



GOVERNMENT OF  
**PUERTO  
RICO**

# Preliminary Financial Report

## For the semester ended December 31, 2021

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Puerto Rico Aqueduct and Sewer Authority  
GOVERNMENT OF PUERTO RICO

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

The Puerto Rico Aqueduct and Sewer Authority (the “Authority”) owns and operates the potable water supply and wastewater systems in Puerto Rico and endeavors to provide high-quality water and wastewater services at an affordable cost



SERVING  
**1,263,053 CUSTOMERS**  
(96% WATER / 59% WASTEWATER)

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

WITH  
**4,625 EMPLOYEES**



8 DAMS



112 FILTER PLANTS



51 SEWER PLANTS



OVER 3,900 AUXILIARY FACILITIES, INCLUDING:  
TANKS - 1,563  
PUMP STATIONS – 1,968  
WATER WELLS - 244



OVER 20,000 MILES OF PIPES

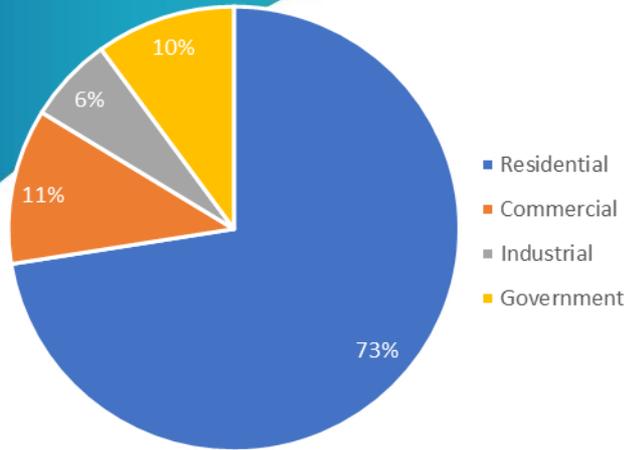
<sup>1</sup>Preliminary data as of December 31, 2021



