CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

A. JURISPRUDENCE

Article VI, Sections 2 and 8 of the Constitution of Commonwealth of Puerto Rico

B. PUBLIC POLICY

The Commonwealth of Puerto Rico (ELA by its Spanish acronym) issues debt primarily for providing resources for the development of permanent public improvements for the general benefit of the population and to promote Puerto Rico's economic development. In addition, since 2007, COFINA has been used to issue bonds and repay accumulated debt that does not have a repayment source or legislative appropriation. A portion of this debt has been used to cover inherited and accumulated budget deficits.

It is this Administration's public policy to comply fully with payment of the debt Service, keeping it within reasonable levels as allowed by the Constitution and identifying opportunities of refinancing to obtain the lowest interest rates in the market.

Among the services the Commonwealth provides its citizens that are financed with internal taxes are public order, health, education, and collective welfare. Other, such as electricity, drinking water and sewer systems, and public transportation are offered primarily by charging rates/fares to users. In a certain measure, these taxes and rates/fares complement each other, to an extent, with federal funds to be used for several purposes and in certain cases, such as urban transportation, with state appropriations.

In order to turn a vision of the future that seeks to offer with a reasonable margin of efficiency those services needed by the citizens into reality, it is necessary to continue to build permanent improvements and to acquire equipment. This allows for provision, renovation, and maintenance of an infrastructure that promotes economic development and improves the quality of life of the people. To pay for these structural investments that will benefit current and future generations, additional support from loans are needed and which are payable in the long term with the product of taxes and tariffs collected from residents and consumers. This requires ensuring a credit rating of the highest possible level within the limits imposed by the economic order.

The Commonwealth's credit rating suffered several degradations in the past three years. Below is a comparison of the ratings for the General Obligation Bonds for which the Commonwealth's good faith, credit, and the power to impose taxes are committed to repay both the bonds' principal and interests:

Rating Agency	December 2013	December 2012	December 2011
Moody's	Baa3	Baa3	Baa1
Standard and Poor's	BBB-	BBB	BBB
Fitch	BBB-	BBB+	BBB+

In February of 2014, the three rating agencies degraded Puerto Rico's credit one speculative grade due to, among other causes, deterioration of access to the capital market, the economic recession, borrowing, and the debt of the government's retirement system. This, in spite of acknowledging that the Commonwealth has taken measures to control spending, reduce the deficit, reform the retirement systems, and reduce the debt, among others. The current rating for General Obligation Bonds according to Moody's is Ba2; according to Standard & Poor's it is BB+; and according to Fitch it is BB.

On March 14, 2014, Standard & Poor's removed the credit observation off the watch list with negative implications (Credit Watch Negative) as a result of the successful issue of $3,500 million that gave the government greater liquidity. This demand for Puerto Rico bonds shows that the market understands that Puerto Rico can overcome its fiscal situation.

C. ADMINISTRTION OF THE PUBLIC DEBT

In Puerto Rico, coordination and administration of this obligation belongs to the Government Development Bank (GDB), entity that functions as the Commonwealth's fiscal agent and financial advisor for all government agencies.

As part of its supervisory function, the GDB takes into consideration a series of relevant factors to minimize the cost of it emission of debt. Once the Commonwealth's agencies and corporations identify the needs for capital improvements budgeted for a given year, the GDB evaluates in detail several critical elements, especially the financial situation as in the case of corporations, in order to finance these permanent improvements through the capital markets. In general terms, the primary elements or points of evaluation are as follows:

- Detailed analysis of the issuer's financial capacity in order to determine the reasonableness and viability of repayment of the debt to be incurred.
- Analysis and weighing of recent and projected behavior of our economy and the interaction and effect of external financial markets in Puerto Rico, primarily those in the United States.
- Analysis of the capital improvements program of the issuer and the reasonableness of the proposed sources of financing to carry out the projected improvements.
- Analysis of the issuer's existing debt to determine the desirability of issuing any refinancing of the existing debt that may result in substantial savings at current value.
- Analysis of any other pertinent situations or factors, internal or external, that may affect a bond issue.

D. STATE OF AFFAIRS OF THE PUBLIC DEBT

The public debt consists of constitutional debt payable from legislative appropriations, COFINA bonds debt payable from Sales and Use Tax (IVU by its Spanish acronym), debt of public corporations and municipal debt. The constitutional debt of the Central Government is constitutionally limited and includes general obligation debt and debt guaranteed by the Commonwealth. The debt of public corporations is limited by the terms of each trust contract signed with the bondholders of these corporations. Each of these agreements provides, among other aspects, the level of income required to service existing debt and that which is necessary to issue new debt. These public corporations have their own source of income that does not tax the Treasury. The debt is payable from legislative appropriations is included in the annual budget prepared by the Office of Management and Budget (OMB) and is subject to the relevant legislative appropriation. The IVU payable debt is paid exclusively from this taxation. The debt of the municipalities is limited by statute. For purposes of this report, we have considered the total outstanding debt.

1. Public Debt

At June 30, 2012 and 2013, the Commonwealth's total debt (central government agencies, municipalities, and public corporations) reached $69,947.9 million and $70,043.0 million, respectively, reflecting an absolute growth of $95 million or .14%.

This debt was due to, among other reasons, an increase in the debt of the following components:

Component	Amount
Constitutional Debt	($ 346 million)
Legislative debt and appropriations	$ 125 million
Debts secured by the Central Government	$ 14 million
Public Buildings Administration	$ 121 million
Other Public Corporations /	$ 273 million
Municipalities	$10.5 million
Debt that does not lien the treasury	($ 102 million)

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

The payable debt of legislative appropriations highlights financing granted to the Department of the Treasury (Hacienda) and the Office of Management and Budget, among others. Financings granted for public corporations include Highway and Transportation Authority (ACT by its Spanish acronym), Ports Authority (AP by its Spanish acronym), and Public Buildings Administration (AEP by its Spanish acronym) for overhead/operational expenses and to finance their respective capital improvement plans. The increase to the municipalities corresponds to loans granted to 51 of the 78 municipalities. Lastly, there was a reduction in the debt that does not lien the treasury.

The following tables detail the historical trend of the public debt:

Government Public Debt
(in millions of dollars)

Date	Constitutional Debt	Municipal Debt	Public Corporations	Legislative Appropriations	Sales Tax	Debt that does not lien the Treasury	Total
30/6/2013	10,599	3,882	31,209	4,044	15,224	5,086	70,043
30/6/2012	10,945	3,872	30,801	3,160	15,982	5,188	69,948
30/6/2011	9,682	3,537	28,118	3,070	14,535	5,337	64,279
30/6/2010	9,511	3,231	27,288	2,575	14,218	5,383	62,206
30/6/2009	9,006	2,997	26,641	2,760	11,576	5,435	58,415
30/6/2008	8,759	2,819	26,342	2,683	6,329	6,461	53,393
30/6/2007	8,167	2,463	24,159	5,204	2,825	3,365	46,183
30/6/2006	7,276	2,330	20,450	9,558	0	3,523	43,136
30/6/2005	7,307	2,181	19,234	7,981	0	3,565	40,268
30/6/2004	6,879	2,046	18,041	6,977	0	3,491	37,434
30/6/2003	6,222	1,955	15,890	5,640	0	2,818	32,525
30/6/2002	5,854	1,796	15,124	5,193	0	2,046	30,033
30/6/2001	5,573	1,632	13,699	4,310	0	1,945	27,160

