subject to a forbearance agreement since July 1, 2016 and the amounts shown herein reflect the forbearance of remedies in respect of debt service payments due on July 1, 2016. Amounts shown as paid/missed per the trustee, which remains subject to continued diligence with the trustee.
7. Amounts shown include 2002 Series A Bonds, 2005 Series A,B, & C bonds, and 1997 A bonds. Additional diligence regarding the 2005 Series A & C bonds remains ongoing with the trustee.
8. HFA amounts shown herein represent only the Capital Fund Bonds and do not include the Single Family Mortgage Revenue Bonds and the Mortgage-Backed Certificates (diligence on these excluded bonds remains ongoing with the trustee).

2017 Fiscal Year to Date – Total Debt Service (P+I)

The following provides a summary of the estimated total debt service due to bondholders in August, September and October 2016 (excluding required set-aside amounts), as well as the estimated amounts paid and missed in that time period

FY 2017 YTD Total Debt Service Due, Paid and Missed (\$ millions)

	Fiscal YTD Total Debt Service Due				Fiscal YTD Total Debt Service Paid				Fiscal YTD Total Debt Service Missed ⁽¹⁾			
	Aug-16	Sep-16	Oct-16	Total	Aug-16	Sep-16	Oct-16	Total	Aug-16	Sep-16	Oct-16	Total
Debt Included in Fiscal Plan												
GO	\$1	\$1	\$1	\$4	–	–	–	–	\$1	\$1	\$1	\$4
GDB	27	9	9	46	–	–	–	–	27	9	9	46
GDB (CW-Guaranteed)	1	1	1	2	–	–	–	–	1	1	1	2
PBA (ex. Series L) ⁽²⁾	–	–	3	3	–	–	–	–	–	–	3	3
PBA - Series L	–	–	–	–	–	–	–	–	–	–	–	–
PFC	51	1	1	54	–	–	–	–	51	1	1	54
COFINA	278	16	16	311	278	16	16	311	–	–	–	–
PRIFA - Rum	–	–	–	–	–	–	–	–	–	–	–	–
PRIFA - Port	–	–	–	–	–	–	–	–	–	–	–	–
PRIFA - ASSMCA (Mental Health)	–	–	2	2	–	–	2	2	–	–	–	–
UPR	–	–	–	–	–	–	–	–	–	–	–	–
PRCCDA	–	–	–	–	–	–	–	–	–	–	–	–
PRIDCO	1	1	1	2	1	1	1	2	–	–	–	–
PRIFA BANs	11	11	10	32	–	–	–	–	11	11	10	32
HTA - 1968 Resolution	–	–	–	–	–	–	–	–	–	–	–	–
HTA - 1998 Resolution, Senior ⁽³⁾	0	0	0	0	0	0	0	0	–	–	–	–
HTA - 1998 Resolution, Sub Series 1998	–	–	–	–	–	–	–	–	–	–	–	–
HTA - 1998 Resolution, Sub Series 2003	–	–	–	–	–	–	–	–	–	–	–	–
Teodoro Moscoso Bridge ⁽⁴⁾	1	1	1	2	1	1	1	2	–	–	–	–
ERS	14	14	14	42	14	14	14	42	–	–	–	–
AFICA - University Plaza Project	–	–	–	–	–	–	–	–	–	–	–	–
Total Debt Included in Fiscal Plan	\$384	\$54	\$60	\$498	\$293	\$31	\$33	\$358	\$91	\$23	\$26	\$140
Additional Debt Not Shown in Fiscal Plan												
HTA - VRDOs (1998 Resolution)	2	2	2	6	2	2	2	6	–	–	–	–
AFICA - Guaynabo	–	–	–	–	–	–	–	–	–	–	–	–
PRASA - 2008 Series A&B, Senior	0	0	0	0	0	0	0	0	–	–	–	–
PRASA - 2012 Series A&B, Senior	1	1	1	3	1	1	1	3	–	–	–	–
PRASA - 2008 Series A&B, Sub	1	1	1	4	1	1	1	4	–	–	–	–
PRASA - Rural Development ⁽⁵⁾	–	–	–	–	–	–	1	1	–	–	–	–
MFA ⁽⁶⁾	92	–	–	92	92	–	–	92	–	–	–	–
HFA ⁽⁷⁾	–	–	–	–	–	–	–	–	–	–	–	–
CTF	–	–	–	–	–	–	–	–	–	–	–	–
PREPA	–	–	9	9	–	–	9	9	–	–	–	–

(1) Total amount missed represents amounts not paid by the Commonwealth and has not been reduced by amounts paid by insurers, if any.

