



UPR
Universidad de Puerto Rico
Tu Universidad



University of Puerto Rico (UPR)

June - FY 2020 Budget to Actual reporting
(FOMB Certified Budget)

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COVID-19 Note:

On March 15, 2020, as a preventive measure due to the COVID-19 situation in the island, the PR Governor ordered all civilians, except for essential workers, to stay home under an Executive Order lockdown measure. The UPR’s Finance Department, including its units throughout the island, has been affected by this order and the transactions in the accounting system have experienced a slowdown since the Executive Order effective date. Therefore, it’s possible that significant fluctuation of actual versus budget amounts be reflected in the revenues and expenses during this lockdown.

The University is certain that this reality will have an impact in University’s short-term operations/financial constraints. An assessment of COVID-19 impact to UPR’s operations was performed and disclosed to the FOMB on April 15, 2020.

INTRODUCTION

University of Puerto Rico (“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. UPR consists of 11 campuses: Medical Sciences, Aguadilla, Arecibo, Bayamón, Carolina, Cayey, Humacao, Mayagüez, Ponce, Río Piedras, and Utuado.

Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) has been compiling financial information from Central Government and 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 actual performance against budget of the Government of Puerto Rico and its public corporations.

This report contains financial information for the month of June and YTD FY20 including budget and actual revenues from operations; intergovernmental transfers – general fund appropriations and other transfers from Central Government and public corporations; disaster relief receipts – federal funds, insurance proceeds related to Hurricanes Irma and Maria, and other federal funds.

This report also contains information of budget and actual expenses which include operating expenses – e.g. payroll and related costs, purchased services, professional services, transportation expenses, and disaster relief disbursements – e.g. expenditures related to the damages caused from Hurricanes Irma and Maria, and CapEx.

The financial information included in this report may change as a result of the annual year end accounting process.

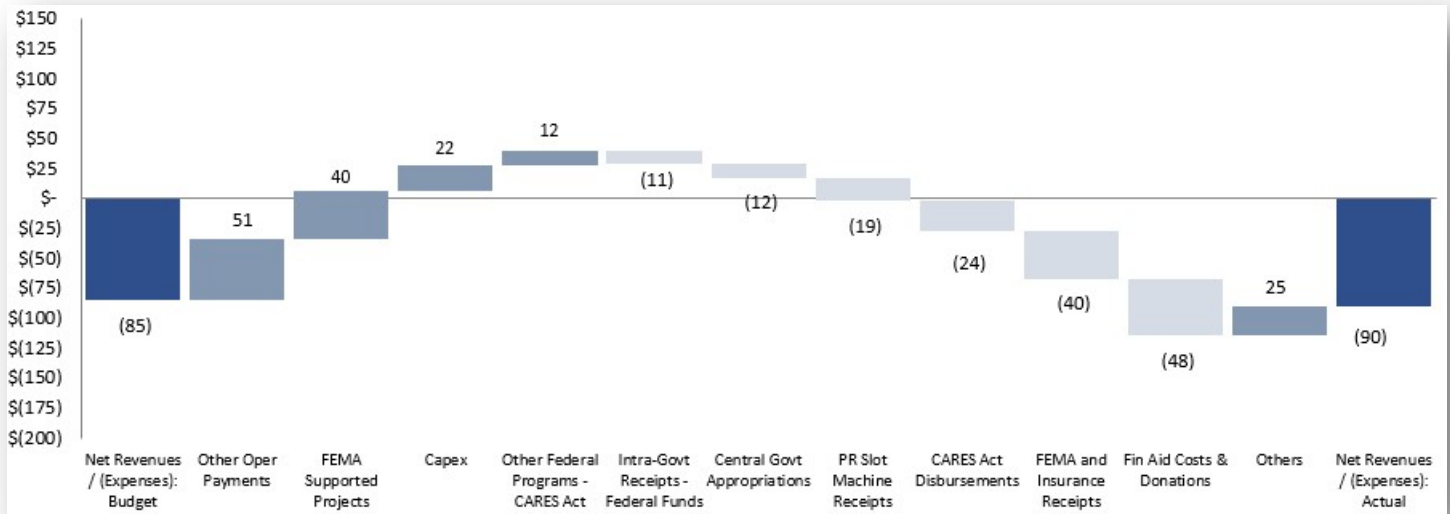
The FOMB budget was certified by the Federal Oversight Management Board and figures were used as a reference in this report for comparison with actual to evaluate UPR’s performance for the month of June and YTD FY20.