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Amount of Public Debt
(in millions of dollars)

Concept	June 06	June 07	June 08	June 09	June 10	June 11	June 12	June 13
Constitutional[1]	$7,276,254	$8,167,160	$8,758,722	$9,006,447	$9,511,167	$9,681,580	$10,945,445	$10,598,985
FIA/IVU	0	2,825,223	6,328,607	11,575,945	14,217,611	14,535,357	15,982,213	15,223,821
Legislative Appropriations	9,557,497	5,203,494	2,683,125	2,759,563	2,574,930	3,069,997	3,159,706	4,043,454
Total Central Government	16,833,751	16,195,877	17,770,454	23,341,955	26,303,708	27,286,934	30,087,370	29,866,260
Secured	716,595	803,547	1,005,053	1,097,640	1,184,744	1,226,363	1,327,087	1,340,728
Public Buildings Adm.*	2,990,085	3,031,744	3,098,773	3,153,902	3,246,369	3,400,729	4,441,416	4,562,461
Other Public Corporations	16,742,851	20,324,124	22,238,616	22,389,269	22,856,883	23,490,975	25,032,915	25,305,561
Total Public Corporations[2]	20,449,531	24,159,415	26,342,442	26,640,811	27,287,996	28,118,067	30,801,418	31,208,750
Municipalities	2,330,318	2,463,008	2,819,415	2,997.333	3,231,378	3,537,010	3,871,506	3,882,030
Total Debt as per TOMIS	39,613,600	42,818,300	46,932,312	52,980,099	56,823,082	58,942,011	64,760,394	64,957,040
Debt that does not lien the Treasury	3,522,716	3,364,956	6,460,679	5,434,914	5,383,199	5,337,139	5,187594	5,086,009
Grand Total Debt	$43,136,316	$46,183,256	$53,392,991	$58,415,913	$62,206,281	$64,279,150	$69,947,888	$70,043,049

* Public Buildings Administration debt excludes $67.2MM that are in the debt payable by legislative appropriations and includes $4,293 million in secured debt.

1 Excludes secured debt by the central government issued by public corporations

2 Includes Public Buildings Adm. and secured debt

The debt has not been adjusted for concept of the balance sheet of reserve accounts for the payment of debt service in the issuance of bonds. The debt of the Central Government excludes guarantees of the Central Government and includes interim financing granted to the Central Government..

Borrowing Margin of the Central Government

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

2. Borrowing Margin of the Central Government

The Constitution limits the amount of the Central Government's debt. The established limit requires that debt service does not exceed 15% of the average internal revenue corresponding to the two fiscal years prior to the one the debt is issued. This margin refers to the debt whose payment compromises the Central Government's power to impose taxes. At June 30, 2013, this maximum constitutional margin for servicing the debt is $1,213.3 million.

Borrowing Margin of Central Government Revenues from State Sources [3]	June 08	June 09	June 10	June 11	June 12	June 13
Average for Fiscal Years 2006 & 2007	8,346,104,000					
Average for Fiscal Years 2008 & 2009		8,233,716,500				
Average for Fiscal Years 2009 & 2010			7,679,421,000			
Average for Fiscal Years 2010 & 2011				7,333,246,000		
Average for Fiscal Years 2011 & 2012					7,595,987.00	
Average for Fiscal Years 2012 & 2013						8,089,241,500
Maximum Constitutional Margin (15%)	1,251,915,600	1,235,057,475	1,151,913,150	1,099,986,900	1,139,398,050	1,213,386,225
Minus: Debt Service	767,377,307	785,297,901	826,812,043	876,205,286	964,415,697	965,950,823
Percent	9.2%	9.5%	10.77%	11.95%	12.696%	11.941%
Is equal to: Unrestricted Margin ($)	484,538,293	449,759,574	325,101,107	223,781,614	174,982,353	247,435,402
Available percent	5.8%	5.5%	4.23%	3.05%	2.304%	3.059%

As observed in the table above, at June 30, 2013, the Central Government had an additional available constitutional margin for debt service of 3.059$. This margin allows issuing an additional constitutional debt whose yearly service ascents to $247 million. If we calculate this additional sum using a maximum interest rate of 12% for a 25-year period, the Central Government may theoretically issue $1,940 million in additional obligations without exceeding the referenced constitutional limit. However, having the legal authority to issue debt does not mean that the financial capacity to issue such a debt exists. The table below details the General Obligation Bonds at June 30, 2013.

[3] The margin presented here does not include debt extinguished using Guaranteed Investment Contracts.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

PUERTO RICO GOVERNMENT DEVELOPMENT BANK
COMMONWEALTH OF PUERTO RICO
BOND ISSUES PENDING
AT JUNE 30, 2013

Date	Bond Issue	Par Value	Current Principal	Expiration Date
05/04/95	Public Improvement Bonds of 1995	325,000,000	$ 38,710,000	07/01/15
02/01/96	Public Improvement Bonds of 1996	350,440,000	38,115,000	07/01/15
04/03/97	Public Improvement Bonds of 1997	369,000,000	42,840,000	07/01/15
01/29/98	Public Improvement Refunding Bonds, Series 1998	503,963,264	181,443,663	07/01/26
04/14/98	Public Improvement Bonds of 1998	500,000,000	68,525,000	07/01/16
12/17/98	Public Improvement Bonds of 1999	475,000,000.	108,510,000	07/01/28
04/05/00	Public Improvement Refunding Bonds, Series 2000	55,910,993	4,075,993	07/01/20
06/07/01	Public Improvement Bonds of 2001, Series A & B	410,970,000	274,135,000	07/01/23
06/07/01	Public Improvement Refunding Bonds, Series 2001	337,235,000	40,640,000	07/01/30
10/25/01	Public Improvement Bonds of 2002, Series A	455,000,000	301,955,000	07/01/31
10/25/01	Public Improvement Refunding Bonds, Series 2002 A	837,960,000	800,260,000	07/01/21
04/04/02	Public Improvement Refunding Bonds, Series 2002	501,565,000	96,120,000	07/01/14
08/08/02	Public Improvement Bonds of 2003, Series A	460,000,000	128,290,000	07/01/22
08/08/02	Public Improvement Refunding Bonds, Series 2003 A	89,610,000	66,840,000	07/01/17
04/02/03	Public Improvement Refunding Bonds, Series 2003	95,295,000	21,985,000	07/01/13
05/06/03	Public Improvement Refunding Bonds, Series 2003 C	1,018,245,000	625,610,000	07/01/28
10/16/03	Public Improvement Bonds of 2004, Series A	457,175,000	160,250,000	07/01/30
10/07/04	Public Improvement Bonds of 2005, Series A	440,460,000	316,545,000	07/01/31
06/23/06	Public Improvement Refunding Bonds, Series 2006 A	101,695,000	85,510,000	07/01/35
08/10/06	Public Improvement Bonds of 2006, Series A	500,000,000	400,920,000	07/01/30
08/10/06	Public Improvement Refunding Bonds, Series 2006 B	335,650,000	128,235,000	07/01/35
08/30/06	Public Improvement Bonds of 2006, Series B	39,380,000	39,380,000	07/01/17
10/04/07	Public Improvement Bonds of 2007, Series A	408,800,000	408,800,000	07/01/37
10/16/07	Public Improvement Refunding Bonds, Series 2007 A	926,570,000	446,470,000	07/01/34
05/07/08	Public Improvement Refunding Bonds, Series 2008 A	735,015,000	633,575,000	07/01/32
05/07/08	Public Improvement Refunding Bonds, Series 2008 C	190,135,000	182,920,000	07/01/28
09/18/08	Public Improvement Bonds of 2008, Series A	250,000,000	237,865,000	07/01/38
09/17/09	Public Improvement Refunding Bonds, Series 2009 A	3,425,000	3,425,000	07/01/31
11/17/09	Public Improvement Refunding Bonds, Series 2009 B	372,685,000	372,685,000	07/01/39
12/16/09	Public Improvement Refunding Bonds, Series 2009 C	210,250,000	210,250,000	07/01/39
02/17/11	Public Improvement Refunding Bonds, Series 2011 A	356,520,000	356,520,000	07/01/40
03/17/11	Public Improvement Refunding Bonds, Series 2011 C	442,015,000	442,015,000	07/01/40
07/12/11	Public Improvement Bonds of 2011, Series A	304,000,000	304,000,000	07/01/41
07/12/11	Public Improvement Refunding Bonds, Series 2011 D	52,190,000	52,190,000	07/01/20
07/12/11	Public Improvement Refunding Bonds, Series 2011 E	245,915,000	245,915,000	07/01/34
03/29/12	Public Improvement Refunding Bonds, Series 2012 B	415,270,000	415,270,000	07/01/33
04/03/12	Public Improvement Refunding Bonds, Series 2012 A	2,318,190,000	2,318,190,000	07/01/41
	Total		**$10,598,984,656**	