(2) Excludes mandatory redemption of \$750k that took place in August.

(3) Amount shown does not include amounts associated with the 1998 Resolution Series A Variable Rate Demand Obligation ("VRDO") bonds, which are shown separately in the "Additional Debt Not Shown in Fiscal Plan" section, as these bonds are held by GDB and therefore eliminated in Fiscal Plan due to consolidation.

(4) Teodoro Moscoso Bridge bonds shown here for illustrative purposes, as these bonds are included in the Fiscal Plan. The concessionaire is currently responsible for the debt service payments.

(5) The Rural Development Bonds have been subject to a forbearance agreement since July 1, 2016 and the amounts shown herein reflect the forbearance of remedies in respect of debt service payments. Amounts shown as paid/missed per the trustee, which remains subject to continued diligence with the trustee.

(6) Amounts shown include 2002 Series A Bonds, 2005 Series A,B, & C bonds, and 1997 A bonds. Additional diligence regarding the 2005 Series A & C bonds remains ongoing with the trustee.

(7) HFA amounts shown herein represent only the Capital Fund Bonds and do not include the Single Family Mortgage Revenue Bonds and the Mortgage-Backed Certificates (diligence on these excluded bonds remains ongoing with the trustee).

Fund Balances

The below summarizes the amounts currently available in debt service funds (“DSF”) and debt service reserve funds (“DSRF”). All information shown herein as provided to the Commonwealth by the trustees or fiscal agents as of the dates shown below and remains subject to continued diligence and change

Debt Service Fund and Debt Service Reserve Fund Balances (\$ millions)

	Debt Service Fund ("DSF")	Debt Service Reserve Fund ("DSRF")	Total DSF/DSRF Balance	Balance as of:	Trustee/Fiscal Agent
PBA (excl. Series L) ⁽¹⁾	\$0	–	\$0	Oct 27, 2016	U.S. Bank
PBA - Series L ⁽²⁾	–	6	6	Oct 27, 2016	U.S. Bank
COFINA ⁽³⁾	455	–	455	Oct 25, 2016	BONY
PRIFA - ASSMCA (Mental Health) ⁽⁴⁾	0	2	2	Oct 27, 2016	BPPR
PRIFA BANS ⁽⁵⁾	0	–	0	Oct 25, 2016	BONY
UPR ⁽⁶⁾	–	55	55	Oct 28, 2016	U.S. Bank
AFICA - University Plaza Project ⁽⁷⁾	0	7	7	Oct 31, 2016	BONY
AFICA - Guaynabo ⁽⁸⁾	1	3	4	Oct 27, 2016	BPPR
PRCCDA ⁽⁹⁾	–	18	18	Oct 25, 2016	BONY
PRIDCO ⁽¹⁰⁾	0	20	20	Oct 28, 2016	U.S. Bank
HTA - 1968 Resolution ⁽¹¹⁾	0	64	64	Oct 25, 2016	BONY
HTA - 1998 Resolution, Senior ⁽¹²⁾⁽¹³⁾	0	105	105	Oct 25, 2016	BONY
HTA - 1998 Resolution, Sub Series 2003 ⁽¹⁴⁾	0	8	8	Oct 25, 2016	BONY
HTA - 1998 Resolution, Sub Series 1998 ⁽¹⁵⁾⁽¹⁶⁾	–	15	15	Oct 14, 2016	BONY/GDB
ERS ⁽¹⁷⁾	0	86	86	Oct 25, 2016	BONY
MFA ⁽¹⁸⁾	35	76	111	Oct 27-Nov 3, 2016	BPPR/BONY/U.S. Bank
HFA ⁽¹⁹⁾	3	33	36	Oct 27, 2016	U.S. Bank
CTF ⁽²⁰⁾	26	84	109	Oct 27, 2016	U.S. Bank
PRASA 2008 A&B, Senior ⁽²¹⁾	30	93	123	Oct 27, 2016	BPPR
PRASA 2012 A&B, Senior ⁽²¹⁾	43	–	43	Oct 27, 2016	BPPR
PRASA 2008 A&B, Sub ⁽²¹⁾	0	–	0	Oct 27, 2016	BPPR
PREPA ⁽²²⁾	0	6	6	Oct 19, 2016	U.S. Bank

Footnotes to “Fund Balances”

The below serve as the footnotes for the fund balances shown on the previous page

Note: all balances shown are strictly funds deposited in the DSF or DSRF, except where noted. Balances include cash amounts where applicable and where reported. Amounts shown on the Fund Balances page may not be exhaustive of all accounts held by trustees for various purposes. Note that all bonds are shown even if they do not have either a DSF or DSRF.

