



UPR
Universidad de Puerto Rico
Tu Universidad



University of Puerto Rico (UPR)

LIQUIDITY REPORT FOR THE MONTH OF JULY 2020

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GLOSSARY

AAFAF	Puerto Rico Fiscal Agency and Financial Advisory Authority.
A/P	Accounts payable.
A/R	Accounts receivable.
CapEx	Capital expenditures.
Component Unit (CU)	Public corporation of the Commonwealth of Puerto Rico.
Contracted Professor	Contracted professors where contracts will not exceed four (4) years
Disaster-Related Disbursements	Expenditures related to the damages caused from hurricanes and other disasters.
Disaster-Related Receipts	Federal emergency funds, insurance related to hurricanes and other disasters.
DPO (Intergovernmental)	Days Payable Outstanding [Intergovernmental Payables divided by trailing 12 months PayGo Charges plus Facilities/Rent Payments multiplied by 365].
DPO (Third Party)	Days Payable Outstanding [Third Party Payables divided by trailing 12 months Operating Disbursements, not including Payroll Costs, PayGo, Christmas Bonus, or Facilities/Rent Payments multiplied by 365].
DSO (Intergovernmental)	Days Sales Outstanding [Intergovernmental Receivables divided by trailing 12 months Intergovernmental Receipts multiplied by 365].
DSO (Third Party)	Days Sales Outstanding [Third Party Receivables divided by trailing 12 months Third Party Receipts multiplied by 365].
DTPR, Hacienda	Puerto Rico Department of Treasury.
FEMA	Federal Emergency Management Agency coordinates the federal government's role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.
FOMB	Financial Oversight and Management Board of Puerto Rico.
General Fund	The Commonwealth's principal operating fund.
Intergovernmental Receipts	General fund appropriations to and funds transferred between public corporations and municipalities.
Liquidity Plan (LP)	UPR Liquidity Plan (The Liquidity Plan) is the translation of the Fiscal Year 2020 UPR Budget into a cash flow forecast, updated adjusted for seasonality of cash receipts and disbursements.
OCFO	The office of the Chief Financial Officer of Puerto Rico.
Operating Disbursements	Includes payroll and related costs, material and supplies, purchased services, professional services, donations, subsidies, transportation expenses, media ads, and other operating payments.
Operating Receipts	Revenues collected from operations.
Part-time Appointees	Fixed-term appointments granted to cover a position, or an unregulated position that entails the provision of services through an irregular schedule, depending on their classification as teaching staff or non-teaching staff. The permanence to the employees of the University of Puerto Rico is guaranteed.
Permanent Appointees	Appointments granted to cover a position, or regular position approved in the budget, after the incumbent has satisfactorily complied the period of probationary work.
Probationary Appointees	Appointments initially granted to cover a position, or a position approved in the budget for a fixed duration in accordance with the provisions of the General Rules of UPR. During the appointment period, the appointee will be subjected to evaluation to determine, if at the end of the probationary period, he/she will be retained for a permanent appointment.
PROMESA	The Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA) is a 2016 US federal law that established an oversight board, a process for restructuring debt, and expedited procedures for approving critical infrastructure projects in order to combat the Puerto Rican government-debt crisis.
Special Appointees	Appointments granted to cover a position, or position paid with funds of extra university origin, whose recurrence is not guaranteed. The University authorities may consider the experience acquired by employees with this type of appointment, if they happen to occupy regular positions.

Substitute Appointees	Appointments granted to university staff for a period not greater than twelve (12) months, to provisionally cover a position or regular position approved in the budget, while the incumbent in ownership thereof is in use of the license. This appointment must not be the prelude to a probationary or permanent appointment, unless this is achieved through the regular procedure that establishes the General Rules of UPR.
Temporary Appointees	Appointments granted to cover a non-regular position or positions, which get approved for a fixed period no longer than twelve (12) months to meet the needs of special services, such as unforeseen and occasional increases in the volume of the work.
Trust Position	Appointments that extend to university personnel denominated of trust in Chapter VIII, Article 71 of the General Rules of UPR. The positions of trust will be of free selection and removal in regard to the positions or posts thus classified; but will retain the rights acquired by virtue of some previous regular appointment in the System.
UPR	University of Puerto Rico, a public corporation and a component unit of the Commonwealth of Puerto Rico. UPR consists of 11 campuses: Medical Sciences, Aguadilla, Arecibo, Bayamón, Carolina, Cayey, Humacao, Mayagüez, Ponce, Río Piedras, and Utuado.

