



# FY2021 Quarterly Financial Report

For the six-month period ending on  
December 31, 2020



Puerto Rico Aqueduct and Sewer Authority  
GOVERNMENT OF PUERTO RICO

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# The Authority at a Glance<sup>1</sup>



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  
**1,239,823 CUSTOMERS**  
(96% WATER/59% WASTEWATER)

IN A SERVICE AREA OF  
**3,535 SQUARE MILES**

WITH  
**4,583 EMPLOYEES**



8 DAMS



113 FILTER PLANTS



51 SEWER PLANTS



OVER 3,700  
AUXILIARY FACILITIES:  
TANKS - 1,557  
PUMP STATIONS - 1,981  
WATER WELLS - 249



OVER 20,000 MILES  
OF PIPES

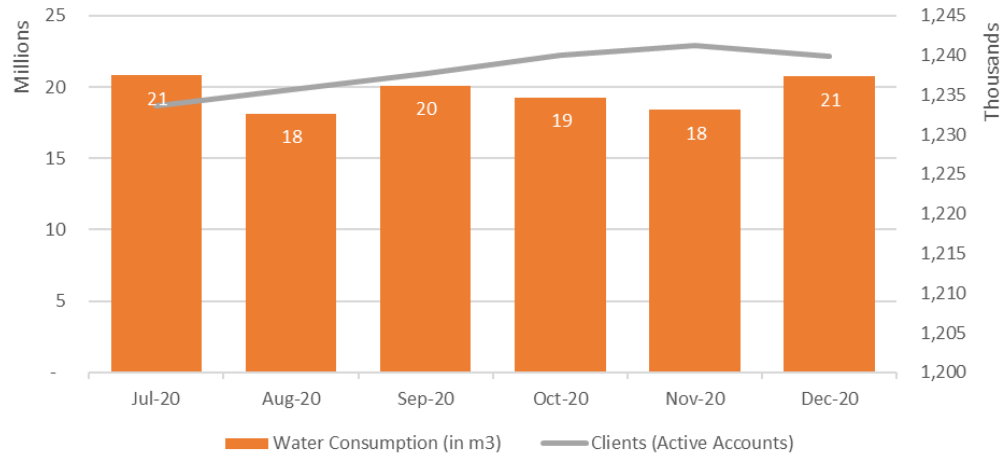
<sup>1</sup>Preliminary data as of December 31, 2020