EXECUTIVE SUMMARY

YTD June, UPR ended net operations with a negative variance of \$4.9M compared to budget. Variances by concept levels were relevant in the following line items: other operating payments (+\$51M) which are primarily driven by student aid expenditures, trainings, seminars and other expenses not realized for FY20; FEMA supported projects (+\$40M) is related to lower than projected FEMA disbursements since proceeds were not received as forecasted; and capital expenditures (+\$22M) driven by a delay in projects developments through the FY20; and other federal programs (CARES Act) (+12M) which is related to financial aid grants to students to deal with the COVID-19 situation.

Positive variances are partially offset by negative variances in Financial Aid Costs and Donations (-\$48M) driven by disbursements of Direct Loans to students; FEMA and Insurance receipts (-\$40M) related to lower than projected FEMA receipts as forecasted; CARES Act (-\$24M) which is related to financial aid paid to students to deal with the COVID-19 situation; PR slot machines receipts (-\$19M) which is related to lower receipts since March due to the COVID-19 situation; government appropriations (-\$12M) which are mostly related to educational trainings that have been recorded as deferred revenues; and intra-government receipts (Federal Funds) (-\$11M) which is mostly driven by a backlog of federal projects reimbursements expected to be realized during the next FY.

FY20 YTD June FOMB Certified Budget vs Actual (\$mm)