INTRODUCTION

AAFAF has been compiling financial information from selected public corporations of the Commonwealth of Puerto Rico that are component units (“CU”) for financial reporting purposes, as part of AAFAF’s evaluation of the liquidity of the Government of Puerto Rico and its public corporations.

This report is for the month of July 2020 of FY21, and presents information with respect to the University of Puerto Rico (UPR). UPR prepared its Fiscal Year 2021 (“FY21”) Liquidity Plan in July 2020, using the FOMB certified budget as the baseline for liquidity planning. For FY21, a forecast is provided that takes into consideration timing and seasonality of cash inflows and outflows, based on conversations with UPR finance and accounting management, and based on observations for historical FY19 and FY20 actual cash flow data.

The forecast contains projections of cash receipts (which include revenues collected from operations; intergovernmental receipts – general fund appropriations and other transfers from Central Government and public corporations; disaster relief receipts – federal funds, insurance proceeds related to Hurricanes and other disasters, and other federal funds), and cash disbursements (which include operating payments – e.g. payroll and related costs, purchased services, professional services, transportation expenses, disaster relief disbursements – e.g. expenditures related to the damages caused from Hurricanes and other didsasters), and CapEx. This cash flow information is included in section “A” of this report.

UPR is also expected to report monthly headcount figures in order to monitor changes in staff levels and their actual and projected effects on payroll costs. This information is presented in the document under section “B”.

A full year FY21 Sources and Uses of Funds is provided to allow readers to bridge the beginning cash balance as of July 1, 2020 and forecasted ending cash at June 30, 2021. This information is presented in the document under section “C”.

This report also contains pertinent working capital information for UPR. Where available, UPR has provided information on Accounts Payable and Accounts Receivable. Figures are unaudited and subject to change. This information is presented in the document under section “D”.

The report contains three Appendix items. The first Appendix is the cash flow template ‘Actual vs Liquidity Plan’ for the month of July 2020 of FY21 figures and variances. The second Appendix is the headcount detail, which is based on information provided by UPR management. The third of these Appendix items is a cash reconciliation. A bridge is provided between the actual cash data provided by UPR as of July 31, 2020 and the July 2020 AAFAF reported figures represented in the “Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities”.

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EXECUTIVE SUMMARY – OPERATING LIQUIDITY AS OF JULY 2020

COMPONENT UNIT	HIGHLIGHTS	FY21 BEGINNING BALANCE	07/31/20 ACTUAL ENDING BALANCE	FY21 FORECAST YEAR-END BALANCE
University of Puerto Rico (UPR)	Through July-2020, UPR experienced negative net cash flow of \$5.6M and ended the month with a cash balance of \$223.2M primarily driven by lower than projected tuition receipts and higher than projected vendor disbursements.	\$228.9	\$223.2	\$196.0

I. UNIVERSITY OF PUERTO RICO (“UPR”)

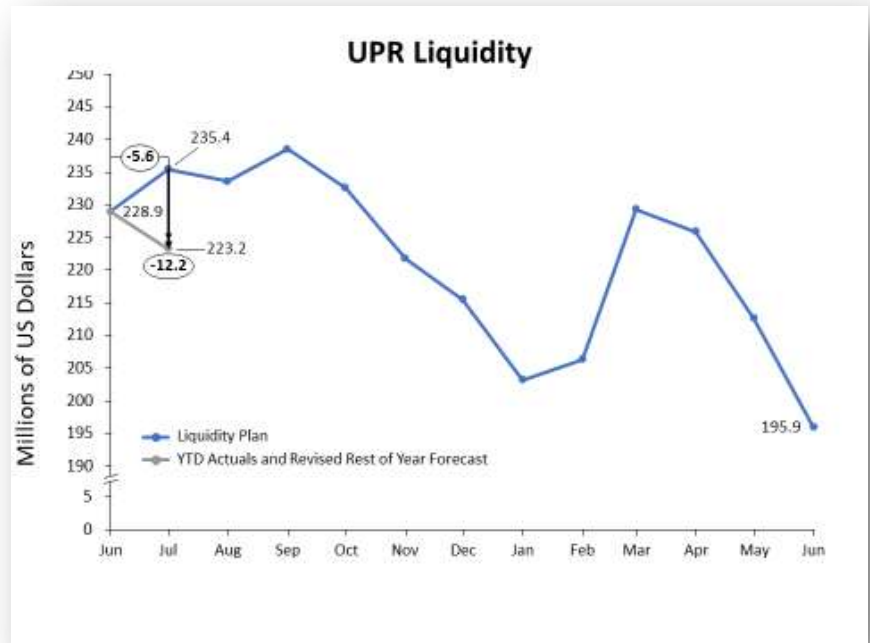
Primary Business Activity: UPR is a state-supported university system created by the Law No. 1 of January 20, 1966, “Law of the University of Puerto Rico” (“Act No. 1”), as amended. UPR is responsible for serving the people of Puerto Rico to contribute to the development and enjoyment of the fundamental, ethical, and aesthetic values of Puerto Rican culture by providing high-quality education and creating new knowledge through research and exploration of the Arts, Sciences, and Technology.