1. PBA exc. Series L balances shown include amounts in the accounts labeled by the trustee as “PBA 1995 SNK Bd Svc,” “PBA 2007M BD Svs Ac,” “PBA Govt Fac Rev BD 11R,” “PBA Series 2011 T AC,” and “PBA 2004K Bond Svc Ac.”
2. PBA Series L balances shown include amounts in the account labeled by the trustee as “PBA SF Reserve.”
3. COFINA balances shown include amounts in the accounts numbered by the trustee as: 313604, 313607, 880518, 880523, 880215, 880217, 880248, 880299, 880318, 880319, 880497, 880498, and 880499.
4. PRIFA ASSMCA (Mental Health) balances shown include amounts in the accounts labeled by the trustee as “2007 Debt Service Reserve Fund,” “2007 Sinking Fund Account,” and “2007 Interest Account.”
5. PRIFA BANs balances shown include amounts in the account labeled by the trustee as “2015 Redemption Fund.”
6. UPR balances shown include amounts in the account labeled by the trustee as “UPR 6-1-71 Rev Bds Rsv Ac.”
7. AFICA University Plaza Project balances shown include amounts in the account labeled by the trustee as “Debt Service Reserve Fund,” and “Master Debt Service.”
8. AFICA Guaynabo balances shown include amounts in the account labeled by the trustee as “1995 A – Bond Fund,” “1995A – Debt Serv.Reserv.Fund,” “1998A Interest Acct,” “1998A Debt Serv.Resv.,” and “1998 Bond Fund.”
9. PRCCDA balances shown include amounts in the account labeled by the trustee as “Hotel Occ Bds Ser A D S R FD.”
10. PRIDCO balances shown include amounts in the account labeled by the trustee as “1964 Bond Service Interest,” and “1964 Bond Reserve.”
11. HTA balances shown include amounts in the accounts numbered by the trustee as: 115484, 115526, 115532, 115538, 115482, 115524, 115537, 231806, and 764919.
12. HTA 1998 Resolution Senior balances include those available to the HTA 1998 Resolution Variable Rate Demand Obligation (“VRDO”) bonds.
13. HTA balances shown include amounts in the accounts numbered by the trustee as: 115471, 115479, 115522, 115566, 115653, 231811, 764911, 115469, 115478, 115488, 115515, 115520, 115564, 231793, 231805, 404035, 764914, and 764924.
14. HTA balances shown include amounts in the accounts numbered by the trustee as: 115475 and 115473.
15. HTA balances shown include amounts in the accounts numbered by the trustee as 115541.
16. HTA 1998 Resolution Subordinated Series 1998 bond DSRF amounts are held separately at GDB and are currently not available to make debt service payments on these bonds.
17. ERS balances shown include amounts in the account labeled by the trustee as “DS Interest Sub Ac Senior,” “Debt Service Reserve Ac,” and “General Reserve Ac.”
18. MFA balances shown include amounts in the account labeled by the trustee as “2002 Bond Serv.,” “2002 Reserve Ac.,” “1997 SR A/B Reserve,” “1997 Bond Service Account,” “1999 Bond Service,” “1999 Reserve Ac.,” “05 Ser Bds Bond Ser Fund,” and “05 Ser Bds Reserve Fund.” Diligence with the trustee on these amounts and additional reserve accounts that may exist remains ongoing.
19. HFA balances shown include amounts in the accounts labeled by the trustee as “2008 Debt Service Rsv FD,” “2008 Debt Svc Fund,” “Puerto Rico HSG Fin Debt Svc Fd Ac,” “ST 2008 Debt Svc Rsv Fd,” and “Puerto Rico HSG Fin Debt Svc Rsv Fd Ac.” Diligence with the trustee remains ongoing on the available reserve balances.
20. CTF balances shown include amounts in the account labeled by the trustee as “FD 2002 Bd Fd Ds Ac,” and “2002 Bd Fd Lq Rsv.”
21. PRASA balances shown include amounts in the account labeled by the trustee as “2008 Series A&B Senior Interes,” “2008 Senior Principal Acct,” “2008 Senior Debt Service Res,” “2008 Senior B Debt Service Res,” “2012 A Senior Interest,” “2012-B Senior Principal Acct,” and “2008 Subordinated Bond Fund.” Note that additional diligence regarding the amounts available for debt service remains ongoing with the trustee.
22. PREPA balances shown include amounts in the account labeled by the trustee as “1974 Sinking Fd BS Ac Int,” “1974 Sinking Fd Reserve Ac,” “Sinking Fd Reserve SubAc A,” “Sinking Fd Reserve SubAc B,” “Sinking Fd Reserve SubAc C,” and “Sinking Fd Reserve SubAc D.”

