



GOVERNMENT OF PUERTO RICO

Puerto Rico Fiscal Agency and Financial Advisory Authority

Thursday, March 8, 2018

Government Reports Bank Account Balances as of January 2018 and Decreased Revenues

(San Juan) – Today, Gerardo J. Portela Franco, Executive Director of the Puerto Rico Fiscal Agency and Financial Advisory Board (FAFAA) announced the cash balances of the bank accounts of the Government of Puerto Rico and its instrumentalities as of January 31, 2018. The overall balance as of December 31, 2017 was \$6,948 million and \$7,105 million as of January, which reflects a total net increase of \$157 million. As previously reported, some of the funds in the bank accounts belong to certain entities separate from the Central Government and/or are subject to litigation or use restrictions.

FAFAA's Executive Director explained that said amounts do not reflect special disbursements from January to this date.

“The increase in the overall balance of the government’s bank accounts is due mainly to a \$197 million net increase in restricted funds or funds that are subject to a Title III procedure under PROMESA. One of the restricted accounts is the account of the Puerto Rico Sales Tax Financing Corporation (COFINA, by its Spanish acronym) that reflected a \$122 million increase. As a result of the Title III proceedings, the Government does not have access to those funds,” Portela Franco stated.

“The release of this report also reflects that there was a \$16 million increase in the Treasury Single Account and a \$25 million increase in non-TSA Central Government accounts. In addition, the pension related accounts and the public corporations accounts reflected a \$78 million decrease and a \$3 million decrease, respectively,” the head of FAFAA explained.

Portela Franco further stated that the bank account balance report also takes into account Government revenues for January 2018, which registered a year-over-year reduction of \$75.7 million.

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“FAFAA has been conducting this unprecedented process to obtain a comprehensive view of the cash position. We will be updating and disclosing these reports on a regular basis,” said Portela Franco who added that this undertaking forms part of Governor Ricardo Rosselló’s public policy of greater transparency in the government.

In addition, Portela Franco pointed out that, since February 2018, FAFAA has held several conversations with Duff & Phelps, a firm retained by the Financial Oversight Board to conduct an independent analysis of the government bank accounts, in order to explain the methodology used to make the inventory of bank accounts and establish the next steps to complete the analysis of revenue sources, the use of public funds and their legal restrictions, among others.

The report was published on FAFAA’s website and will be disclosed to the municipal securities market through the MSRB’s EMMA service, so that any person who is interested can see it. To access the report, visit <http://www.aafaf.pr.gov/>.

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