Key Takeaways: Through July-20, UPR experienced negative \$5.6M in net cash flow and ended the month of July with a cash balance of \$223.2M. The UPR has a negative net cash flow variance after debt service of \$12.2M compared to forecast. The negative variance is driven by lower than projected receipts in tuition and campus-generated inflows and higher than projected vendor disbursements. Negative variances are mostly offset by lower than projected disbursements in pension, debt, capital expenditures, scholarship and donations, total payroll and CARES Act, and higher than expected federal funds receipts.

A. FY21 Operating Liquidity – Actuals¹ and FY21 Liquidity Plan

1. (\$12.2M) FY21 actuals vs. Liquidity Plan YTD actuals:

- a. (\$17.1M) lower than projected tuition receipts which is timing related since projected amount is based on a combination of the cash (Liquidity) and accounting (Budget to Actual) methods.
- b. (\$12.9M) negative variance in vendor disbursements (Not including PREPA) which is mostly related to payments related to FY20 expenditures. The projected amount is based on the accounting (Budget to Actual) method.
- c. \$17.8M net positive variance in remaining receipts/disbursements, primarily driven by lower than expected disbursements in pension, debt, capital expenditures, scholarship and donations, total payroll, and CARES Act and higher than expected federal funds receipts; partially offset by lower than expected campus-generated inflows.



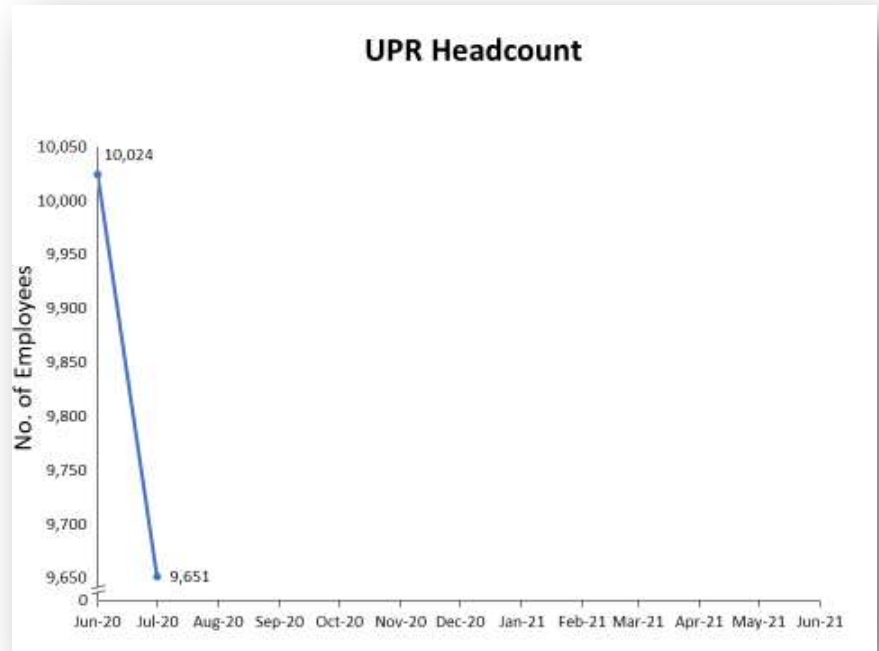
¹ Appendix includes reconciliation between AAFAF reported cash figures and the figures in this report.

B. Headcount / Payroll

1. Headcount: Decreased from 10,024 to 9,651 (373 or -4%) from Jun-20 to July-20. Decrease in headcounts are due to normal seasonality.

- a. By campus: Decrease in headcount is primarily due to Decreases at the Carolina (-94), Río Piedras (-89) and Mayaguez (-53) campuses.
- b. By category: Decrease in headcount is primarily due to decreases in part-time employees (-248), and permanent employees (-59); partially offset by increases in special (+27).