Footnotes to “Estimated Fund Balance Depletion”

The following footnotes provide additional detail to page titled “Estimated Fund Balance Depletion” shown on the previous page

1. FY 2017 Debt Service shown indicates the total debt service due in FY 2017 (including debt service payments due on July 1, 2017).
2. Debt Service Fund (DSF) and Debt Service Reserve Fund (DSRF) balances as provided by the trustees as of October 2016, unless otherwise indicated. See footnotes for additional details.
3. The actual/projected date of first missed payment is an estimate only and subject to change materially. Estimate based on illustrative assumptions, including the assumption that no additional funds are deposited in the debt service fund or the debt service reserve fund, if applicable, and all future debt service payments are made out of the existing reserve balances until the fund balances are fully depleted.
4. COFINA FY 2017 total debt service and DSF/DSRF balance reflects the Pledged Sales Tax Base Amount (“PSTBA”) for FY 2017 (totaling \$724 million) and does not represent the current balance in the accounts.
5. Analysis shown herein illustratively assumes continuation of clawback through FY 2017 and also assumes that toll revenues are no longer transferred to debt service accounts, per executive order issued May 2016 suspending the obligation of HTA to transfer to bondholders any toll revenue or other income it receives. HTA 1998 Resolution Senior bonds debt service includes debt service due on VRDOs held by GDB and the DSF/DSRF balances shown include the amounts that would be used to make debt service payments on the VRDOs. Note that VRDOs are not shown in the Fiscal Plan, as these bonds are held by GDB and therefore eliminated in Fiscal Plan due to consolidation.
6. PRIFA Ports is not believed to have a DSF or DSRF. Debt service payments in FY 2017 are expected to be paid from loan payments from the Ports Authority.
7. Includes \$110m of GDB notes which are Commonwealth guaranteed. Amounts shown for FY 2017 includes the \$40 million that was originally due in May 2016 but was extended to May 2017.
8. Note that while GSA is not bonded debt, it is shown in this schedule for illustrative purposes as it is included in the Fiscal Plan.
9. The HTA 1998 Resolution Subordinated Series 1998 bonds have a Reserve account totaling approximately \$15 million, which is separately held at GDB and was not available for debt service payments due July 1, 2016. Assumed to continue to be unavailable in this analysis and as such are illustratively not shown in this table.

Footnotes to “Estimated Fund Balance Depletion”

The following footnotes provide additional detail to page titled “Estimated Fund Balance Depletion” shown on the previous page

1. FY 2017 Debt Service shown indicates the total debt service due in FY 2017 (including debt service payments due on July 1, 2017).
2. Debt Service Fund (DSF) and Debt Service Reserve Fund (DSRF) balances as provided by the trustees as of October 2016, unless otherwise indicated. See footnotes for additional details.
3. The actual/projected date of first missed payment is an estimate only and subject to change materially. Estimate based on illustrative assumptions, including the assumption that no additional funds are deposited in the debt service fund or the debt service reserve fund, if applicable, and all future debt service payments are made out of the existing reserve balances until the fund balances are fully depleted.
4. COFINA FY 2017 total debt service and DSF/DSRF balance reflects the Pledged Sales Tax Base Amount (“PSTBA”) for FY 2017 (totaling \$724 million) and does not represent the current balance in the accounts.
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6. PRIFA Ports is not believed to have a DSF or DSRF. Debt service payments in FY 2017 are expected to be paid from loan payments from the Ports Authority.
7. Includes \$110m of GDB notes which are Commonwealth guaranteed. Amounts shown for FY 2017 includes the \$40 million that was originally due in May 2016 but was extended to May 2017.
8. Note that while GSA is not bonded debt, it is shown in this schedule for illustrative purposes as it is included in the Fiscal Plan.
9. The HTA 1998 Resolution Subordinated Series 1998 bonds have a Reserve account totaling approximately \$15 million, which is separately held at GDB and was not available for debt service payments due July 1, 2016. Assumed to continue to be unavailable in this analysis and as such are illustratively not shown in this table.