Financial Preliminary Results - Budget to Actuals
Report for First Quarter of Fiscal Year 2020

October 15, 2019

PRELIMINARY SUBJECT TO CHANGE

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Considerations

• These reporting is being submitted to comply with Section 203 (a) of the “Puerto Rico Oversight, Management, and Economic Stability Act”, also known as “PROMESA”.

• FY2020 budget amounts included herein are presented based on the budget certified as compliant by the Fiscal Oversight and Management Board on June 30, 2019, aligned with the Fiscal Plan certified on June 25, 2019.

• The information included herein is preliminary and subject to change.

• All amounts are presented in $ thousands unless otherwise indicated.
Budget to Actual Reporting for First Quarter of Fiscal Year 2020

<table>
<thead>
<tr>
<th>Authority Revenues</th>
<th>Source</th>
<th>September 30, 2019 - YTD</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance ($)</th>
<th>%</th>
<th>Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>($000's)</td>
<td>($000's)</td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>1 Service Revenues - Regular</td>
<td>Cash Flow</td>
<td>222,631</td>
<td>224,761</td>
<td>2,129</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Service Revenues - Government</td>
<td>Cash Flow</td>
<td>41,789</td>
<td>36,353</td>
<td>(5,436)</td>
<td>-13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Miscellaneous &amp; Insurance (BI)</td>
<td>Cash Flow</td>
<td>125</td>
<td>887</td>
<td>(376)</td>
<td>609%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Total Authority Revenues</td>
<td>Formula</td>
<td>264,545</td>
<td>262,000</td>
<td>(2,545)</td>
<td>-1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 Senior and Senior Sub Debt</td>
<td>Cash Flow</td>
<td>(57,698)</td>
<td>(61,031)</td>
<td>(3,333)</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td>($000's)</td>
<td>($000's)</td>
<td></td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>6 Payroll &amp; Related, Net</td>
<td>OPEX.SAP</td>
<td>(71,522)</td>
<td>(78,363)</td>
<td>(6,840)</td>
<td>10%</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>7 Electricity</td>
<td>OPEX.SAP</td>
<td>(38,131)</td>
<td>(32,279)</td>
<td>5,852</td>
<td>-15%</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>8 Maintenance &amp; Repair</td>
<td>OPEX.SAP</td>
<td>(14,335)</td>
<td>(8,145)</td>
<td>6,210</td>
<td>-43%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Chemicals</td>
<td>OPEX.SAP</td>
<td>(8,335)</td>
<td>(8,684)</td>
<td>(349)</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Other Expenses</td>
<td>OPEX.SAP</td>
<td>(44,049)</td>
<td>(34,023)</td>
<td>10,027</td>
<td>-23%</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>11 Hurricane Impact on OpEx</td>
<td>OPEX.SAP</td>
<td>(1,339)</td>
<td>-</td>
<td>1,339</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 FEMA / Insurance Reimb.</td>
<td>Cash Flow</td>
<td>17,775</td>
<td>-</td>
<td>(17,775)</td>
<td>-100%</td>
<td>C</td>
<td></td>
</tr>
<tr>
<td>13 Total Net Operating Expenses</td>
<td></td>
<td>(159,956)</td>
<td>(161,493)</td>
<td>(1,536)</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 Operating Reserve Fund</td>
<td>Cash Flow</td>
<td>(8,096)</td>
<td>(7,083)</td>
<td>1,013</td>
<td>-13%</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>15 Capital Improvement Fund</td>
<td>Cash Flow</td>
<td>(30,659)</td>
<td>(20,978)</td>
<td>9,681</td>
<td>-32%</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>16 Funds for CIP (FEMA &amp; Others)</td>
<td>Cash Flow</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 Commonwealth Payment Fund</td>
<td>Cash Flow</td>
<td>(20,163)</td>
<td>(9,167)</td>
<td>10,996</td>
<td>-55%</td>
<td>F</td>
<td></td>
</tr>
<tr>
<td>18 Creditors Relief</td>
<td></td>
<td>4,744</td>
<td>-</td>
<td>(4,744)</td>
<td>-100%</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>Balance</td>
<td></td>
<td>(7,283)</td>
<td>2,247</td>
<td>9,531</td>
<td>-131%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As required by the Fiscal Plan certified on June 25, 2019, variances which are >10% and >$1M or >$10M are explained below:
A Reduced PREPA bill, presented net of billing adjustments
B Delay in expense incurrence, expected to be incurred in subsequent months
C No proceeds received during the period
D Due to timing of cash inflow, the fund was fully funded during the first week of October
E Due to timing of cash inflow, the fund was fully funded during the first week of October
F Reduction as result of the execution of federal debt service restructuring agreements
G To be assigned in future budget revision to reflect the federal's debt restructuring impact in the appropriate lines

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