2. Payroll: Disbursements through July-20 were \$45.2M, slightly lower than forecast.



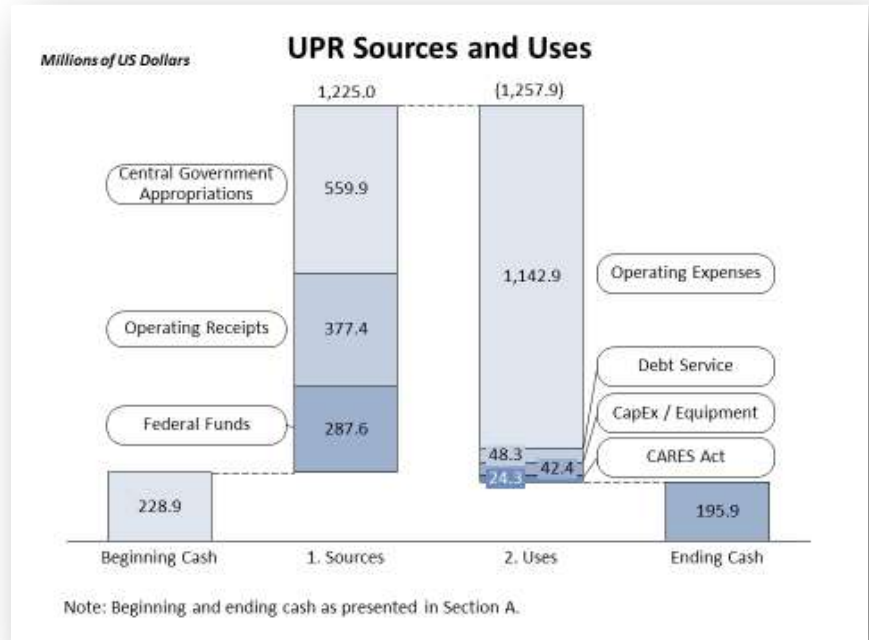
I. UNIVERSITY OF PUERTO RICO (“UPR”) (Continued)

C. Full Year FY21 Sources and Uses of Funds

1. Sources \$1,225.0M:

- a. \$559.9M in General Fund appropriations from the central government.
- b. Operating receipts total \$377.4M, comprised of \$168.6M in tuition receipts, \$157.8M in campus-generated inflows, \$49.0M in slot machine revenues and \$2.0M from other receipts.

c. Federal funds received for federally supported UPR projects and programs total \$287.6M.



2. Uses (\$1,257.9M):

- a. Total operating disbursement (\$1,142.9M), driven by payroll & related costs of (\$609.9M), scholarships and donations of (\$193.4M), pension payments of (\$159.7M), vendor payments to PREPA (\$33.8M), and all other vendor payments (\$146.1M).
- b. Total debt service of (\$48.3M), Capital Expenditures and equipment of (\$42.4M) and CARES Act disbursements funds (\$24.3M).

D. Accounts Receivable / Accounts Payable²

1. Accounts Receivable:

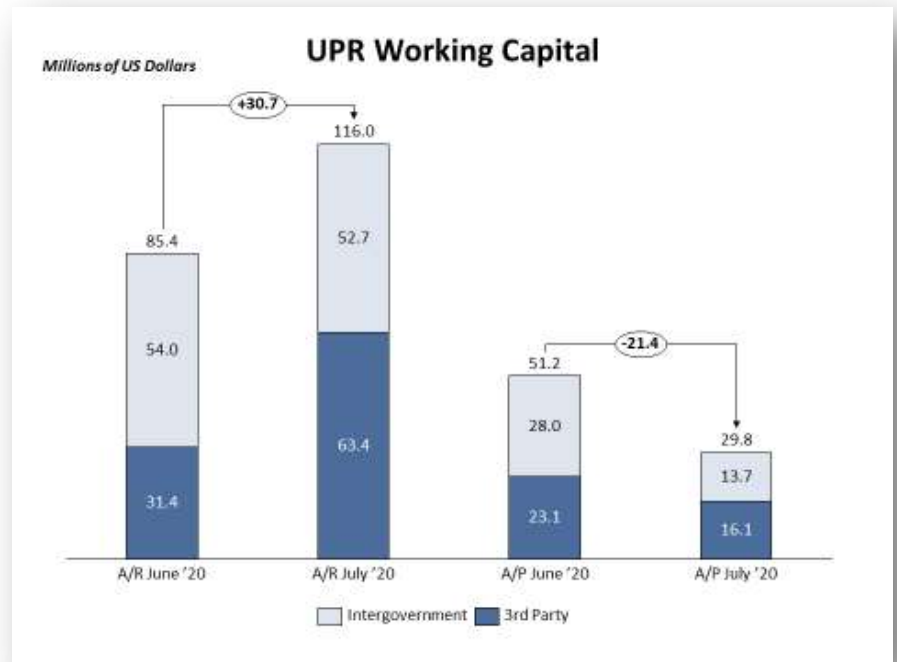
- a. \$30.7M increase from Jun-20 to July-20, driven by \$32.4M increase in student tuition and other fees receivables.