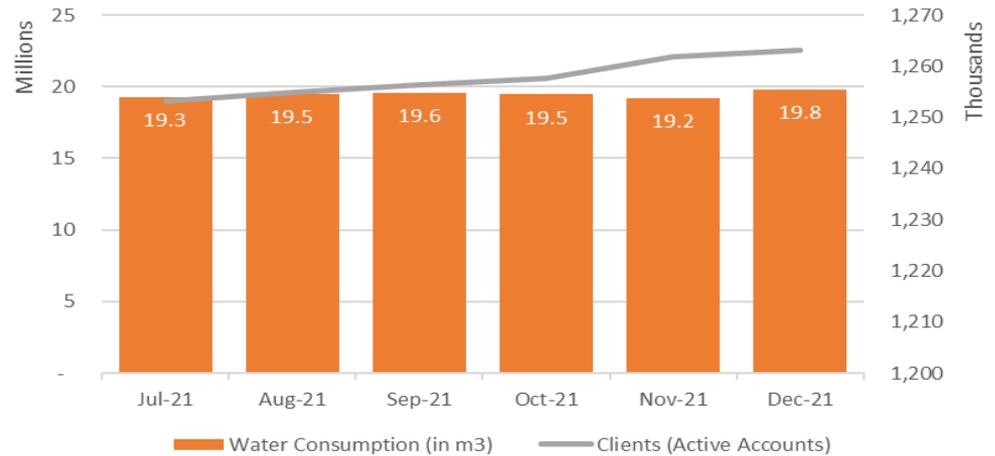
# Operating Data

## As of December 31, 2021

### Consumption by Customer Type



### Consumption and Clients



### Residential Accounts Statistics

Average Consumption

12 m<sup>3</sup>

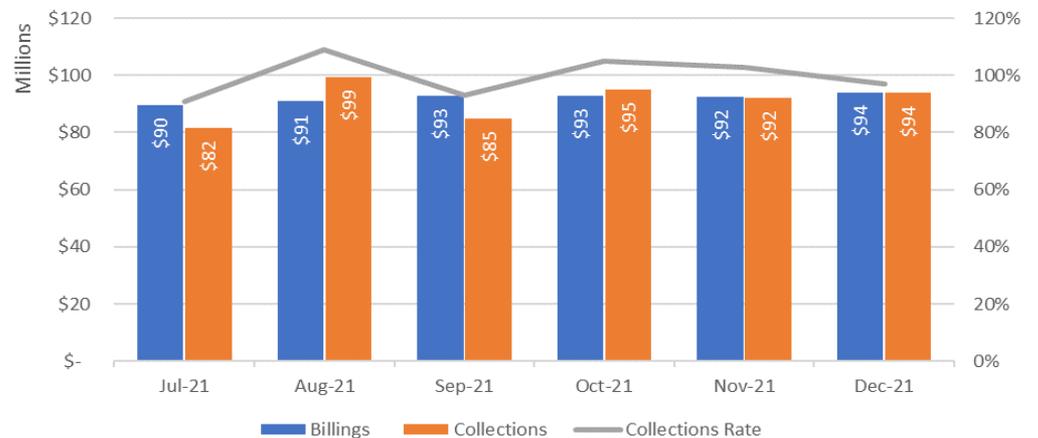
Average Bill (Water Only)

\$24.44

Average Bill (Water and Wastewater)

\$44.41

### Billings and Collections



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# Preliminary Financial Results

For the First Semester of FY2022 (ending on 12/31/2021)

(\$000's)

	Dec 31, 2021 - YTD		
	Budget	Actual	Variance (\$)
<b>Authority Revenues</b>			
1 Service Revenues - Regular	436,748	438,098	1,350
2 Service Revenues - Government	79,238	101,874	22,636
3 Miscellaneous & Insurance (BI)	1,250	1,507	257
4 Total Authority Revenues	517,236	541,479	24,243
5 Senior and Senior Sub Debt	(135,317)	(128,068)	7,249
<b>Operating Expenses</b>			
6 Payroll & Related	(143,830)	(158,288)	(14,458)
7 Electricity	(63,088)	(72,516)	(9,429)
8 Maintenance & Repair	(29,686)	(25,053)	4,633
9 Chemicals	(23,330)	(24,411)	(1,080)
10 Other Expenses	(93,040)	(81,682)	11,359
11 Total Net Operating Expenses	(352,974)	(361,949)	(8,975)
12 FEMA / Insurance Reimb.	10,000	11,522	1,522
13 Operating Reserve Fund	(701)	(1,402)	(701)
14 Capital Improvement Fund	(36,113)	(36,113)	(0)
<b>15 Balance</b>	<b>2,132</b>	<b>25,469</b>	<b>23,337</b>

Payroll cost includes \$7M for payments to employees working in person during the pandemic, which were funded by appropriations from the American Rescue Plan Act (ARPA)

Electricity expense is affected by the increase in the rates by the Puerto Rico Electric and Power Authority



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Source: SAP for operating expenses (accrual basis) and cash flow for other line items (cash basis).  
Notes: Information presented based on the Master Agreement of Trust ("MAT") flow of funds.  
Preliminary information subject to material change.

# Capital Improvement Program (“CIP”)

For the First Semester of FY2022 (ending on 12/31/2021)

Preliminary, subject to change

Actual Capital Improvement Program (CIP) costs are lower than projected as most projects are in planning or design stages and project management support contracts were recently formalized. Additionally, the process for approval and fund disbursement for Reconstruction & Recovery projects are under development and the COVID-19 pandemic continues to affect the coordination and the procurement process.