# Operating Data

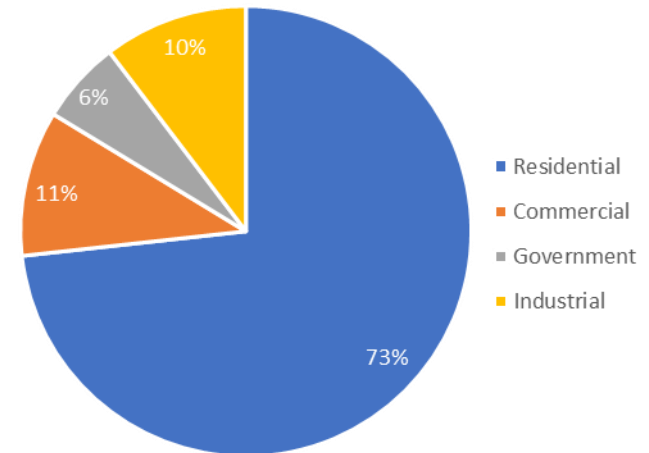
## As of December 31, 2020



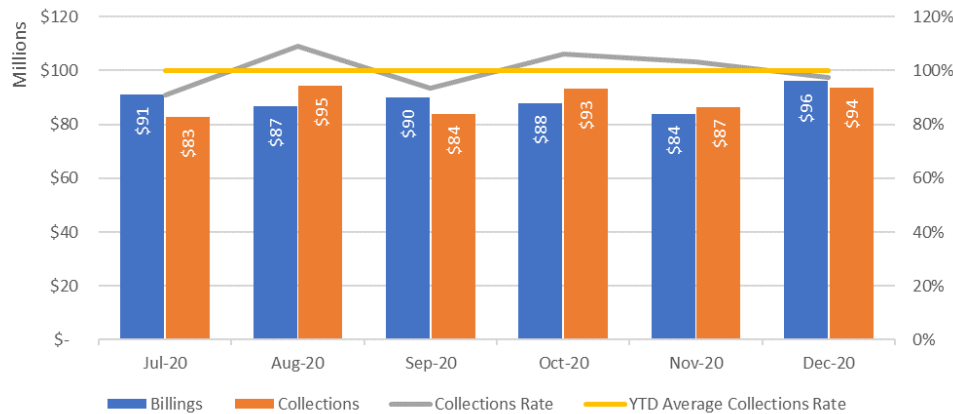
### Consumption and Clients



### Consumption by Customer Type



### Billings and Collections



### Residential Accounts Statistics



Source: BW/SAP – Preliminary information subject to change

# Financial Results

For the six-month period ending on December 31, 2020



(\$000's)	December 31, 2020 - YTD		
	Budget	Actual	Variance (\$)
<b><u>Authority Revenues</u></b>			
1 Service Revenues - Regular	\$ 418,625	\$ 420,173	\$ 1,548
2 Service Revenues - Government	79,490	105,001	25,510
3 Miscellaneous & Insurance (BI)	1,000	1,447	447
<b>4 Total Authority Revenues</b>	<b>499,115</b>	<b>526,621</b>	<b>27,506</b>
<b>5 Senior and Senior Sub Debt</b>	<b>(126,222)</b>	<b>(125,395)</b>	<b>828</b>
<b><u>Operating Expenses</u></b>			
6 Payroll & Related	(145,133)	(154,410)	(9,277)
7 Electricity	(64,365)	(61,216)	3,150
8 Maintenance & Repair	(28,089)	(21,749)	6,341
9 Chemicals	(19,736)	(22,559)	(2,823)
10 Other Expenses	(89,126)	(81,511)	7,614
<b>11 Total Net Operating Expenses</b>	<b>(346,450)</b>	<b>(341,445)</b>	<b>5,005</b>
12 FEMA / Insurance Reimb.	21,500	6,898	(14,602)
13 Operating Reserve Fund	(16,767)	(16,838)	(70)
14 Capital Improvement Fund	(45,472)	(45,472)	(0)
15 Commonwealth Payment Fund	(12,978)	(10,815)	2,163
<b>16 Balance</b>	<b>\$ (27,275)</b>	<b>\$ (6,446)</b>	<b>\$ 20,829</b>

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 change

# Capital Improvement Program (“CIP”)

For the six-month period ending on December 31, 2020



*(Amounts expressed in \$000's)*

	December 31, 2020 - YTD		
	Budget	Actual	Variance (\$)
Emergency / Permanent Works	\$ 62,682	\$ 10,565	\$ 52,117
Renewal & Replacement	48,793	18,576	30,216
Mandatory Compliance	22,004	2,056	19,948
Non Mandatory Compliance	14,595	177	14,418
Optimization & Emergencies	7,500	-	7,500
Fleet & IT	7,226	3,608	3,618
Quality	7,225	817	6,407
Meter Replacement	500	121	379
Safety & Other	3,875	294	3,581
<b>Total CIP Incurred</b>	<b>\$ 174,398</b>	<b>\$ 36,215</b>	<b>\$ 138,183</b>

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 funded by FEMA experienced delays from 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 will have to be submitted to FEMA for eligibility determination and formulation.

**PRASA is in the process of reviewing its CIP to incorporate the impact of both: the recent FEMA award and the updates in execution timeline.**

Source: CIP Budget as included in the FY2021 Budget certified by the Oversight Board and actual based on CIP incurred costs recorded in SAP.  
Preliminary information, subject to change

# Liquidity



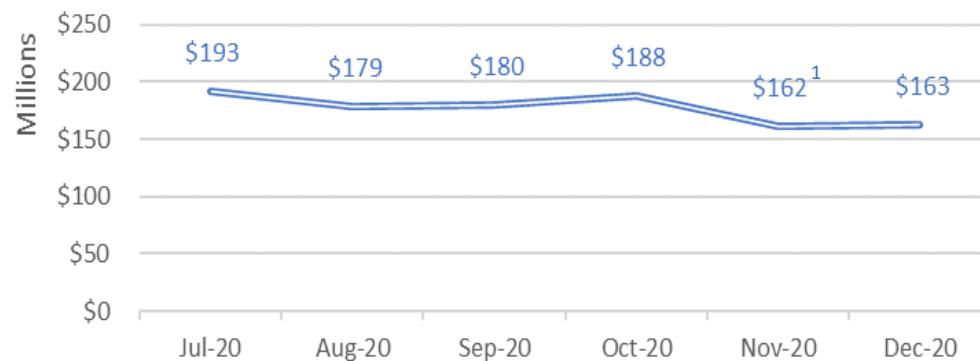
## Cash Balances

Group of Funds	Balance as of December 31, 2020 (in \$'000)	Trust Accounts
Debt Service Account	98,531	✓
Debt Service Reserve Fund	98,573	✓
<b>Restricted for Debt Service</b>	<b>197,104</b>	
Capital Improvement Fund	140,622	✓
Disaster Recovery (FEMA/Insurance)	84,976	
Construction Fund	74,017	✓
Compliance Escrow Accounts	1,370	
<b>Restricted for CIP and Compliance</b>	<b>300,984</b>	
Operating Reserve Fund	168,466	✓
<b>Operating Reserve Fund</b>	<b>168,466</b>	
Current Expense Fund and Others	164,123	
Revenue Fund	6,488	✓
<b>Other Operational Funds</b>	<b>170,611</b>	
<b>Total</b>	<b>\$ 837,165</b>	

The Debt Service Reserve Fund is for the 2008A Bonds only

The Authority has an operating reserve fund, which as required by the MAT, is expected to reach **90 days of operating expenses** by the end of FY2021

## Current Expense Fund



Cash available for operations in the Current Expense Fund: **85 days of cash on hand**

<sup>1</sup>Reduction of \$20.5 million for one-time payment of an Authority obligation with the GDB Debt Recovery Authority for its settlement in full





# Debt and Debt Service Coverage

## Outstanding Senior Debt

<i>(in \$000s)</i>	Balance as of December 31, 2020
<u>Senior Bonds</u>	
2008 Series A Bonds (CAB)	87,215
2012 Series A Bonds	1,695,055
2012 Series B Bonds	153,585
2020 Series A Bonds	1,351,300
2020 Series B Bonds	18,775
	<b>3,305,930</b>
<u>Other Senior Indebtedness</u>	
2019 State Revolving Fund Loans	585,677
2020 State Revolving Fund Loans	10,970
2019 Rural Development Loans	400,469
	<b>997,116</b>
<b>Total Senior Debt</b>	<b>\$ 4,303,046</b>

## Debt Service Coverage (FY2021 Budget)

Senior Debt Service Coverage Ratio (Over Authority Revenues – Current MAT)	4.24
Senior Debt Service Coverage Ratio (Over Net Revenues – Proposed MAT Amendment)	1.59
All Obligations Coverage Ratio	1.00



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