June and YTD – FY20 FOMB Certified Budget versus Actual Variance Analysis

(\$000's)	ACTUAL			BUDGET			Notes
	Notes	Jun-20	Jun-20	Variance \$	YTD	YTD	
Central Government Appropriations							
TSA General Fund Appropriation, net measures		40,592	40,715	(123)	501,101	501,102	(1)
TSA General Fund Appropriation - Resoluciones Conjuntas		2,512	2,439	73	31,016	29,273	1,743
Central Government Appropriations		43,104	43,154	(50)	532,117	530,375	1,742
Other Special Appropriations							
Executive Order No. 2017-021 - Training and seminars		6,409	833	5,576	6,409	10,000	(3,591)
Department of Education - Training to teachers and tutoring		-	833	(833)	-	10,000	(10,000)
Legislative Scholarships		792	792	(0)	9,500	9,500	-
Total Other Appropriations		7,201	2,458	4,743	15,909	29,500	(13,591)
Central Government Appropriations	1	50,305	45,612	4,693	548,026	559,875	(11,849)
Operating Receipts							
PR Slot Machine Receipts - Law 36	2	(211)	5,444	(5,655)	45,841	65,332	(19,491)
Tuition		11,233	13,045	(1,812)	175,982	179,400	(3,418)
Campus-generated inflows	3	9,774	9,124	650	124,045	104,683	19,362
Other campus-generated inflows	3	1,592	4,159	(2,567)	27,522	47,716	(20,194)
Special State Fund		127	469	(342)	937	5,630	(4,693)
Total Operating Receipts		22,515	32,242	(9,727)	374,327	402,761	(28,434)
Other Sources of Revenue							
Intra-Government Receipts - Federal Funds	4	10,716	17,399	(6,683)	298,357	309,314	(10,957)
Disaster Relief Receipts		-	-	-	-	-	-
Other		75	-	75	4,006	-	4,006
Other Sources of Revenue		10,792	17,399	(6,607)	302,362	309,314	(6,952)
Disaster Relief Receipts							
FEMA and Insurance Receipts	5	-	-	-	-	40,000	(40,000)
Other Federal Programs - CARES Act	6	435	-	435	11,694	-	11,694
Total Disaster Relief Receipts		435	-	435	11,694	40,000	(28,306)
Total Revenues		84,046	95,253	(11,206)	1,236,410	1,311,950	(75,540)
Operating Disbursements:							
Payroll & Related Costs							
- Salaries - Full Time Employees		38,142	36,462	(1,681)	511,402	497,622	(13,780)
- Salaries - Transitory / Part Time Employees		536	1,324	788	2,811	18,072	15,261
- Christmas Bonus	(1)	-	-	1	6,129	6,301	172
- Overtime		29	107	78	2,288	1,466	(822)
- Other Compensation		-	-	-	-	-	-
- Liquidations		-	417	417	2	5,685	5,683
- Incentives		-	66	66	-	895	895
- Medical Insurance		9,372	5,002	(4,370)	60,159	60,025	(134)
- Social Security Payment		3,034	2,742	(292)	39,853	37,425	(2,428)
- State Insurance Fund		524	524	(0)	7,450	7,147	(303)
- Unemployment Insurance		74	15	(59)	337	202	(135)
- Other Marginal Benefits		-	3	3	-	43	43
- Other Subsidies to Employees		65	15	(50)	201	198	(3)
Total Payroll		51,775	46,676	(5,099)	630,633	635,081	4,448
Governmental entities							
Materials and Supplies		4,273	3,685	(587)	42,091	44,221	2,130
Purchased Services		4,321	3,373	(949)	42,185	40,470	(1,715)
Financial Aid Costs and Donations	7	7,273	32,964	25,691	278,426	230,729	(47,697)
Resoluciones Conjuntas - Pass Throughs		-	-	-	-	-	-
Professional Services		-	835	835	1,299	10,016	8,717
Other Operating Expenses		-	-	-	-	-	-
Facilities and Payments for Public Services		5,954	2,944	(3,009)	32,409	35,333	2,924
Transportation Expenses		334	732	399	5,880	8,789	2,909
Media Ads and Guidelines		5	15	9	189	174	(15)
Other Operating Payments	8	6,827	7,557	730	39,790	90,687	50,897
Total Operating Disbursements		28,986	52,579	23,592	442,269	466,102	23,833
Other Disbursements							
FEMA Supported Projects	9	-	-	-	-	40,000	40,000
CARES Act - Emergency Relief Fund	10	1,828	-	(1,828)	24,496	-	(24,496)
Capital Expenditures	11	1,349	2,908	1,559	8,823	34,895	26,072
Equipment	11	1,570	963	(608)	15,179	11,553	(3,626)
Pensions Payments		98,324	13,408	(84,915)	160,000	160,900	900
Total Other Disbursements		103,071	17,279	(85,792)	208,497	247,348	38,851
Total Expenses Before Debt Service		183,833	116,533	(67,299)	1,281,398	1,348,531	67,133
Debt-Related Disbursements:							
Debt and Interest Payments		10,802	4,021	(6,781)	44,707	48,252	3,545
Total Debt Related Disbursements		10,802	4,021	(6,781)	44,707	48,252	3,545
Total Expenses After Debt Service		194,634	120,554	51,277	1,326,105	1,396,783	70,678
Net Revenues/ (Expenses)		(110,588)	(25,302)	(85,286)	(89,695)	(84,833)	(4,862)