2. Accounts Payable:

- a. \$21.4M decrease from Jun-20 to July-20 primarily driven by \$7.0M decrease in total third party payables, \$5.4M decrease in Commonwealth payables and \$5.2M pay-down of UPR Retirement System payables.

3. Working Capital:

- a. The change in net working capital through July-20 was a \$9.3M excess of cash due to the above changes.



² Figures are unaudited and subject to change.

APPENDIX A: CASH FLOW TEMPLATE: ACTUAL vs LP

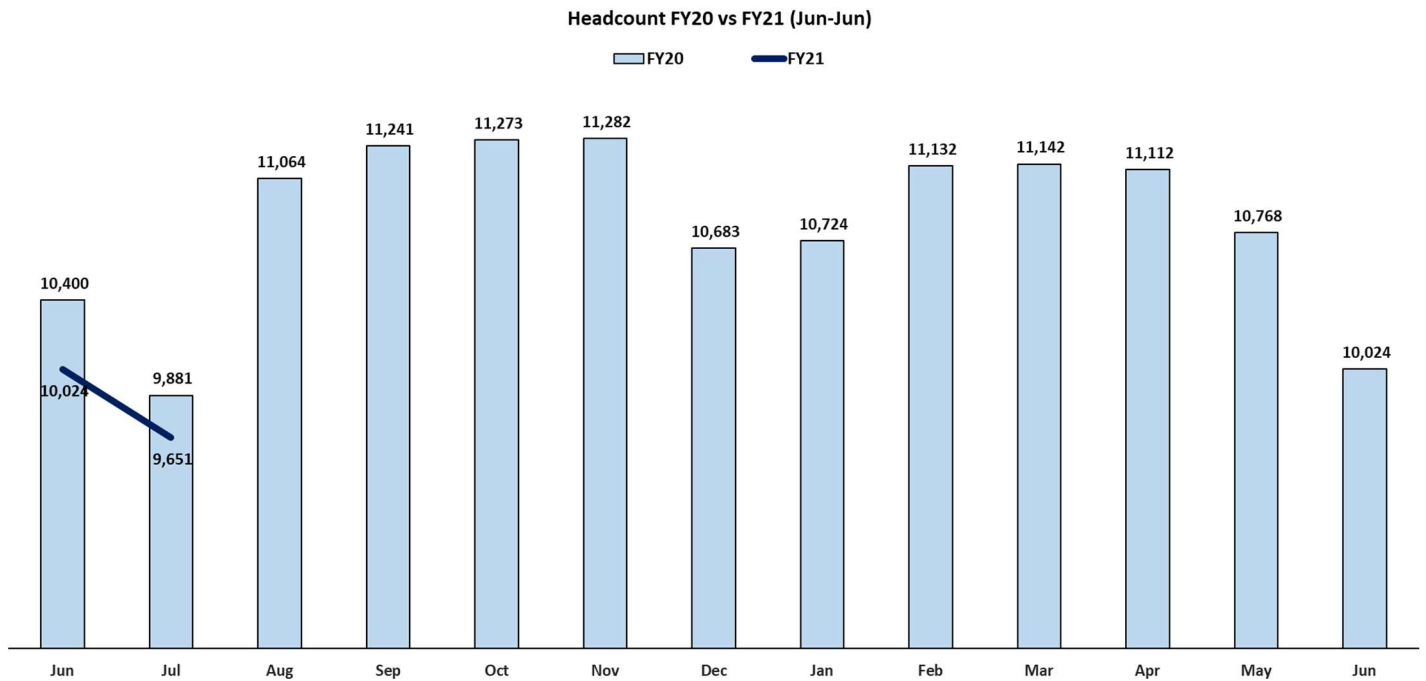
(figures in \$000's)	Actual	LP	Variance	Actual	LP	Variance
	Jul-20	Jul-20	Jul-20	YTD	YTD	YTD
Central Government Appropriations:						
TSA General Fund Appropriation - Net Measures	\$ 40,593	\$ 40,592	\$ 1	\$ 40,593	\$ 40,592	\$ 1
TSA General Fund Appropriation - Joint Resolutions	2,439	2,439	(0)	2,439	2,439	(0)
Other Appropriations	\$ 2,460	\$ 2,458	\$ 2	\$ 2,460	\$ 2,458	\$ 2
Total Central Government Appropriations	\$ 45,493	\$ 45,490	\$ 3	\$ 45,493	\$ 45,490	\$ 3
Operating Receipts:						
PR Slot Machine Receipts - Law 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition - Net of Scholarship Allowance	-	17,111	(17,111)	-	17,111	(17,111)
Campus-generated inflows	8,749	17,610	(8,861)	8,749	17,610	(8,861)
Other Receipts	-	167	(167)	-	167	(167)
Total Operating Receipts	\$ 8,749	\$ 34,888	\$ (26,139)	\$ 8,749	\$ 34,888	\$ (26,139)
Other Receipts:						
Intra-Government Receipts - Federal Funds	\$ 12,567	7,455	\$ 5,112	\$ 12,567	\$ 7,455	\$ 5,112
Total Other Receipts	\$ 12,567	\$ 7,455	\$ 5,112	\$ 12,567	\$ 7,455	\$ 5,112
Disaster Relief Receipts:						
FEMA and Insurance Receipts	\$ 190	-	\$ 190	\$ 190	\$ -	\$ 190
CARES Act - Emergency Relief Fund	471	-	471	471	-	471
Other	-	-	-	-	-	-
Total Disaster Relief Receipts	\$ 661	\$ -	\$ 661	\$ 661	\$ -	\$ 661
Total Receipts	\$ 67,469	\$ 87,832	\$ (20,363)	\$ 67,469	\$ 87,832	\$ (20,363)
Operating Disbursements:						
Payroll and Related Costs	\$ (45,241)	\$ (46,127)	\$ 885	\$ (45,241)	\$ (46,127)	885
Medical Plan	(2,785)	(4,440)	1,655	(2,785)	(4,440)	1,655
Total Payroll & Other Payroll Related Disbursements	\$ (48,027)	\$ (50,567)	\$ 2,540	\$ (48,027)	\$ (50,567)	\$ 2,540