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Debt incurred by the government whose payment does not compromise the state's power to impose taxes is known as debt payable through legislative appropriations. This debt is comprised of (i) bonds issued by the Public Financing Corporation (PFC) or (ii) financing with the GDB and third parties and are paid from resources from the General Fund, or the Fund for Public Improvements. There also exists a debt issued through COFINA payable from the Sales and Use tax through the Compelling Interest Fund (FIA by its Spanish acronym).

The sum of this debt at June 30, 2013 adds up to $3,294 million payable for the General Fund through legislative appropriations. It also includes $749 million (previously paid through FIA) which will be covered by legislative appropriations and $15,224 million in COFINA bonds payable by FIA as detailed below:

	Balance (in millions of dollars)		
	June 2011	June 2012	June 2013
Legislative Appropriations	3,070	3,160	3,294
FIA –COFINA Bonds	13,765	15,224	15,224
Others *	770		
(*Previously* FIA)		758	749
Total Debt payable by Sales and Use tax and legislative appropriations	17,605	19,142	19,267

	Balance (in millions of dollars)		
	June 2011	June 2012	June 2013
Bonds/Promissory Notes to Third Parties	15,100	16,361	16,352
Debt with the GDB	1,825	1,959	2,089
Treasury Debt with GDB	680	822	826
Total Debt payable by Sales and Use tax and legislative appropriations	17,605	19,142	19,267

* Financings payable by legislative appropriations

E. MUNICIPAL DEBTS

The municipalities incur debts with the GDB and other banking or financial entities, be they public or private, to finance their permanent improvement projects, acquisitions of equipment/property, refinance operational debts, and any other project they are legally authorized to undertake. In order to obtain financing, the municipalities must comply with the following controls and borrowing margins, repayment capacity and controls, as presented below:

Bonds and General Municipal Obligations – Additional Special Tax (CAE by its Spanish acronym)

- Legal Margin – the law limits the total municipal debt to 10% of the total appraisal value of the taxable non exempt property and of the exempt property within its territorial limits; and
- Capacity to Repay – The GDB takes into consideration an average of the revenues for the past two years of the Additional Special Tax (CAE) and the balance in the Redemption Fund to determine the repayment capacity of each municipality. It is important to point out that the balance in the Redemption Fund must never be less than $20,000. The municipal legislature approves through ordinance, the yearly CAE tax, without limits as to type or amount, sufficient to cover the servicing of the debt.

Financings payable from Sales and Use tax revenues

- Capacity to Repay – the GDB takes into consideration revenue averages from Sales and Use tax for the past two years to determine each municipality's capacity to repay.

Bonds, Promissory Notes or Special Obligation Instruments – Operations Revenues

- Legal Margin – the total municipal debt cannot exceed 10% of the average of recurrent operation revenues of the municipality for the two fiscal years immediately preceding the current fiscal year. Margen Legal – el total de la deuda municipal no puede exceder el 10% del promedio de los ingresos operacionales recurrentes del Municipio de los dos años fiscales inmediatamente anteriores al año fiscal corriente
- Capacity to Repay – the GDB takes into consideration the revenues from operations and the payment of principal and debt service interests of the current debt to determine capacity to repay.

Revenue Bonds – Projects that generate self-liquidating revenue

- Capacity to Repay – the GDB takes into consideration revenue and expense projections presented in the feasibility study that the municipality presents to determine if the project to be financed is self-sustaining.

At June 30, 2013, total municipal debt amounted to $3,882 million, a 3% increase compared to June 2012.

F. PUBLIC CORPORATION DEBT

Public corporation debts payable from their own revenues are governed by trust agreements that each of the public corporations signs with investors through one or more trustees.

Each of these agreements provides, among other aspects, the level of income required to service its existing debt and that which is necessary to issue new debt. It also establishes the parameters and safeguards necessary to channel effectively the management and payment of debt obligations.

The borrowing capacity of public corporations to issue bonds is calculated according to the income level required to service their outstanding obligations, as stated in the trust agreements signed. Except in cases of certain types of debt issues (special obligation bonds, etc.), usually the income required to determine loan margin is, in turn, influenced by the current balance of the issuer's outstanding debt.

The following table presents a summary of bond debt, maximum surcharge debt, and income requirements at June 30, 2013 of the six major public corporations:

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Corporation	Balance of bonds pending payment (30/6/13) (a)	Maximum servicing in any year and other requirements	Required Revenues (b)
AEE	$ 8,049	$ 656	$ 787
ACT (c)	5,013	347	521
AEP (d)	4,294	961	961
AAA (e)	4,073	231	277
CFI	188	26	32
UPR	489	43	64
Total	$22,104	$2,263	$2,642

a) Do not include appraised value of the Capital Appreciation Bonds.
b) Pursuant to trust contract
c) The maximum debt service and required income disclosed in the table are the "senior" bonds exclusively. The total of the "senior" bonds exclusively.
d) Assuming that R Series bonds are not refinanced
e) The maximum debt service and required income disclosed in the table are the bonds "senior" exclusively.

At the close of fiscal 2013, the aggregate bond debt of these public corporations amounted to $ 22,104.3 million, the maximum aggregate debt service was $ 2,263.3 million, and the minimum aggregate revenue requirement in the trust agreements totaled $ 2,641.9 million. In comparison, in fiscal year 2012 aggregate bond debt of these public corporations amounted to $ 22,594.5 million and the required aggregate income totaled $ 2092.7 million. This represents a decrease of approximately 2.2% in the aggregate debt balance for bonds, and an increase of approximately 8% in the aggregate level of income required in such contracts.

