



GOBIERNO DE PUERTO RICO  
Autoridad de Asesoría Financiera y  
Agencia Fiscal de Puerto Rico

AAFAF

AAFAF

*Structure, Duties, Responsibilities and Budget*

December 18, 2019

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# *Structure*

- Pursuant to Act 2-2017, AAFAF serves as financial advisor, fiscal agent, and disclosure agent of all agencies, public corporations, instrumentalities and municipalities of the Commonwealth of Puerto Rico, and assists such entities in facing the currently, serious fiscal and economic crisis.
- Upon review of AAFAF's duties and responsibilities, for the next fiscal year, and considering fiscal challenges Puerto Rico is facing, we are proposing a payroll budget increment to develop a robust organizational structure to carry out said obligations effectively.
- Said increment will be accompanied by a proportional reduction in the professional services expenditures. Therefore, there will be no incremental aggregate impact.

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# *Duties and Responsibilities*

# AAFAF – Duties and Responsibilities

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## Fiscal Agent/OCFO

- Fiscal Plans Development, Implementation and Oversight
  - *Commonwealth of Puerto Rico*
  - *University of Puerto Rico*
  - *Highway and Transportation Authority (“HTA”)*
  - *Puerto Rico Electric Power Authority (“PREPA”)*
  - *Puerto Rico Aqueducts and Sewer Authority (“PRASA”)*
  - *COSSEC*
  - *Government Development Bank (“GDB”)*
  - *Puerto Rico Industrial Development Company (“PRIDCO”)*
- Technical support to over 100 agencies and public corporations
- Financial Reporting (PROMESA) and Market Disclosures (MSRB-EMMA)
- Debt and related transactions evaluation and approval
- Periodical debt sustainability analysis for 78 municipalities
- Administration of the FAM (0.5% of the SUT), COFIM (1% Municipal SUT), Excess “CAE”

# AAFAF – Duties and Responsibilities (cont.)

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## Financial Advisory

- *Debt Restructuring*
  - *Title III*
    - *Commonwealth of Puerto Rico*
    - *Highway and Transportation Authority (“HTA”)*
    - *Puerto Rico Electric Power Authority (“PREPA”)*
    - *Employees Retirement System (“ERS”)*
    - *Public Buildings Authority (“PBA”)*
    - *COFINA\**
  - *Title VI*
    - *PRIFA*
    - *PRIDCO*
    - *GDB\**
- Investor Relations and Credit Agencies
- Management of government-wide investment policies
- Evaluation and approval of PROMESA Section 207 transactions
- Implementation of pension reform (Act 106-2017)
- Financing transactions of Municipalities: US Rural Development, Private Banks

# AAFAF – Duties and Responsibilities (cont.)

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## Legal

- Title III litigation and adversary proceedings (including lift of stay, executory contracts and claims reconciliation process)
  - *Commonwealth of Puerto Rico*
  - *Highway and Transportation Authority (“HTA”)*
  - *Puerto Rico Electric Power Authority (“PREPA”)*
  - *Employees Retirement System (“ERS”)*
  - *Public Buildings Authority (“PBA”)*
  - *COFINA\**
- PROMESA Section 204(a) certifications
- State Court Litigation
- Corporate Governance, Contracts Administration and other back office services
- Legislative Affairs and Public Policy
- Real Property Disposition Committee (“CEDBI”)

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# *FY 2021 Budget*

# AAFAF –Proposal

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 (Budget Target)	FY 2021 (AAFAF's proposal)
Payroll & related expenses	\$5,491,000	\$8,634,000	\$7,858,000	\$7,777,000	\$7,151,000	<b>\$9,950,000</b>
Total Budget	\$40,000,000	\$88,375,000*	\$70,245,000*	\$103,536,000	\$83,769,000	\$83,769,000

\*Does not include Title III fees for professional services

no incremental aggregate impact