1. Negative variance due to appropriations related to educational trainings that have been recorded as deferred revenues. These revenues will be recognized once trainings are executed.
2. Negative variance is related to lower than projected receipts since March due to the COVID-19 situation.
3. This net negative variance in campus and other campus inflows is mostly related to COVID-19 impact in patient services (approx. \$16M).
4. Negative variance is mostly driven by a backlog of federal projects reimbursements pending to be requested. The University expects these revenues to be realized during the next FY.
5. Negative variance is related to lower than projected FEMA receipts as forecasted.
6. Positive variance related to the CARES Act financial aid grants to students for expenses to deal with the COVID-19 situation. There is a delay in the accounting of these receipts. A total of \$35.6M were received as presented in the June Liquidity Report.
7. Negative variance in Financial Aid Costs and Donations is driven by disbursements of Direct Loans to students. Related revenues are included in Intra-Government Receipts (Federal Funds).
8. Positive variance in other operating payments is primarily driven by student aid expenditures, trainings, seminars and other expenses not realized this fiscal year. We expect this variance to decrease as a result of the year end accounting adjustments.
9. Positive variance is related to lower than projected FEMA disbursements since proceeds were not received as forecasted.
10. Negative variance related to the CARES Act financial aid grants to students for expenses to deal with the COVID-19 situation. There is a delay in the accounting of these disbursements. A total of \$35.9M were paid as presented in the June Liquidity Report.
11. Positive variance in capital expenditures is driven by lower than projected disbursements due to a delay in projects developments through the FY20.