GDB, in its role as fiscal agent and financial advisor, carefully monitors each bond issue of public corporations, regardless of the free margin of the issuer, so that these may be issued in compliance with current federal and state regulations.

As part of a healthy public policy administration, it is recommended that an issuer who is responsible for the development of infrastructure finance a reasonable minimum portion (25-30%) of its capital improvement plan with internal resources generated by operations. With regard to public corporations, that is one of the most effective and efficient ways that eventually leads to reasonable debt levels in this sector. Likewise, it is necessary to establish mechanisms to use the available margin on projects that promote productive activities that benefit the organization, economics, and public funds, either by increasing government revenue or leading to reducing expenses.

1. Debts of major Public Corporations

The GDB’s function as fiscal agent and financial advisor includes structuring and coordinating loans and debt issues of the Commonwealth, its agencies, municipalities and public corporations. As part of the process of strengthening the GDB’s role of fiscal agent, since 2009 tax cooperation agreements with AAA, AEE, ACT, AP, ASES, ASEM, ATM, and UPR were signed. As part of these agreements, these entities are required to implement fiscal stabilization plans and provide monthly financial information. The purpose of these fiscal partnership agreements is to help the aforementioned entities be self-sufficient, and to protect and improve their credit rating so that they can access adequate financing to meet their needs for capital improvements and to operate efficiently and in compliance with applicable laws and regulations.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Following is a brief summary of the debt and other information of public corporations with more financing needs:

Aqueduct and Sewer Authority (AAA) - The AAA owns and operates the public water and sewer system that serves a total of approximately 1.3 million customers. At the close of fiscal 2013, the AAA culminated operations with an operating loss of $ 291.9 million, and a decrease in net assets of $ 524 million. Total public debt of the AAA to June 30, 2013 (excluding debt refinancing under Act 164-2001) amounted to $ 4,632.2 million, of which $ 4,072.6 million represented debt bond issues and $ 559.6 million represented other obligations.

The capital improvement program of this corporation for the four-year period ending June 30, 2017, totals $ 1.242 million. During the past two decades, its capital improvement program has been funded primarily by financing payable from legislative appropriations, allocations from the federal government and, to a lesser extent, internally generated revenue.

In February 2012, the AAA issued bonds for an aggregate total of $ 2,095.6 million under its new trust agreement (Master Agreement of Trust) dated March 1, 2008, as amended on February 15, 2012 and under the Bonds Resolution No. 1583, dated December 7, 1995.

Ports Authority (AP) - The audited financial statements of the AP at the end of fiscal 2012 reflected an operating loss of $14 million and a reduction in net assets of $30.7 million. The total public debt of the AP to June 30, 2013, amounted to $ 215.4 million. **Autoridad de los Puertos (AP)** – Los estados financieros auditados de la AP, al cierre del año fiscal 2012, reflejaron una pérdida operacional de $14 millones y una reducción en activos netos de $30.7 millones. La deuda pública total de la AP, al 30 de junio de 2013, ascendía a $215.4 millones.

At March 31, 2014, the AP maintains current a $44 million loan with the GDB concerning the San Juan Waterfront project, better known as Bahía Urbana. This credit ease is collateralized by real estate property and transfers of leases. At present there is a measure for the consideration of the Legislature to allocate $ 5 million annually for the repayment of this facility.

Furthermore, the Puerto Rico Infrastructure Finance Authority (AFI by its Spanish acronym) served as a conduit for the AP bonds issue 2011 PRIFA Bonds Series A, B & C for payment of certain AP debts as described below:

- 2011 Series A - $163,300,000
- 2011 Series B - $192,830,000
- 2011 Series C - $136,385,000

As indicated in the previous paragraph, this issue was made by AFI for the AP, but the AP is responsible for payment of the debt service thereof. Originally, it was contemplated that these bonds were to be repaid in full with the proceeds from the concession of the LMM Airport (P3). However, the product of that concession was insufficient to pay for this and other obligations of the AP. From the start, the three series above were secured by two letters of credit issued by GDB for direct payment of this debt. By March 26, 2014, the remaining balance of the Series 2011A bonds was redeemed in full and the 2011C Bond Series was acquired by the GDB, both transactions through letters of credit from GDB to the AP, resulting in an obligation with no repayment source with GDB for approximately $211.4 million. Currently, alternatives are being evaluated to refinance the entire AP debt and establish a recurring source of repayment.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Private activity bonds (American Airlines, Inc. project) for a maximum principal amount of $155,410,000 are not included as part of the AP's debt service. The AP only served as conduit for these bonds and the debt service on them is made by American Airlines. These bonds are listed below:

- 1993 Serie A - $39,810,000
- 1996 Serie A - $115,600,000

The capital improvement program of this corporation, for the 5-year period ending June 30, 2016, is estimated at $326.7 million. During the past two decades and to date, this program has been mainly financed by external funding, allocations from the federal government, private funds, and to a lesser degree, with internally generated revenue. Over the past decade, the AP has been unable to access the bond markets because of their difficult financial situation.

Puerto Rico Electric Power Authority (PREPA) [AEE by its Spanish acronym] - PREPA owns and operates the country's electricity system. Currently, PREPA serves a total of approximately 1.4 million customers. PREPA closed fiscal 2013 with operating revenues of $354.0 and a reduction in net assets (loss) of $275.7 million. In accordance with its trust agreement, PREPA closed said fiscal year with a net income of $725.4 million.

PREPA'S total public debt, to June 30, 2013, amounted to $ 8,809.4 million, of which $ 8,048.5 million represented bond debt and $760.9 million represented other obligations.

PREPA'S capital improvement program ESA is $ 1774.7 million for the 5-year period ending June 30, 2016. This program is primarily funded through bond issues and other financing income payable with ESA.

Highways and Transportation Authority (ACT) - The ACT owns and operates the system of highways and main roads. The preliminary financial statements indicate that the ACT closed fiscal 2013 with an operating loss of $534.3 million and a reduction in net assets of $106.0 million. The total public debt of the ACT at 30 June 2013 amounted to $7,057.8 million, of which $5,012.7 million represented bond debt and $ 2,045.1 million represented other obligations.

Infrastructure Financing Authority (AFI) - The financial resources of AFI come mainly from the proceeds of the excise tax on rum produced in Puerto Rico and sold in the United States, which are collected by the federal government and returned to the Commonwealth. According to the provisions of Act 44, as amended, until 2009 AFI received the amount of $90 million for this purpose, and from fiscal year 2010 onwards should receive the amount of $117 million. Currently, these financial resources are committed primarily for the payment of debt service on a portion of their bonds, which were issued to financially assist the AAA.

At June 30, 2013, AFI's public debt amounted to $2,143.1 million, of which $2.100 million represented the bonds balance and $43.2 million corresponded to other obligations. As part of its responsibilities, AFI serves as the financial manager of the Clean Water and Drinking Water Revolving Funds programs with a loan portfolio of a combined authorized maximum amount of $768.5 million and an aggregate balance amounting to $469.7 million at June 30, 2013.