Scholarships and Donations	\$ (2,387)	(5,256)	\$ 2,869	\$ (2,387)	\$ (5,256)	\$ 2,869
Vendor Disbursements - PREPA	(1,156)	(675)	(480)	(1,156)	(675)	(480)
Vendor Disbursements - All Other	(15,424)	(2,511)	(12,913)	(15,424)	(2,511)	(12,913)
Total Operating Disbursements	\$ (18,967)	\$ (8,442)	\$ (10,525)	\$ (18,967)	\$ (8,442)	\$ (10,525)
Pension Payments (a)	(6,112)	(13,308)	7,197	(6,112)	(13,308)	7,197
Total Pensions Disbursements	\$ (6,112)	\$ (13,308)	\$ 7,197	\$ (6,112)	\$ (13,308)	\$ 7,197
Disaster Relief Disbursements						
FEMA Supported Projects	\$ -	-	\$ -	\$ -	\$ -	\$ -
CARES Act - Emergency Relief Fund - Disbursements	-	(2,026)	2,026	-	(2,026)	2,026
Insurance Supported Projects	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Disaster-related Disbursements	\$ -	\$ (2,026)	\$ 2,026	\$ -	\$ (2,026)	\$ 2,026
Total Capital Expenditures & Equipment	\$ -	(2,921)	\$ 2,921	\$ -	(2,921)	\$ 2,921
Total Disbursements (before Debt Service)	\$ (73,106)	\$ (77,265)	\$ 4,159	\$ (73,106)	\$ (77,265)	\$ 4,159
Net Cash Flow (before Debt Service)	\$ (5,637)	\$ 10,567	\$ (16,204)	\$ (5,637)	\$ 10,567	\$ (16,204)
Beginning Cash Balance	\$ 228,867	\$ 228,867	\$ -	\$ 228,867	\$ 228,867	\$ -
Net Cash Flow (before debt service)	(5,637)	10,567	(16,204)	(5,637)	10,567	(16,204)
Ending Bank Cash Balance (before Debt Service)	\$ 223,230	\$ 239,434	\$ (16,204)	\$ 223,230	\$ 239,434	\$ (16,204)
Debt-Related Disbursements:						
Debt Payments	\$ -	(4,021)	\$ 4,021	\$ -	\$ (4,021)	\$ 4,021
Interest	-	-	-	-	-	-
Total Debt Related Disbursements	\$ -	\$ (4,021)	\$ 4,021	\$ -	\$ (4,021)	\$ 4,021
Total Disbursements	\$ (73,106)	\$ (81,286)	\$ 8,180	\$ (73,106)	\$ (81,286)	\$ 8,180
Net Cash Flow (After Debt Service)	\$ (5,637)	\$ 6,546	\$ (12,183)	\$ (5,637)	\$ 6,546	\$ (12,183)
Beginning Cash Balance	\$ 228,867	\$ 228,867	\$ -	\$ 228,867	\$ 228,867	\$ -
Total Net Cash Flow	(5,637)	6,546	(12,183)	(5,637)	6,546	(12,183)
Ending Bank Cash Balance (after Debt Service)	\$ 223,230	\$ 235,413	\$ (12,183)	\$ 223,230	\$ 235,413	\$ (12,183)

(a) Pension Disbursements only includes Employer Contributions (hence, does not include employee contributions).

