



University of Puerto Rico (UPR)

April - FY 2021 Budget to Actual reporting
(FOMB Certified Budget)

DISCLAIMER

This document was prepared by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) along with the University of Puerto Rico (“UPR”) as part of ongoing evaluation of financial matters of the Government of Puerto Rico, its public corporations and instrumentalities (collectively, the “Government”). Government creditors and other third parties should not rely on the information included in this presentation to purchase or sell any security or make any investment decision regarding securities issued by the Government. The amounts shown on this presentation are based on information obtained by AAFAF from governmental instrumentalities and financial institutions as of the dates indicated. AAFAF has not validated all of the information received and, as a result, cannot and does not assume any responsibility for the accuracy of such information. As additional information becomes available, there could be material changes to the information contained herein.

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), The Government of Puerto Rico (The “Government”), and each of their respective officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates (collectively, with AAFAF and The Government The “Parties”) make no representation or warranty, express or implied, to any third party with respect to the information contained herein and all Parties expressly disclaim any such representations or warranties.

The amounts shown in this presentation (including those related to the receipts, disbursements and account balances) have not been confirmed through an audit conducted in accordance with generally accepted auditing standards, an examination of internal controls or other attestation or review services in accordance with standards established by the American Institute of Certified Public Accountants or any other organization. Accordingly, none of AAFAF, the Government, and each of their respective officers, directors, employees, agents, attorneys, advisors, members, partners or affiliates (collectively, with AAFAF and the Government, the “Parties”) express an opinion or any other form of assurance on the financial or other information contained in this presentation.

The Parties do not owe or accept any duty or responsibility to any reader or recipient of this presentation, whether in contract or tort, and shall not be liable for or in respect of any loss, damage (including without limitation consequential damages or lost profits) or expense of whatsoever nature of such third party that may be caused by, or alleged to be caused by, the use of this presentation or that is otherwise consequent upon the gaining of access to this document by such third party.

The Parties do not undertake any duty to update the information contained in this presentation.

By receiving this document, the recipient shall be deemed to have acknowledged and agreed to the terms and limitations described in these disclaimers.

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 April and YTD FY21 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 and insurance proceeds.

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, and CapEx.

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

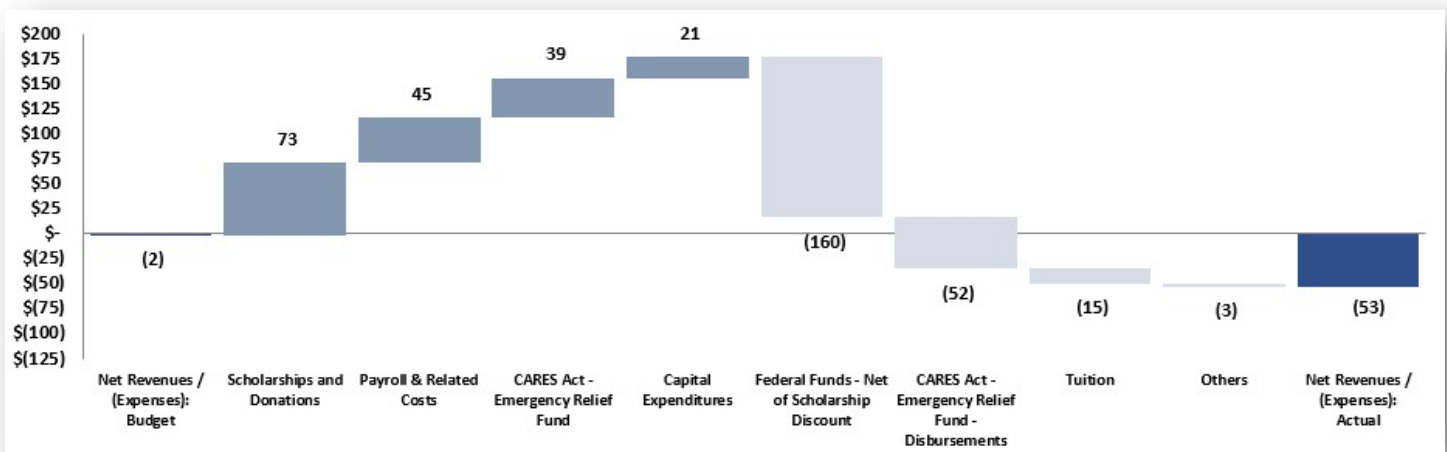
The FOMB budget was certified by the Federal Oversight Management Board and figures were used as a reference in this report for comparison with actual to evaluate UPR’s performance for the month of April and YTD FY21.