Puerto Rico Industrial Development Company (PRIDCO) [CFI by its Spanish acronym] - PRIDCO was created primarily to stimulate the economy of Puerto Rico by forming new local businesses and promoting external capital investment in Puerto Rico. To fulfill its mission PRIDCO has multiple programs and provides industrial facilities by renting or selling them to qualified companies; it also assists companies through special incentives. At June 30, 2013, PRIDCO had a total debt of $275.4 million, of which $188.1 million represented bond debt and $87.4 million other debt.

Public Buildings Authority (AEP by its Spanish acronym) - The AEP oversees the design and construction of facilities that are leased to Commonwealth agencies, departments and instrumentalities.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

At June 30, 2013, the AEP maintains a Capital Improvements Program of $501.4 million which includes fiscal years 2012-2016. This program is funded primarily through interim lines of credit granted by the GDB which then become permanent financing through bond issues sold in the Exempt Municipal Bond Market in the United States.

AEP bond issues are payable from rents received from the different government agencies who lease the buildings. Most of this revenue is paid from the General Fund.

AEP's bond debt at June 30, 2013 amounted to $4,293.5 million. It also maintains six lines of credit with GDB with a debt balance of $336 million; three of these lines of credit finance part of its current Capital Improvements Program.

University of Puerto Rico (UPR) - The UPR, with about 57,772 students during the first semester of the academic year 2013-2014, is the leading educational institution in Puerto Rico. The main source of income of the UPR are allocations by formula (9.6% of the average revenue of the General Fund during the two fiscal years prior to each appropriation) received annually from the Central Government. Other revenue also generated by UPR includes tuition, federal funds, auxiliary enterprises (libraries, coffee shops, etc.), Interest and others.

At June 30, 2013, the UPR had a total debt of $575.9 million, including $84.8 million in obligations to the GDB. These amounts do not include the debt owed to the GDB by the University Medical Services for approximately $16.3 million at that date, which is guaranteed by the UPR.

Public Finance Corporation (PFC, by its acronym in English) - The PFC was created as a subsidiary of GDB, through Resolution 5044 of December 12, 1984, as an alternative mechanism to finance the needs of certain government instrumentalities. It was created with the power to borrow money and issue bonds and other obligations to provide funds to purchase or buy bonds that have been issued to the GDB by government instrumentalities that do not have the legal ability to access the bond or banking markets. This allows obtaining interest rates at a reasonable level, which benefits the General Fund, which has been the primary source of repayment of this financing.

Since its inception, the PFC has been used as a mechanism to place debt in the bond market. The first funding for which it was used was to refinance the debt of the Sugar Corporation in 1985.

Then in 1995, when the Maritime Shipping Authority was sold, the debt assumed by the Central Government was placed in the bond market by using the Corporation.

The total debt balance of PFC to June 30, 2013 amounted to $1,090.7 million. The distribution of the PFC debt is as follows:

PUBLIC FINANCING CORPORATION DESCRIPTION	NOMINAL VALUE	PENDING CAPITAL
2011 Series A Bonds -Restructuring	$242,430,000	
Act 164 (PRASA)		$ 242,430,000
2011 Series B Bonds- Restructuring	$437,645,000	
Act 164 (PRASA)		274,945,000
PRASA - Superaqueduct		162,700,000
2012 Series A Bonds- Restructuring	$410,665,000	
Act 164 (PRASA)		278,971,000
Maritime		131,694,000
TOTAL		**$1,090,740,000**

The debt service on bonds issued by the PFC is primarily payable from budgeted legislative appropriations. The 2011A series was issued in August 2011 for a total of $242,430,000, and this series refinanced part of PRASA Super Aqueduct and new bonds of this series were issued under the provisions of Act 164. Subsequently, in December 2011, the 2011B Series is issued, totaling $437,645,000 and this series refinanced the 2003C Series (under the Treasury), the 2004 Series A (under OMEP), the 1999 Series (under AFASS) and part of PRASA Super Aqueduct 2004A Series . Of this series, $274,945,000 was issued under the provisions of Act 164, and $162.7 million is what remains of the existing PRASA Super Aqueduct. Finally, in June 2012, $410,665,000 were issued and this series partially refinanced the AP Series 2003 and 2004 and what remained in force under Act 164. On this series , $278,971,000 were issued under Act 164 and $131.694 million under the AP . The total of $1,090,740,000 is all that currently remains in force under the PFC.

G. PUERTO RICO COMPELLING FUND CORPORATION (COFINA by its Spanish acronym)

A summary about the creation, structure and operation of COFINA is presented below.

COFINA was created by virtue of Act 91-2006, as amended (hereinafter "Act 91"). It is an independent public corporation and instrumentality of the Commonwealth, attached to the GDB. COFINA has the same powers, rights and privileges granted to the GDB under its Charter, except that COFINA has no power to act as fiscal agent. COFINA's Board of Directors is composed of members of the Board of Directors of GDB. Revenues, operations, properties, bonds, notes and other COFINA obligations enjoy the same tax exemption enjoyed by the GDB. Recently, Act 116-2013 modified COFINA's authorized uses and Fixed Income (as described below).

COFINA aims to issue bonds and other financing mechanisms used for the following purposes: (i) pay or refinance, directly or indirectly, all or part of the extra- ELA existing debt at 30 June 2006 and the interest payable thereon (ii) pay all or part of the debt of the Secretary of the Treasury with GDB for the amount of $1,000 million used to finance the budget deficit for fiscal year 2008-2009 (iii) pay all or part of (a) financing granted or to be granted to the Commonwealth until 30 June 2014 by GDB or other financial institutions of bonds payable from future Commonwealth general obligation issues including, but not limited to, notes issued by the Commonwealth in anticipation of bond issues, (b) financing evidenced by bonds or notes of the Commonwealth whose interests are variable and obligations incurred under any contract for financing, warranty or exchange interest rates (interest rate swaps) executed with respect to such variables bonds or notes, and (c) any debt without Commonwealth repayment source or payable from existing Commonwealth budget allocations to June 30, 2013, (iv) pay all or part of the accounts payable to Commonwealth suppliers (v) pay or fund operating expenses of the Commonwealth for fiscal years 2008-09, 2009-10, and 2010-11, (vi) pay or fund operating expenses of the Commonwealth for the fiscal year 2011-2012, which will be included within the Commonwealth's annual budget, (vii) pay or fund operating expenses of the Commonwealth for the fiscal year 2012-13, 2013-2014, and 2014-2015, (viii) generate funds to nourish the Economic Stimulus Fund of Puerto Rico that is established under Article 6 of this Act, (ix) nourish the Commonwealth Emergency Fund to meet expenses arising as a result of catastrophic events such as hurricanes or flood; (x) generate funds to nourish the Economic Cooperation Fund and Public Employees Alternatives; (xi) nourish the Fiscal Reconstruction Fund created by Act 45-2013 or repay or refinance , directly or indirectly, all or part of the debt authorized by Act 45-2013; and (xii) pay, finance or refinance the bonds, loans, or notes in anticipation of bonds issued by the Commonwealth under the Laws 47-2013 and 242-2011 or cover the cost of necessary public improvements that may be financed by the bonds authorized by laws 242-2011 and 47-2013 (hereinafter, the "Authorized Uses").