QTR & YTD – FY20 FOMB Certified Budget versus Actual Variance Analysis

(\$000's)	NOTES	ACTUAL		BUDGET		ACTUAL		BUDGET		ACTUAL		BUDGET		ACTUAL		
		Q1	Q1	Q2	Q2	Q3	Q3	Q4	Q4	YTD FY20	CERT. BUDGET	YTD FY20	CERT. BUDGET	Variance \$		
Central Government Appropriations																
TSA General Fund Appropriation, net measures		121,776	122,144	121,776	122,144	121,776	122,144	135,773	134,671		501,101	501,102			(1)	
TSA General Fund Appropriation - Resoluciones Conjuntas		7,687	7,318	7,718	7,318	7,305	7,318	8,306	7,318		31,016	29,273			1,743	
Central Government Appropriations		\$ 129,463	\$ 129,462	\$ 129,494	\$ 129,462	\$ 129,081	\$ 129,462	\$ 144,079	\$ 141,989		\$ 532,117	\$ 530,375			\$ 1,742	
Other Special Appropriations																
Executive Order No. 2017-021 - Training and seminars		0	2,500	-	2,500	-	2,500	6,409	2,500		6,409	10,000			(3,591)	
Department of Education - Training to teachers and tutoring		-	2,500	-	2,500	-	2,500	-	2,500		-	10,000			(10,000)	
Legislative Scholarships		2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375		9,500	9,500			-	
Total Other Appropriations		2,375	\$ 7,375	\$ 2,375	\$ 7,375	\$ 2,375	\$ 7,375	\$ 8,784	\$ 7,375		\$ 15,909	\$ 29,500			\$ (13,591)	
Central Government Appropriations		131,838	\$ 136,837	\$ 131,869	\$ 136,837	\$ 131,456	\$ 136,837	\$ 152,863	\$ 149,364		\$ 548,026	\$ 559,875			\$ (11,849)	
Operating Receipts																
PR Slot Machine Receipts - Law 36		11,182	16,333	21,333	16,333	15,577	16,333	(2,251)	16,333		45,841	65,332			(19,491)	
Tuition		90,376	65,848	46,884	25,339	23,612	69,839	15,109	18,373		175,982	179,400			(3,418)	
Campus-generated inflows		39,946	24,704	35,561	24,453	27,594	35,063	20,944	20,463		124,045	104,683			19,362	
Other Campus-generated inflows		9,161	11,260	10,075	11,146	4,735	15,982	3,590	9,327		27,522	47,716			(20,194)	
Campus-generated and Other Campus Generated Inflows		49,108	35,965	45,636	35,599	32,329	51,045	24,494	29,790		151,567	152,399			(832)	
Special State Fund		290	1,408	216	1,408	241	1,408	191	1,408		937	5,630			(4,693)	
Total Operating Receipts		\$ 150,956	\$ 119,553	\$ 114,070	\$ 78,679	\$ 71,758	\$ 138,625	\$ 37,542	\$ 65,904		\$ 374,327	\$ 402,761			\$ (28,434)	
Other Sources of Revenue																
Intra-Government Receipts - Federal Funds		78,337	96,661	75,695	65,729	107,063	81,195	37,261	65,729		298,357	309,314			(10,957)	
Total Federal Fund Receipts																
Disaster Relief Receipts																
FEMA and Insurance Receipts		-	-	-	-	-	-	-	40,000		-	40,000			(40,000)	
Other Federal Programs - CARES Act		-	-	-	-	-	-	11,694	-		11,694	-			11,694	
Other		2,223	-	917	-	682	-	184	-		4,006	-			4,006	
Other Sources of Revenue		80,561	96,661	76,612	65,729	107,745	81,195	49,139	105,729		314,056	349,314			\$ (35,258)	
Total Revenues		\$ 363,355	\$ 353,051	\$ 322,551	\$ 281,245	\$ 310,959	\$ 356,657	\$ 239,545	\$ 320,997		\$ 1,236,410	\$ 1,311,950			\$ (75,540)	
Operating Disbursements:																
Payroll & Related Costs																
- Salaries - Full Time Employees		(127,776)	(118,752)	(132,273)	(134,965)	(130,006)	(119,880)	(121,347)	(124,025)		(511,402)	(497,622)			(13,780)	
- Salaries - Transitory / Part Time Employees		(1,774)	(4,313)	(149)	(4,901)	(116)	(4,354)	(773)	(4,504)		(2,811)	(18,072)			15,261	
- Christmas Bonus		(2)	-	(6,114)	(6,301)	(12)	-	(1)	-		(6,129)	(6,301)			172	
- Overtime		(494)	(350)	(1,143)	(398)	(433)	(353)	(217)	(365)		(2,288)	(1,466)			(822)	
- Other Compensation		-	-	-	-	-	-	-	-		-	-			-	
- Liquidations		-	(1,357)	(2)	(1,542)	-	(1,370)	-	(1,417)		(2)	(5,685)			5,683	