## CAPITAL IMPROVEMENT PROGRAM EXPENDITURES BREAKDOWN

(Amounts expressed in \$000's)

	Dec 31, 2021 - YTD		
	Budget	Actual	Variance (\$)
Reconstruction & Recovery	\$ 102,347	12,588	89,759
Renewal & Replacement	46,322	25,484	20,838
Mandatory Compliance	34,123	12,784	21,339
Non Mandatory Compliance	18,725	4,246	14,479
Optimization & Emergencies	5,000	-	5,000
Fleet & IT	14,608	547	14,061
Quality	13,403	3,528	9,874
Electric Generators	7,801	1,035	6,766
Meter Replacement	2,500	1,057	1,443
Safety, Growth & Others	13,096	4,331	8,764
<b>Total CIP Incurred</b>	<b>\$ 257,923</b>	<b>\$ 65,599</b>	<b>\$ 192,324</b>

Source: CIP Budget as included in the FY2022 Budget certified by the Oversight Board and actual based on CIP incurred costs recorded in SAP, prior to overhead charges and other fiscal year end adjustments.



# Liquidity

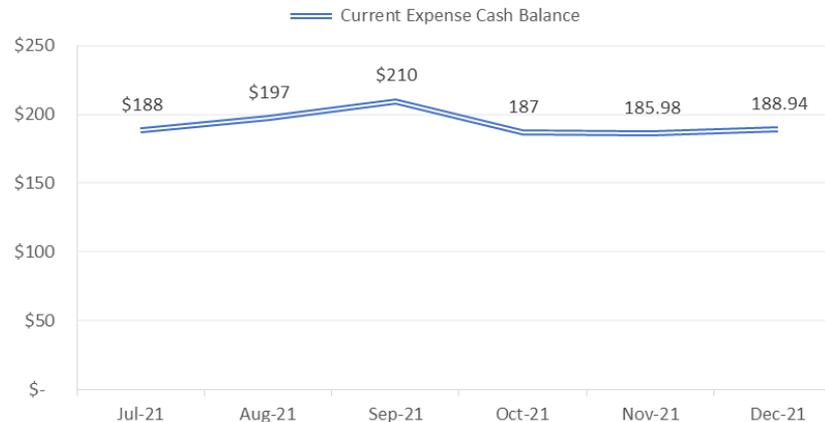
## Cash Balances

Group of Funds	December 31, 2021 (\$'000)
Debt Service Account	101,767
Debt Service Reserve	100,459
<b>Restricted for Debt Service</b>	<b>202,225</b>
Capital Improvement	120,769
Disaster Recovery (FEMA/Insurance)	77,156
Construction Fund	86,531
Compliance Escrow Accounts	858
<b>Restricted for CIP and Compliance</b>	<b>285,314</b>
Operating Reserve	187,365
<b>Operating Reserve Fund</b>	<b>187,365</b>
Current Expense Fund and Petty Cash	190,612
Revenue Fund	6,489
<b>Other Funds</b>	<b>197,102</b>
<b>Total</b>	<b>\$ 872,006</b>

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

The Authority has an operating reserve fund ("ORF") with a balance equal to **90 days of operating expenses**

## Current Expense Fund



In addition to the ORF, the Current Expense Fund as of December 31, 2021 had over **100 days of cash on hand**



# Debt and Debt Service Coverage

Outstanding Senior Debt

Debt Service Coverage (FY2022 Budget)

(in \$000s) 31-Dec-21

<u>Senior Bonds</u>	
2008 Series A Bonds (CAB)	67,315
2012 Series A Bonds	638,400
2020 Series A Bonds	1,318,020
2020 Series B Bonds	18,050
2021 Series A Bonds	92,330
2021 Series B Bonds	842,410
2021 Series C Bonds	155,090
	<b>3,131,615</b>
<u>Other Senior Indebtedness</u>	
2019 State Revolving Fund Loans	575,677
2020 State Revolving Fund Loans	16,558
2019 Rural Development Loans	394,496
	<b>986,731</b>
<b>Total Senior Debt</b>	<b>\$4,118,346</b>

Senior Debt Service Coverage Ratio (Over Authority Revenues – Current MAT)	3.81
Senior Debt Service Coverage Ratio (Over Net Revenues – Proposed MAT Amendment)	1.27
All Obligations Coverage Ratio	1.00



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information please contact:

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