EXECUTIVE SUMMARY

YTD April, UPR ended net operations with a negative variance of \$53.0M compared to budget. Variances by concept levels were relevant in the following line items: negative variance in intra-government receipts - federal funds (\$160M) which is a combination of a delay in the recording of federal funds receipts in the accounting system and due to a permanent variance since federal funds are presented net of scholarship discounts versus budget which uses gross amounts, (\$52M) negative permanent variance in CARES Act and CRRSAA disbursements, which were not included in budget, and a negative timing variance in tuition (\$15M) which is mostly related to a delay in the recording of tuition revenues for the second semester by several institutional units.

Negative variances are partially offset by positive variances in scholarships and donations (\$73M) which is permanent since scholarships applied to tuition are presented net, versus budget which uses gross amounts, payroll and related costs (\$45M) timing variance due to a delay in the recording of April payrolls in the accounting system, CARES Act and CRRSAA receipts (\$39M) which is permanent since they were not included in budget, and capital expenditures (\$21M) due to lower than expected capital projects disbursements.

FY21 YTD April FOMB Certified Budget vs Actual (\$mm)



April and YTD – FY21 FOMB Certified Budget versus Actual Variance Analysis

Note: Includes reapportionments approved by FOMB on November 20 and 24, 2020, and February 18, 2021.