The Compelling Interest Fund (hereinafter "FIA"), created by Act 91, is a special fund whose monies are used to service all Authorized Uses. The FIA and all funds deposited therein were transferred and became the property of COFINA in consideration of the commitment that, with the net proceeds of the issue of bonds or funds and resources available through COFINA, it pay or establish mechanisms to pay for all or part of the Authorized Uses.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

1. Bonds issued by COFINA

At December 31, 2013, COFINA as the following series of outstanding bonds, for a total of $ 15,557,120,615.80 aggregate principal:

Date of Issue	Series	Principal
Senior		
31/07/2007	2007 A	$ 2,367,603,573
31/07/2007	2007 B	1,333,101,780
20/12/2007	2007 C	499,996,628
26/06/2008	2008 A	737,046,992
18/06/2009	2009 C	237,875,000
13/12/2011	2011C	1,006,474,702
		91,155,000
		$6,273,253,675
First Subordinate		
18/06/2009	2009 A	$ 3,365,373,700
25/06/2009	2009 B	1,179,425,799
09/02/2010	2010 A	1,823,757,271
30/06/2010	2010 C	1,619,404,597
30/06/2010	2010 D	89,435,000
30/06/2010	2010 E	92,755,000
23/11/2011	2011 A	734,795,574
		45,620,000
		$8,950,566,941
Junior Lien BANs *		
30/04/2013	2013A	$ 333,300,000
	Total	**$15,557,120,616**

* The Junior Lien Bans was refinanced with the 2014A GO for $3.5 million and Banco Popular, in the role of paying agent, will pay i ton the April 1, 2014.

COFINA bonds are issued pursuant to the Resolution for the IVU Revenue Bonds (Sales Tax Revenue Bond Resolution) adopted by the Board of Directors of COFINA on July 13, 2007, as amended, and pursuant to which The Bank of New York plays the role of trustee (the "Trustee").

2. Pledge of the Sales and Use Tax (IVU) and the Compelling Interest Fund

The FIA is funded each fiscal year from the following sources, the proceeds of which are deposited directed into FIA at the time they are received and not deposited in the Treasury of Puerto Rico,and will not constitute Commonwealth resources or be available for use by the Secretary of the Treasury of the Commonwealth (hereinafter, "pledged tax"):

(a) The first revenues from Sales and Use Tax (hereinafter "tax") approved by the "Tax Fairness Act of 2006," Act 117-2006, for the Commonwealth up to the following amount:

(i) The product of the amount of tax collected during said fiscal year multiplied by a fraction whose numerator shall be 3.5% and the denominator shall be the rate of said tax, said fraction being hereinafter referred to as "3.5% of tax " or

(ii) The applicable Fixed Income, whichever is greater.

(b) Any subsidy that COFINA receives under the federal program known as Build America Bonds.

The Fixed Revenue for each fiscal year between FY 2007-2008 and FY 2012-2013, is equal to the sum of the Original Fixed Revenue Original and Additional Fixed Revenue. The Fixed Revenue for Fiscal Year 2013-2014 and each fiscal year thereafter is the sum of the Original Fixed Revenue, the Additional Fixed Revenue, and the Supplemental Fixed Revenue.

The Original Fixed Income for FY 2007-2008 was $ 185,000,000. The Original Fixed Income for each subsequent fiscal year is equal to the Original Fixed Income for the previous fiscal year plus 4%, up to $ 1,850,000,000.

The Additional Fixed Income for fiscal years 2006-2007, 2007-2008, and 2008-2009 was zero (0) dollars. Additional Fixed Income for Fiscal Year 2009-2010 was equal to $ 350,168,000. The Additional Fixed Income for each subsequent fiscal year is equal to the Additional Fixed Income for the previous fiscal year plus 4% up to the fiscal year in which the sum of the Original Fixed Income and Additional Fixed Income equals $ 1,850,000,000 ("Year maximum "). Additional Fixed Income for each subsequent fiscal year after Year Maximum will be reduced to the amount necessary so that the sum of the Original Fixed Income and the Additional Fixed Income equals $ 1,850,000,000.

The Supplemental Fixed Income for FY 2013-2014 will be $ 175,563,014. The Supplemental Fixed Income for each fiscal year thereafter shall be the Supplemental Fixed Income for previous fiscal year plus 4% up to the fiscal year in which the sum of the Original Fixed Income, the Additional Fixed Income and the Supplemental Fixed Income equal $2,055,000,000 ("Supplemental Maximum Year"). The Supplemental Fixed Income for each subsequent fiscal year after Supplemental Maximum Year will be reduced to the amount necessary so that the sum of the Original Fixed Income, the Additional Fixed Income, and the Supplemental Fixed Income equals $2,055,000,000. The Fixed Income for any fiscal year will come from the Commonwealth portion of the first tax revenues.

Act 91 provides that if the pledged tax is insufficient for the payment of bonds issued by COFINA or in case any COFINA reserve fund established for the payment of debt service requirements is applied to cover the shortfall in the amounts necessary to make such payments , these shortcomings and the amount of such reserve fund used to cover the deficiency shall be paid or reimbursed to COFINA from the first product received by the Commonwealth in the next fiscal year or subsequent fiscal years from any tax remaining after making the deposits pledged for the tax . If the revenues from the tax are insufficient to cover such payment or reimbursement, the Secretary of the Treasury is authorized to cover such shortfall from any available funds and is also authorized as a special measure for handling cash when there is no other alternative, take a loan from GDB to cover such shortfall, and the Director of OMB will include in the recommended budget for the current fiscal year or next fiscal year the appropriations necessary to cover the deficiencies.

3. Procedures for the Collection and Deposit of the IVU to the FIA

The procedure implemented by the Secretary of the Treasury for the purpose of complying with the requirements of Law 91 is as follows:

- On or before the tenth day of each month, the merchant submits his return and pays the IVU collected during the previous month to First Data Corp., a provider of electronic commerce ("First Data"), to Banco Popular of Puerto Rico ("Banco Popular") or other collector appointed by the Secretary of the Treasury ("Authorized Collector").

- Daily, First Data, Banco Popular, and Authorized Collectors have to transfer to a COFINA and BGF joint account with Banco Popular all IVU payments received from the merchants ("IVU Account ").

- Once the money is deposited into the IVU account, the Banco Popular in turn transfers daily (2 days later) revenues to the Trust until it is deposited the Fixed Income applicable and thereafter to the Treasury Department until it receives its share of the proceeds received to date for the fiscal year. Subsequently, Banco Popular has to divide the additional IVU revenues as described below.

4. Recent Modifications to COFINA

Act 18-2014 amended the distribution of the IVU funds that are transferred to COFINA and that the Commonwealth receives by (i) increasing the IVU portion corresponding to the Commonwealth from 5.5 % to 6.0 % and (ii) the creation of the Municipal Management Fund ("FAM"). As a result of these changes, COFINA is entitled to receive an amount equal to the Fixed Income and 3.5 % of the 6.0% of the IVU corresponding to the Commonwealth, whichever is greater, while the Commonwealth will receive the remaining amount after transferring the Fixed Income to COFINA, but not more than 2.5 % from 6.0% of IVU for the General Fund. In addition, beginning in fiscal year 2015, the FAM shall be entitled to receive 0.5 % of the IVU corresponding to the Commonwealth for the current fiscal year. FAM deposits are to be made once the COFINA portion is deposited in the Fixed Income, but before starting to make deposits to the General Fund. Once all appropriate deposits have been made to COFINA , the FAM and the General Fund, IVU funds for the Commonwealth will be divided as follows: (i) 58 % to COFINA, (ii) 33.7 % to the General Fund, and (iii) 8.3 % to FAM.