- Incentives		-	(214)	-	(243)	-	(216)	-	(223)		-	(895)			895	
- Medical Insurance		(14,327)	(15,006)	(13,616)	(15,006)	(13,725)	(15,006)	(18,491)	(15,006)		(60,159)	(60,025)			(134)	
- Social Security Payment		(9,817)	(8,931)	(10,202)	(10,150)	(10,274)	(9,016)	(9,560)	(9,328)		(39,853)	(37,425)			(2,428)	
- State Insurance Fund		(1,831)	(1,706)	(2,053)	(1,938)	(1,844)	(1,722)	(1,722)	(1,781)		(7,450)	(7,147)			(303)	
- Unemployment Insurance		(31)	(48)	(131)	(55)	(86)	(49)	(88)	(50)		(337)	(202)			(135)	
- Other Marginal Benefits		-	(10)	-	(12)	-	(10)	-	(11)		-	(43)			43	
- Other Subsidies to Employees		(43)	(47)	(56)	(54)	(26)	(48)	(76)	(49)		(201)	(198)			(3)	
Total Payroll & Other Payroll Related		\$ (156,096)	\$ (150,733)	\$ (165,740)	\$ (175,565)	\$ (156,523)	\$ (152,023)	\$ (152,274)	\$ (156,760)		\$ (630,633)	\$ (635,081)			\$ 4,448	
Governmental entities																
Materials and Supplies		(6,490)	(11,055)	(13,878)	(11,055)	(12,058)	(11,055)	(9,666)	(11,055)		(42,091)	(44,221)			2,130	
Purchased Services		(18,265)	(10,118)	(7,680)	(10,118)	(6,826)	(10,118)	(9,413)	(10,118)		(42,185)	(40,470)			(1,715)	
Financial Aid Costs and Donations		(98,475)	(80,633)	(42,583)	(29,646)	(116,517)	(111,579)	(20,851)	(8,871)		(278,426)	(230,729)			(47,697)	
Facilities and Payments for Public Services		(5,302)	(8,833)	(9,122)	(8,833)	(7,628)	(8,833)	(10,357)	(8,833)		(32,409)	(35,333)			2,924	
Professional Services		(26)	(2,504)	(841)	(2,504)	(116)	(2,504)	(316)	(2,504)		(1,299)	(10,016)			8,717	
Other Operating Expenses		-	-	-	-	-	-	-	-		-	-			-	
Transportation Expenses		(1,398)	(2,197)	(2,304)	(2,197)	(1,525)	(2,197)	(652)	(2,197)		(5,880)	(8,789)			2,909	
Media Ads and Guidelines		(70)	(44)	(69)	(44)	(42)	(44)	(8)	(44)		(189)	(174)			(15)	
Other Operating Payments		(5,106)	(22,672)	(12,301)	(22,672)	(10,862)	(22,672)	(11,521)	(22,672)		(39,790)	(90,687)			50,897	
Total Operating Disbursements		\$ (135,132)	\$ (139,476)	\$ (88,780)	\$ (88,489)	\$ (155,574)	\$ (170,422)	\$ (62,783)	\$ (67,714)		\$ (442,269)	\$ (466,102)			\$ 23,833	
Other Disbursements																
Other Federally Supported Projects		-	-	-	-	-	-	-	(40,000)		-	(40,000)			(40,000)	
CARES Act - Emergency Relief Fund		-	-	-	-	-	-	(24,496)	-		(24,496)	-			24,496	
Capital Expenditures		(1,540)	(8,724)	(2,378)	(8,724)	(3,079)	(8,724)	(1,826)	(8,724)		(8,823)	(34,895)			26,072	
Equipment		(3,444)	(2,888)	(4,186)	(2,888)	(4,255)	(2,888)	(3,293)	(2,888)		(15,179)	(11,553)			(3,626)	
Pensions Payments		(15,463)	(40,225)	(15,763)	(40,225)	(18,021)	(40,225)	(110,753)	(40,225)		(160,000)	(160,900)			900	
Total Other Disbursements		\$ (20,447)	\$ (51,837)	\$ (22,326)	\$ (51,837)	\$ (25,356)	\$ (51,837)	\$ (140,368)	\$ (91,837)		\$ (184,002)	\$ (207,348)			\$ 23,346	
Total Expenses Before Debt Service		\$ (311,675)	\$ (342,046)	\$ (276,846)	\$ (315,892)	\$ (337,453)	\$ (374,282)	\$ (355,424)	\$ (316,311)		\$ (1,281,398)	\$ (1,348,531)			\$ 67,133	
Debt-Related Disbursements:																
Debt and Interest Payments		(12,375)	(12,063)	(12,329)	(12,063)	(8,250)	(12,063)	(11,752)	(12,063)		(44,707)	(48,252)			3,545	
Total Debt Related Disbursements		\$ (12,375)	\$ (12,063)	\$ (12,329)	\$ (12,063)	\$ (8,250)	\$ (12,063)	\$ (11,752)	\$ (12,063)		\$ (44,707)	\$ (48,252)			\$ 3,545	
Total Expenses After Debt Service		\$ (324,050)	\$ (354,109)	\$ (289,176)	\$ (327,955)	\$ (345,703)	\$ (386,345)	\$ (367,177)	\$ (328,374)		\$ (1,326,105)	\$ (1,396,783)			\$ 70,678	
Net Revenues / (Expenses)		\$ 39,305	\$ (1,059)	\$ 33,376	\$ (46,709)	\$ (34,744)	\$ (29,688)	\$ (127,632)	\$ (7,377)		\$ (89,695)	\$ (84,833)			\$ (4,863)	