FY2021 Financial Report (Preliminary)
For the fiscal year ended on June 30, 2021
Contents

• The Authority at a Glance
• Operating Data
• Financial Results
• Capital Improvement Program
• Liquidity
• Debt and Debt Service Coverage
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The Authority was created by Act 49 of 1945 as a governmental instrumentality of the Commonwealth for the purpose of owning and operating the potable water supply and wastewater systems in Puerto Rico and is the sole provider of potable water and wastewater services.

Serving 1,251,506 customers (96% water/59% wastewater) in a service area of 3,535 square miles with 4,671 employees.

8 dams
113 filter plants
51 sewer plants
Over 3,700 auxiliary facilities: tanks - 1,557, pump stations - 1,973, water wells - 249
Over 20,000 miles of pipes

1Preliminary data as of June 30, 2021
Operating Data
As of June 30, 2021

Consumption by Customer Type

- Residential: 75%
- Commercial: 10%
- Industrial: 6%
- Government: 9%

Residential Accounts Statistics

- Average Consumption: 12 m³
- Average Bill (Water Only): $23.84
- Average Bill (Water and Wastewater): $43.33

Consumption and Clients

- Water Consumption (in m³) - Source: Informes SC (M. Parlato)
- Clients (Active Accounts) - Source: Metricas SC (D. Soler)

Billings and Collections

Source: BW/SAP – Preliminary information subject to change
## Preliminary Financial Results
For Fiscal Year 2021
Subject to change

### ($000's)

<table>
<thead>
<tr>
<th>Authority Revenues</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Revenues - Regular</td>
<td>865,079</td>
<td>859,574</td>
<td>(5,505)</td>
</tr>
<tr>
<td>Service Revenues - Government</td>
<td>180,990</td>
<td>181,410</td>
<td>420</td>
</tr>
<tr>
<td>Miscellaneous &amp; Insurance (BI)</td>
<td>2,000</td>
<td>3,544</td>
<td>1,544</td>
</tr>
<tr>
<td>Total Authority Revenues</td>
<td>1,048,069</td>
<td>1,044,529</td>
<td>(3,541)</td>
</tr>
<tr>
<td>Senior and Senior Sub Debt</td>
<td>(256,756)</td>
<td>(248,770)</td>
<td>7,986</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Variance ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll &amp; Related</td>
<td>(309,083)</td>
<td>(291,015)</td>
<td>18,068</td>
</tr>
<tr>
<td>Electricity</td>
<td>(126,730)</td>
<td>(125,962)</td>
<td>768</td>
</tr>
<tr>
<td>Maintenance &amp; Repair</td>
<td>(54,179)</td>
<td>(51,583)</td>
<td>2,596</td>
</tr>
<tr>
<td>Chemicals</td>
<td>(44,833)</td>
<td>(41,939)</td>
<td>2,894</td>
</tr>
<tr>
<td>Total Other Expenses</td>
<td>(176,273)</td>
<td>(156,569)</td>
<td>19,703</td>
</tr>
<tr>
<td>Total Net Operating Expenses</td>
<td>(711,097)</td>
<td>(667,068)</td>
<td>44,029</td>
</tr>
<tr>
<td>FEMA / Insurance Reimb.</td>
<td>28,000</td>
<td>25,018</td>
<td>(2,982)</td>
</tr>
<tr>
<td>Operating Reserve Fund</td>
<td>(34,155)</td>
<td>(34,155)</td>
<td>0</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>(60,629)</td>
<td>(60,630)</td>
<td>(1)</td>
</tr>
<tr>
<td>Commonwealth Payment Fund</td>
<td>(7,178)</td>
<td>(7,178)</td>
<td>(1)</td>
</tr>
<tr>
<td>Balance</td>
<td>6,254</td>
<td>51,746</td>
<td>45,491</td>
</tr>
</tbody>
</table>

Source: SAP for operating expenses (accrual basis) and cash flow for other line items (cash basis). Presented based on the Master Agreement of Trust ("MAT") flow of funds.

Preliminary information subject to material change.
Actual CIP costs are lower than projected because (i) the obligation of funds from FEMA for Permanent Work did not occur until January 2021 and (ii) other projects not financed by FEMA funds experienced delays as a result of the lockdown forced by the COVID-19 Pandemic. It should be noted that obligation of funds from FEMA does not constitute an authorization for construction and each project must be submitted to FEMA for eligibility determination and formulation.