APPENDIX B: HEADCOUNT SUMMARY FOR UPR BY DEPARTMENT, CAMPUS AND CATEGORY

All Employees		Jul-20
Breakdown by employee category		
Permanent		5592
Special		1861
Trust		865
Part-time		263
Contracted Professor		99
Probationary		271
Temporary		260
Substitute		144
All other		296
Total		9,651

Breakdown by Depart. and Campus	
Governing Board	70
Central Administration	272
Rio Piedras	2078
Mayaguez	2273
Medical Sciences	2363
Cayey	381
Humacao	446
Aguadilla	266
Utuado	167
Carolina	289
Arecibo	387
Ponce	298
Bayamon	361
Total	9,651



APPENDIX B: HEADCOUNT SUMMARY FOR UPR BY DEPARTMENT, CAMPUS AND CATEGORY (CONTINUED)

Governing Board	Jul-20
Trust	12
Temporary	2
Especial	9
Permanent	39
Probationary	2
Substitute	5
All Other	1
Governing Board	70

Central Administration	Jul-20
Trust	59
Contracted Teachers	1
Especial	34
Permanent	154
Probationary	5
Substitute	2
Part-time	6
Temporary	5
All Other	0
Central Administration	272

UPR - Rio Piedras	Jul-20
Trust	160
Contracted Teachers	10
Especial	81
Permanent	1494
Probationary	53
Substitute	87
Part-time	21
Temporary	165
All Other	0
UPR - Rio Piedras	2,078

UPR - Mayaguez	Jul-20
Trust	120
Contracted Teachers	1
Especial	515
Permanent	1498
Probationary	34
Substitute	5
Part-time	11
Temporary	2
All Other	0
UPR - Mayaguez	2,273

UPR - Medical Sciences	Jul-20
Trust	232
Contracted Teachers	27
Especial	1021
Permanent	630
Probationary	85
Substitute	1
Part-time	164
Temporary	27
All Other	0
UPR - Medical Sciences	2,363

UPR - Cayey	Jul-20
Trust	39
Contracted Teachers	7
Permanent	275
Probationary	17
Substitute	12
Part-time	4
Temporary	6
Especial	17
All Other	0
UPR - Cayey	381

APPENDIX B: HEADCOUNT SUMMARY FOR UPR BY DEPARTMENT, CAMPUS AND CATEGORY (CONTINUED)

UPR - Humacao	Jul-20
Trust	45
Contracted Teachers	0
Especial	65
Permanent	298
Temporary	2
Probationary	29
Substitute	0
Part-time	6
All Other	0
UPR - Humacao	446

UPR - Aguadilla	Jul-20
Trust	32
Permanent	180
Probationary	2
Substitute	14
Part-time	2
Contracted Teachers	4
Especial	25
All Other	0
UPR - Aguadilla	266

UPR - Utuado	Jul-20
Trust	20
Contracted Teachers	2
Especial	2
Permanent	128
Probationary	1
Substitute	2
Part-time	11
Temporary	1
UPR - Utuado	167

UPR - Carolina	Jul-20
Trust	35
Temporary	10
Especial	37
Permanent	197
Probationary	5
Substitute	0
Part-time	3
Contracted Teachers	2
All Other	0
UPR - Carolina	289