H. CENTRAL GOVERNMENT – DEPARTAMENT OF THE TREASURY

During Fiscal Year 2012-2013, amendments were made regarding the issue of bonds by the Central Government and several lines of credit were approved. Below is a list of these transactions: Durante el Año Fiscal 2012-2013 se realizaron enmiendas relacionadas con emisiones de bonos del Gobierno Central y se aprobaron varias líneas de crédito. A continuación una lista de estas transacciones:

Issues FY 2012-2013			
Date	**Issuer**	**Amount**	**Amendments – New Expiration Dates**
May 2013	Commonwealth of Puerto Rico - Series 2003 C-5-1	44,905,000	May 1, 2014
May 2013	Commonwealth of Puerto Rico - Series 2007 A-2	14,915,000	May 1, 2014
June 2013	Commonwealth of Puerto Rico - Series 2007 A-3	14,925,000	June 1, 2014
June 2013	Commonwealth of Puerto Rico - Series 2003 C-5-2	188,710,000	June 22, 2014
June 2013	Commonwealth of Puerto Rico - Series 2003 C-6-1	98,695,000	July 1, 2014
June 2013	Commonwealth of Puerto Rico - Series 2003 C-6-2	98,690,000	July 1, 2014

The 6 series above were refinanced with GO 2014A for $3.5 million and the Banco Popular, in his role the paying agent, will pay on March 17, April 1 and April 10, 2019, respectively.

Credit Lines FY 2012-2013			
Date	**Number**	**Amount**	**Use of Funds**
July 2012	2-17-48 (Hacienda)*	384,495,980	Refinanciar porción de pagos de principal de bonos del ELA (AF 2013)
July 2012	2-17-50 (Hacienda)*	215,936,841	Refinanciar porción de pagos de intereses de bonos del ELA (AF 2013)
Sept 2012	2-17-47 (Hacienda)*	147,050,000	Disminución de $67,950,000 a la LC por $215MM

* These lines of credit were paid partly or wholly with GO 2014 A of $3.5MM /

TRANs FY 2012-2013*		
Date	**Bank that granted the financing**	**Amount**
July 2012	BGF - TRANs 2013A	400,000,000
July 2012	Bank of America-Merrill Lynch – TRANs 2013B	250,000,000
August 2012	JP Morgan - TRANs 2013C	150,000,000
August 2012	BPPR - TRANs 2013D	150,000,000
August 2012	Santander - TRANs 2013D	100,000,000
Sept. 2012	Citibank - TRANs 2013E	125,000,000
Oct. 2012	BBVA – TRANs 2013F	125,000,000

* The total awarded in TRANS for FY 2012-2013 was $ 900 million, as the mechanism granted by the GDB was canceled.

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

During Fiscal Year 2013-2014, the following transactions have been performed:

Credit Lines FY 2013-2014			
Date	**Number**	**Amount**	**Use of Funds**
July 2013	2-17-53 (Hacienda)*	319,645,474	Refinanciar porción de pagos de principal de bonos ELA del AF 2014
July 2013	2-17-54 (Hacienda)*	255,755,568	Refinanciar porción de pagos de intereses de bonos ELA del AF 2014
Nov 2013	2-17-55 (Hacienda)*	245,000,000	Para cubrir gastos operacionales (Fondo de Estabilización)**
Nov 2013	2-17-56 (Hacienda)	100,000,000	Línea de crédito interina en anticipo al GO 2014
Dec 2013	2-17-47 (Hacienda)*	290,000,000	Aumento de $227,950,000 a la LC de $62,050,000
Dec 2013	2-17-48 (Hacienda)*	516,086,980	Aumento de $131,594,000 a la LC de $384,495,980

* These lines of credit were paid partly or wholly with GO 2014 A of $3.5MM.

** This line of credit was reduced to $92,500,000 pursuant to Law 34 of March 4, 2014.

TRANs AF 2013-2014*		
Date	**Bank that granted the financing**	**Amount**
July 2013	BGF - TRANs 2014A	300,000,000
July 2013	Oriental BAnk – TRANs 2014B	100,000,000
July 2013	BPPR - TRANs 2014C	100,000,000
August 2013	Santander - TRANs 2014D	200,000,000
August 2013	JP Morgan - TRANs 2014E	200,000,000
Sept 2013	Scotiabank - TRANs 2014F	100,000,000
Sept 2013	Bank of America-Merrill Lynch - TRANs 2014G	125,000,000
Oct 2013	First Bank – TRANs 2014H	75,000,000

* Total TRANS awarded for FY 2013-2014 was $1,200 million.

On March 17, 2014, a General Obligation Bonds Issue for $3,500,000,000 was made.

I. MECHANISM FOR REFINANCING DEBT SERVICE

Exercising its role as financial advisor and fiscal agent of the Government, the BGF is constantly evaluating the management of the public debt of the Government, seeking opportunities to reduce the cost of debt service and / or refinance public debt to provide liquidity to the General Fund. Every month, one sixth of interests and one-twelfth of the next principal payment of debt service are deposited into each issuers Redemption Fund, respectively. Funds deposited in the Redemption Fund are held by the trustee of the issuer. For general debt obligations of the Government conferring the right of absolute faith and credit, deposits in the Redemption Fund are held by the GDB.

Since the second half of fiscal 2009, there have been a series of financings to relieve pressure from the General Fund budget. These rollovers have been made to the debt service of bonds: (i) the Commonwealth - General Obligations, which confer the right to full faith and credit and (ii) the Public Building Authority, whose the payment of debt service comes from revenue allocated from the General Fund budget. The next table shows, by fiscal year, refinanced debt service where the deposit to their respective Redemption Funds was performed with interim financing and / or bond issues:

Fiscal Year	Central Goverment – General Obligations	AEP
2009	$102.9 million	$ 91.2 million
2010	$345.6 million	$ 77.4 million
2011	$470.9 million	$147.8 million
2012	$536.0 million	$153.8 million
2013	$600.4 million	$174.8 million
2014	$575.0 million	0 million

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

Fiscal Year 2015 does not contemplate refinancing transactions of debt service for the Central Government or the Public Buildings Authority.