Budget included herein is based on the Certified Fiscal Plan dated June 29, 2020 but PRASA’s CIP has been reviewed to incorporate the impact of the recent FEMA award and updates to the execution timelines.
The Debt Service Reserve Fund is for the 2008A Bonds only.

The Authority has an operating reserve fund ("ORF"), which reached 90 days of operating expenses by the end of FY2021.

In addition to the ORF, PRASA had a Current Expense Fund balance as of June 30, 2021, of over 90 days of cash on hand.

Reduction of $20.5 million for one-time payment for the settlement of an Authority obligation with the GDB Debt Recovery Authority.

### Liquidity

#### Cash Balances

- **Group of Funds**
  - Debt Service Account: $192,597
  - Debt Service Reserve: $99,531
  - Restricted for Debt Service: $292,128
  - Capital Improvement: $130,997
  - Disaster Recovery (FEMA/Insurance): $78,496
  - Construction Fund: $67,930
  - Compliance Escrow Accounts: $1,394
  - Restricted for CIP and Compliance: $278,817
  - Operating Reserve: $185,869
  - Operating Reserve Fund: $185,869
  - Current Expense Fund and Petty Cash: $195,057
  - Revenue Fund: $7,876
  - Other Funds: $202,933
  - Total: $959,747

#### Current Expense Fund

- **Group of Funds**
  - Debt Service Account: $292,128
  - Debt Service Reserve: $99,531
  - Restricted for Debt Service: $195,057
  - Capital Improvement: $130,997
  - Disaster Recovery (FEMA/Insurance): $78,496
  - Construction Fund: $67,930
  - Compliance Escrow Accounts: $1,394
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  - Revenue Fund: $7,876
  - Other Funds: $202,933
  - Total: $959,747

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1. Reduction of $20.5 million for one-time payment for the settlement of an Authority obligation with the GDB Debt Recovery Authority.
# Debt and Debt Service Coverage

## Outstanding Senior Debt

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-21</th>
<th>1-Jul-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior Bonds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008 Series A Bonds (CAB)</td>
<td>87,215</td>
<td>67,315</td>
</tr>
<tr>
<td>2012 Series A Bonds</td>
<td>1,695,055</td>
<td>1,652,830</td>
</tr>
<tr>
<td>2012 Series B Bonds</td>
<td>153,585</td>
<td>153,585</td>
</tr>
<tr>
<td>2020 Series A Bonds</td>
<td>1,351,300</td>
<td>1,318,020</td>
</tr>
<tr>
<td>2020 Series B Bonds</td>
<td>18,775</td>
<td>18,050</td>
</tr>
<tr>
<td><strong>Total Senior Debt</strong></td>
<td>3,305,930</td>
<td>3,209,800</td>
</tr>
</tbody>
</table>

## Other Senior Indebtedness

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-21</th>
<th>1-Jul-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 State Revolving Fund Loans</td>
<td>580,677</td>
<td>575,677</td>
</tr>
<tr>
<td>2020 State Revolving Fund Loans</td>
<td>10,970</td>
<td>11,927</td>
</tr>
<tr>
<td>2019 Rural Development Loans</td>
<td>399,496</td>
<td>398,458</td>
</tr>
<tr>
<td><strong>Total Other Senior Indebtedness</strong></td>
<td>991,143</td>
<td>986,062</td>
</tr>
</tbody>
</table>

**Total Senior Debt**

<table>
<thead>
<tr>
<th></th>
<th>30-Jun-21</th>
<th>1-Jul-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Senior Debt</strong></td>
<td>$4,297,073</td>
<td>$4,195,862</td>
</tr>
</tbody>
</table>

## Debt Service Coverage (FY2021 Preliminary Results)

- **Senior Debt Service Coverage Ratio (Over Authority Revenues – Current MAT)**: 4.20
- **Senior Debt Service Coverage Ratio (Over Net Revenues – Proposed MAT Amendment)**: 1.62
- **All Obligations Coverage Ratio**: 1.05
For questions or additional information please contact:

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