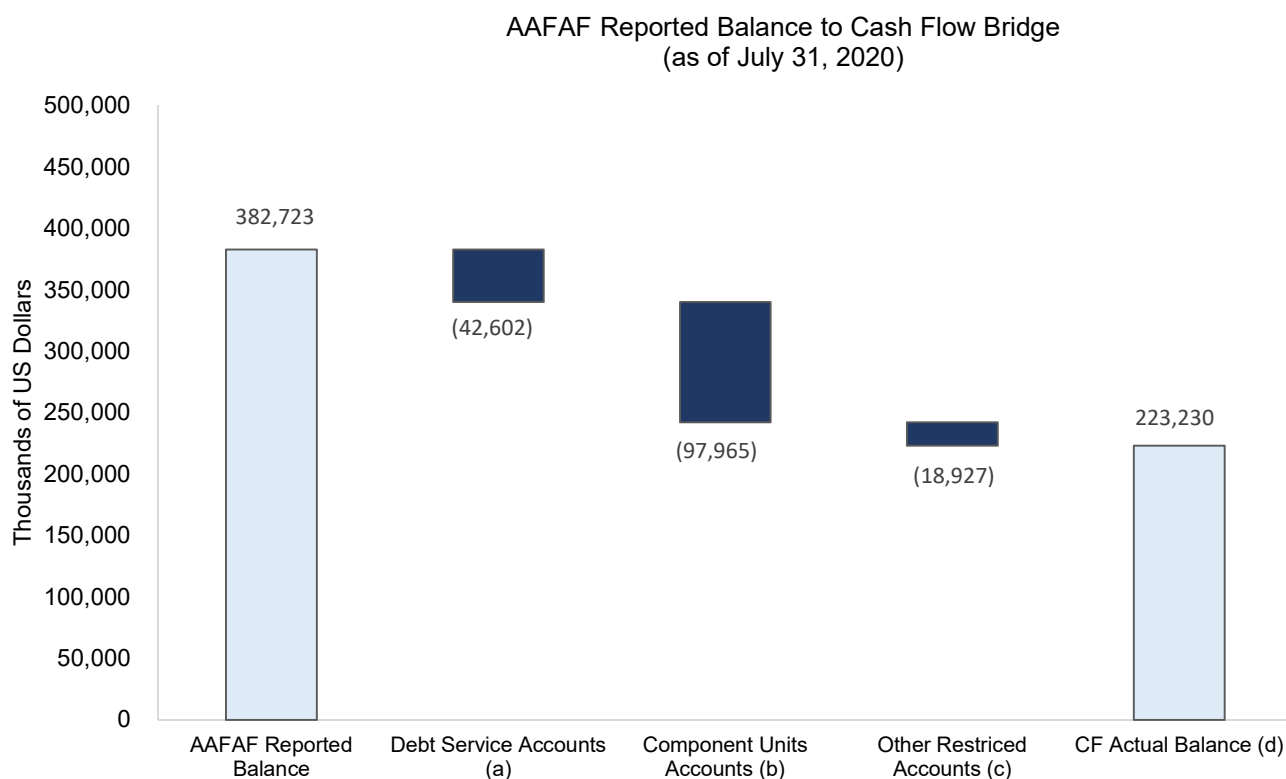
UPR - Arecibo	Jul-20
Permanent	274
Trust	35
Contracted Teachers	31
Part-time	19
Substitute	7
Especial	7
Probationary	9
Temporary	2
All Other	0
UPR - Arecibo	387

UPR - Ponce	Jul-20
Trust	32
Permanent	192
Probationary	6
Substitute	8
Temporary	36
Contracted Teachers	14
Especial	7
Part-time	0
UPR - Ponce	298

UPR - Bayamon	Jul-20
Trust	44
Permanent	233
Probationary	23
Substitute	1
Part-time	16
Temporary	2
Especial	41
All Other	0
UPR - Bayamon	361

APPENDIX C: RECONCILIATION BETWEEN AAFAF REPORTED FIGURES³ AND THE FIGURES IN THIS REPORT⁴ AS OF JULY 2020

(\$000's)	AAFAF Reported Balance (a)	CF Actual Balance	Variance	Variance due to:	
				Timing	Nonoperational Accounts
University of Puerto Rico ("UPR")	382,723	223,230	159,493		159,493



Notes:

- (a) University's funds held in trustee accounts for UPR debt service obligations.
- (b) Component Units Accounts managed by UPR: Desarrollos Universitarios, Inc. ("DUI"), Servicios Médicos Universitarios, Inc. ("the Hospital" or "SMU"), University of Puerto Rico Parking System, Inc. ("UPRPS"), Research Center for Molecular Sciences ("CICIM") and Materials Characterization Center, Inc. ("MCC"). Also includes UPR Retirement System accounts.
- (c) Mainly related to accounts managed by UPR campuses; these funds are restricted and assigned to specific purposes.
- (d) CF Actual Balance is made up of both restricted and unrestricted cash. Not all of the Actual Balance is available for operational uses.

³ AAFAF reported figures as per "Summary of Bank Account Balances for the Government of Puerto Rico and its Instrumentalities" report dated July 31, 2020.

⁴ This report is prepared based on reported operational cash balances as of July 31, 2020, and there are two types of reconciliation differences between the sources of information: timing differences produced by the account delays, or cash being held in nonoperational bank accounts.