J. THE ISSUING OF BONDS

Presented below are the bonds issued in the last two fiscal years, 2011 and 2012, and those we currently have for FY 2013 to 2014:

Emisiones AF 2013-2014			
Date	**Issuer**	**Par Value**	**Use of Funds**
Ago-2013	PR Electric Power Authority – Series 2013 A	$ 673,145,000	New Money
Marzo-2014	Commonwealth of Puerto Rico - Series 2014 A	3,500,000,000	New Money
	Total New Money FY 2013-14	$4,173,145,000	

Emisiones AF 2012-2013			
Date	**Issuer**	**Par Value**	**Use of Funds**
Abr-2013	COFINA – Sales Tax Revenue Junior Lien Bond Anticipation Notes, Series 2013A	$333,300,000	New Money
Jun-2013	PRASA – Rural Development Issue, Series II	45,561,520	New Money
	Total New Money FY 2012-13	$378,861,520	

Emisiones AF 2011-2012			
Date	**Issuer**	**Par Value**	**Use of Funds**
Jul-2011	Commonwealth of Puerto Rico - Series 2011 A	$ 304,000,000	New Money
Jul-2011	Commonwealth of Puerto Rico - Refunding Series 2011 D	52,190,000	Refunding
Jul-2011	Commonwealth of Puerto Rico - Refunding Series 2011 E	245,915,000	Refunding
Ago-2011	PFC-2011 Series A	242,430,000	Refunding
Ago -2011	PBA Gov. Facilities Revenue Bonds, Series R	756,449,000	New Money
Ago -2011	PBA Gov. Facilities Revenue Refunding Bonds, Series S	303,945,000	Refunding
Sep-2011	GDB Senior Notes Series 2011 C	450,000,000	New Money
Sep-2011	PRASA - Rural Development Issue, Series HH	70,211,000	New Money
Oct-2011	GDB Senior Notes Series 2011 D	295,000,000	New Money
Nov-2011	GDB Senior Notes Series 2011 F	400,000,000	New Money
Nov-2011	Puerto Rico Sales Tax Fin. Corp., First Subordinate Series 2011 A	734,795,574	Refunding
Nov-2011	Puerto Rico Sales Tax Fin. Corp., First Subordinate Series 2011 B	45,620,000	Refunding
Dic-2011	Puerto Rico Sales Tax Fin. Corp., Senior Series 2011 C	1,006,474,702	Refunding
Dic -2011	Puerto Rico Sales Tax Fin. Corp., Senior Series 2011 D	91,155,000	Refunding
Dic -2011	PFC-2011 Series B	437,645,000	Refunding
Dic -2011	GDB Senior Notes Series 2011 H	1,399,045,000	Refunding
Dic -2011	GDB Senior Notes Series 2011 I	397,935,000	New Money
Dic -2011	PBA Gov. Facilities Revenue Bonds, Series T	121,528,000	New Money
Dic -2011	Puerto Rico Infrastructure Financing Authority - Series 2011 A	340,000,000	New Money
Dic -2011	Puerto Rico Infrastructure Financing Authority - Series 2011 B	192,830,000	New Money
Dic -2011	Puerto Rico Infrastructure Financing Authority - Series 2011 C	136,385,000	New Money
Feb-2012	GDB Senior Notes Series 2012 A	1,000,000,000	New Money
Feb-2012	PRASA - Revenue Bonds, Series A (Senior Lien)	1,800,450,000	New Money
Feb-2012	PRASA - Revenue Bonds, Series B (Senior Lien)	295,245,000	New Money
Mar-2012	Commonwealth of Puerto Rico - Refunding Series 2012 B	415,270,000	Refunding
Abr-2012	Commonwealth of Puerto Rico - Refunding Series 2012 A	2,318,190,000	Refunding
May-2012	Puerto Rico Electric Power Authority - Series 2012 A	630,110,000	New Money
May-2012	Puerto Rico Electric Power Authority - Series 2012 B	19,890,000	Refunding
Jun-2012	PBA Gov. Facilities Revenue Bonds, Series U	582,345,000	Refunding
Jun-2012	PFC-2012 Series A	410,665,000	Refunding
	Total Debt Issued FY 2011-12	$15,495,718,276	
	Total New Money FY 2011-12	7,190,143,000	
	Total Refunding FY 2011-12	$ 8,305,575,276	

CONSOLIDATED FINANCINGS OF THE COMMONWEALTH OF PUERTO RICO

In addition, the next table presents the accumulated public debt from FY 2003 through FY 2013.

Commonwealth Authorized Public Debt

ISSUED FISCAL YEARS 2004 TO 2013

(in millions of dollars)

AGENCY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Grand Total (1)	37,434	40,268	43,136	46,183	53,393	58,415	62,206	64,279	69,948	70,043
I. CENTRAL GOVERNMENT (2)										
Total	8,519	9,017	10,074	10,559	9,792	9,939	10,303	10,363	11,844	12,329
Bonds	6,879	7,307	7,276	8,167	8,759	9,006	9,511	9,682	10,945	10,599
Promissory Notes	1,640	1,710	2,797	2,392	1,034	932	792	681	899	1,730
II. MUNICIPALITIES	2,046	2,181	2,330	2463	2,819	2,997	3,231	3,537	3,872	3,882
III. NON TREASURY DEBT	3,491	3,563	3,426	3,365	6,461	5,435	5,383	5,337	5,188	5,086
IV. PUBLIC CORPORATIONS										
Total	23,377	25,504	27,210	29,796	34,321	40,044	43,288	45,042	49,045	48,746
Aqueducts and Sewer Authority										
Total	717	982	1,418	1,956	2,591	2,960	3,316	3,622	4,652	4,632
Bonds	500	523	505	487	1,938	1,933	1,943	1,937	4,092	4,073
Promissory Notes	217	459	913	1,469	653	1,027	1,373	1,685	560	560
Highway Authority	5,799	6,045	6,492	6,688	6,912	7,095	7,169	7,414	6,999	7,058
Bonds	5,799	5,770	6,462	6,494	6,428	6,344	6,240	6,120	5,117	5,013
Pagarés	--	275	30	194	484	751	929	1,294	1,882	2,045
Public Buildings Authority										
Total	2,898	2,932	2,990	3,032	3,174	3,229	3,316	3,470	4,509	4,630
Bonds	2,898	2,920	2,885	2,828	3,099	3,047	3,154	3,070	4,372	4,294
Promissory Notes	--	12	106	204	75	182	162	400	137	336
Electric Power Authority										
Total	5,219	5,644	5,631	6,600	7,317	7,248	7,478	7,972	8,849	8,809
Bonds	5,032	5,364	5,246	5,695	6,195	6,031	7,423	7,781	8,234	8,049
Promissory Notes	187	280	385	905	1,122	1,217	55	191	615	761
Ports Authority										
Total	393	493	494	611	686	725	737	738	283	215
Bonds	79	75	71	66	61	59	46	46	46	0
Pagarés	314	418	424	544	624	666	691	692	237	215
Industrial Development Company										
Total	338	331	351	352	353	347	336	324	310	275
Bonds	301	292	281	271	264	258	247	235	222	188
Pagarés	37	39	70	81	89	89	89	89	88	87
University of Puerto Rico										
Total	425	440	453	625	619	620	554	627	588	576
Bonds	409	392	374	605	585	569	554	533	511	489
Promissory Notes	16	48	80	20	34	51	0	94	78	87
Other Public Corporations										
Total	7,588	8,637	9,477	9,934	12,670	17,819	20,381	20,876	22,854	22,551
Bonds	5,945	6,407			9,872	15,174	17,873	18,183	19,570	19,174
Promissory Notes	1,643	2,230			2,798	2,645	2,508	2,693	3,284	3,377

(1) Excludes Central Government guarantees and includes interim financing granted to the Central Government