Notes

University of Puerto Rico
Budget to Actuals
For the month of April 2021

(\$000's)	ACTUAL				BUDGET				
	Notes	Apr-21	Apr-21	Variance \$	Variance %	YTD	YTD	Variance \$	Variance %
Central Government Appropriations									
TSA General Fund Appropriation - Net Measures		52,258	54,589	(2,331)	-4%	417,595	419,918	(2,323)	-1%
TSA General Fund Appropriation - Joint Resolutions		2,432	2,439	(7)	0%	24,947	24,394	552	2%
Central Government Appropriations		54,690	57,028	(2,338)	-4%	442,542	444,312	(1,770)	0%
Other Special Appropriations									
Executive Order No. 2017-021 - Training and Seminars		-	833	(833)	-100%	-	8,333	(8,333)	-100%
Department of Education - Training to Teachers and Tutoring		-	833	(833)	-100%	-	8,333	(8,333)	-100%
Legislative Scholarships		792	792	0	0%	8,439	7,917	522	7%
Total Other Appropriations		792	2,458	(1,667)	-68%	8,439	24,583	(16,145)	-66%
Central Government Appropriations		55,482	59,487	(4,005)	-7%	450,980	468,895	(17,915)	-4%
Operating Receipts									
PR Slot Machine Receipts - Law 36		5,400	5,446	(46)	-1%	42,345	38,119	4,226	11%
Tuition	1	168	1,117	(949)	-85%	142,727	157,756	(15,029)	-10%
Campus-generated Inflows		7,323	8,924	(1,601)	-18%	134,002	136,412	(2,410)	-2%
Other Receipts		-	167	(167)	-100%	-	1,667	(1,667)	-100%
Total Operating Receipts		12,891	15,653	(2,763)	-18%	319,074	333,954	(14,881)	-4%
Federal Fund Receipts									
Intra-Government Receipts - Federal Funds - Net of Scholarship Discount	2	2,249	10,048	(7,799)	-78%	95,842	256,062	(160,220)	-63%
Total Federal Fund Receipts		2,249	10,048	(7,799)	-78%	95,842	256,062	(160,220)	-63%
Disaster Relief Receipts									
FEMA and Insurance Receipts		184	-	184	0%	1,429	-	1,429	0%
CARES Act - Emergency Relief Fund	3	2,382	-	-	0%	39,449	-	39,449	100%
Other		-	-	-	0%	-	-	-	0%
Total Disaster Relief Receipts		2,566	-	2,566	0%	40,878	-	40,878	0%
Total Revenues		73,188	85,188	(12,000)	-14%	906,773	1,058,911	(152,138)	-14%
Operating Disbursements:									
Payroll & Related Costs									
- Salaries - Full Time Employees		19,418	39,096	19,678	50%	385,471	410,560	25,089	6%
- Salaries - Transitory / Part Time Employees		74	1,376	1,302	95%	2,973	14,450	11,476	79%
- Christmas Bonus		1	-	(1)	0%	5,869	5,840	(29)	-1%
- Overtime		112	115	3	2%	1,487	1,203	(284)	-24%
- Other Compensation		-	1,398	1,398	100%	-	2,796	2,796	100%
- Liquidations		199	442	244	55%	5,628	4,646	(983)	-21%
- Incentives		700	70	(630)	-905%	1,171	731	(440)	-60%
- Medical Insurance		2,192	4,653	2,460	53%	42,332	48,859	6,527	13%
- Social Security Payment		1,616	2,922	1,305	45%	29,675	30,683	1,008	3%
- State Insurance Fund		295	558	263	47%	5,617	5,860	243	4%
- Unemployment Insurance		44	16	(28)	-180%	479	166	(313)	-189%
- Other Marginal Benefits		2	3	1	37%	37	36	(1)	-3%
- Other Subsidies to Employees		1	15	14	91%	136	162	25	16%
Total Payroll & Related Costs	4	24,655	50,664	26,008	51%	480,876	525,991	45,114	9%
Materials and Supplies		(3,696)	586	4,282	731%	15,921	19,696	3,774	19%
Purchased Services		459	510	51	10%	20,639	20,602	(37)	0%
Scholarships and Donations	5	4,258	9,583	5,325	56%	103,691	177,166	73,476	41%
Resoluciones Conjuntas - Pass Throughs		-	-	-	0%	-	-	-	0%
Professional Services		-	1,585	1,585	100%	443	4,390	3,948	90%
Facilities and Payments for Public Services		1,923	1,432	(490)	-34%	22,584	23,290	706	3%
Transportation Expenses		103	34	(70)	-208%	1,098	1,627	529	33%
Other Operating Payments		5,781	3,339	(2,441)	-73%	59,291	58,991	(300)	-1%
Total Operating Disbursements		8,828	17,069	8,242	48%	223,666	305,761	82,095	27%
Pensions Payments	4	5,215	13,308	8,093	61%	127,546	133,083	5,537	4%
Total Pension Disbursements		5,215	13,308	8,093	61%	127,546	133,083	5,537	4%
Disaster Relief Disbursements									
FEMA Supported Projects		-	-	-	-	-	-	-	-
CARES Act - Emergency Relief Fund - Disbursements	6	13,961	2,026	(11,935)	-589%	72,104	20,263	(51,842)	-256%
Insurance Supported Projects		-	-	-	0%	-	-	-	0%
Other		-	-	-	0%	-	-	-	0%
Total Disaster-related Disbursements		13,961	2,026	(11,935)	-589%	72,104	20,263	(51,842)	-256%
Capital Expenditures	7	218	2,575	2,356	92%	4,762	25,746	20,984	82%
Equipment		85	658	572	87%	8,804	9,642	838	9%
Total Capital Expenditures & Equipment		304	3,232	2,618	81%	13,566	35,388	21,822	62%
Total Expenses Before Debt Service		52,963	86,300	33,337	39%	917,758	1,020,485	102,727	10%
Net Cash Flow Before Debt Service		20,225	(1,112)	21,337	-1919%	(10,985)	38,426	(49,411)	-129%
Debt-Related Disbursements:									
Debt Payments		4,010	4,021	11	0%	43,827	40,210	(3,617)	-9%
Total Debt Related Disbursements		4,010	4,021	11	0%	43,827	40,210	(3,617)	-9%
Total Expenses After Debt Service		56,973	90,321	33,348	37%	961,585	1,060,695	99,110	9%
Net Revenues/ (Expenses)		16,215	(5,133)	21,348	-416%	(54,812)	(1,784)	(53,028)	-2972%

- Negative timing variance in tuition which is mostly related to a delay in the recording of tuition revenues for the second semester by several institutional units.
- Negative variance in intra-government receipts (Federal Funds) which is partially related to a delay in the recording of federal funds receipts in the accounting system. Actual YTD amount of \$128.8M was presented in the April Liquidity Report. Also, there is a permanent variance since federal funds are presented net of scholarship discounts, versus budget which uses gross amounts.
- Positive permanent variance due to CARES Act and CRRSAA receipts, which were not included in budget.
- Positive timing variance due to a delay in the recording of April payrolls in the accounting system. Actual YTD amount of \$529.2M was presented in the April Liquidity Report.
- Positive permanent variance in scholarships and donations since scholarships applied to tuition are presented net, versus budget which uses gross amounts.
- Negative permanent variance due to CARES Act and CRRSAA disbursements, which were not included in budget.
- Positive variance in capital expenditures due to lower than expected capital projects disbursements.