

# University of Puerto Rico (UPR)

December - FY 2022 Budget to Actual reporting (FOMB Certified Budget)

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### 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 December and YTD FY22 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, disaster relief disbursements, and CapEx.

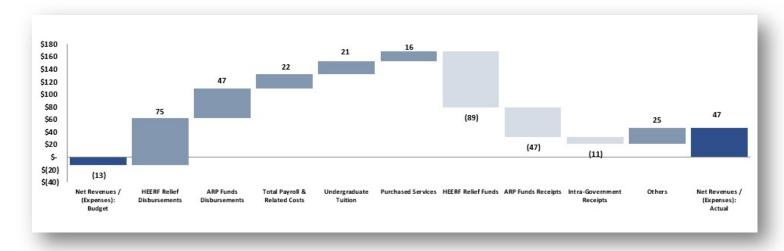
The financial information included in this report may change as a result of the annual year end accounting process.

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 December and YTD FY22.

#### **EXECUTIVE SUMMARY**

YTD December, UPR ended net operations with a favorable variance of \$59.4M compared to budget. Variances by concept levels were relevant in the following line items: a favorable timing variance in HEERF Relief Required Disbursements (\$75M) as we expect to reach budget amounts in the next months, a favorable timing variance in Payroll and Related Costs (\$22M) due to a delay in the recording of December payrolls in the accounting system, a favorable variance in Undergraduate Tuition (\$21M), which is temporary as we expect to match budget amounts in the next months, and a favorable permanent variance in Purchased Services (\$16M), as we expect to have savings in this line for the rest of the year.

Favorable variances are partially offset by unfavorable variances in HEERF Relief Funds (\$89M), due to a delay in the recording of these expenses in the accounting system, an unfavorable timing variance in General Fund Appropriations – ARP Funds (\$47M) due to a delay in the receipt of these funds (net effect of zero since the related ARP disbursements have not been performed), and an unfavorable variance in Intra-Government Receipts (\$11M), which is temporary as we expect to match budget amounts in the next months.



### FY22 YTD December FOMB Certified Budget vs Actual (\$mm)

#### December and YTD – FY22 FOMB Certified Budget versus Actual Variance Analysis

#### University of Puerto Rico

Budget to Actuals

For the month of December 2021

		ACTUAL	BUDGET	14-1-1 A-11		ACTUAL	BUDGET	14-12-1- A	
(\$000's)	Notes	Dec-21	Dec-21	Variance \$ V	ariance %	YTD	YTD	Variance \$	ariance %
Central Government Appropriations:									
TSA General Fund Appropriation - Net Measures		32,955	32,978	(23)	0%	197,732	197,871	(139)	0
TSA General Fund Appropriation - ARP Funds	1	-	7,833	(7,833)	-100%		47,000	(47,000)	-100
TSA General Fund Appropriation - Joint Resolutions	-	2,437	2,444	(7)	0%	14,632	14,667	(35)	0
Other Special Appropriations - Training and Seminars	2	-	833	(833)	-100%	-	5,000	(5,000)	-100
Services to Department of Education	2		835	(835)	-100%	-	5,000	(5,000)	-100
Legislative Scholarships	2	- 792	792	(833)	-100%	4,751	4,750	(5,011)	0
Total Central Government Appropriations		36,184	45,716	(9,532)	-21%	217,115	274,298	(57,183)	-21
Operating Revenues:		C 400	F 370	704	4.20/	27 400	22.272	4.046	45
PR Slot Machine Receipts - Law 36	-	6,100	5,379	721	13%	37,189	32,273	4,916	15
Jndergraduate Tuition	3	32,568	27,842	4,727	17%	106,784	86,171	20,614	24
Graduate Tuition		3,808	7,563	(3,755)	-50%	22,189	23,408	(1,220)	-5
Campus-generated Inflows		19,293	10,910	8,384	77%	93,417	88,713	4,704	5
Special Funds		-	9	(9)	-100%	513	116	396	341
Other Revenues		-	167	(167)	-100%	-	1,000	(1,000)	-100
otal Operating Revenues		61,770	51,869	9,900	19%	260,092	231,681	28,410	12
Other Sources of Revenues:									
ntra-Government Receipts	4	1,143	13,706	(12,563)	-92%	66,786	77,551	(10,765)	-14
EMA and Insurance Receipts		-	-	-	0%	3,311	-	3,311	0
HEERF Relief Funds	5	4,712	29,429	(24,717)	-84%	87,955	176,575	(88,620)	-50
Total Other Sources of Revenues		5,855	43,135	(37,280)	-86%	158,052	254,126	(96,074)	-38
otal Revenues		103,809	140,721	(36,912)	-26%	635,259	760,105	(124,847)	-16
		100,000	140,721	(30,312)	20/0	000,200	700,105	(124,047)	10
Operating Expenditures:									
Payroll & Related Costs									
Salaries - Faculty		10,159	25,744	15,584	61%	132,927	146,401	13,475	9
Salaries - Non-Faculty		9,708	15,918	6,210	39%	79,849	90,521	10,672	12
Christmas Bonus		3,981	6,240	2,259	36%	3,984	6,240	2,256	36
Overtime		233	125	(108)	-87%	853	709	(145)	-20
Other Compensation		-	-	-	0%	-	-	-	0
Liquidations		145	480	335	70%	4,269	2,728	(1,541)	-56
Incentives	6	56	76	19	25%	8,147	429	(7,717)	-1797
Medical Plan		2,682	4,635	1,954	42%	22,418	26,360	3,942	15
Social Security Payment		2,391	3,180	789	25%	17,169	18,086	917	5
State Insurance Fund		446	607	161	27%	3,271	3,454	184	5
Unemployment Insurance		70	17	(53)	-309%	319	. 98	(221)	-226
otal Payroll & Related Costs	7	29,870	57,022	27,151	48%	273,204	295,026	21,822	7
Naterials and Supplies		2,337	3,310	972	29%	12,741	18,580	5,839	31
urchased Services	8	445	1,248	803	64%	17,846	33,512	15,665	47
	0				24%				-14
cholarships and Donations		4,144	5,424	1,280		50,762	44,490	(6,271)	
oint Resolutions		-		-	0%				0
acilities and Payments for Public Services		5,432	4,541	(891)	-20%	15,408	16,042	634	4
Professional Services		-	418	418	100%	13	2,508	2,495	99
ransportation Expenses		230	514	283	55%	823	3,187	2,363	74
Other Operating Expenses		6,059	9,117	3,058	34%	31,900	36,249	4,348	12
otal Operating Expenditures		18,648	24,571	5,923	24%	129,493	154,567	25,074	16
ther Expenditures:									
apital Expenditures		672	4,806	4,134	86%	6,909	10,645	3,736	35
estricted CAPEX - Graduate Tuition Measure		-	419	419	100%	-	2,514	2,514	100
quipment		709	1,049	340	32%	6,261	5,015	(1,246)	-25
ensions Payment	7, 11	9,132	10,133	1,001	10%	54,601	60,800	6,199	10
, IEERF Relief Required Disbursements	9	14,269	29,429	15,160	52%	101,301	176,575	75,274	43
JPR Sustainability Initiative - ARP Funds	1	-	7,833	7,833	100%	-	47,000	47,000	100
otal Other Expenditures		24,782	53,669	28,887	54%	169,072	302,549	133,477	44
otal Expenses Before Debt Service		73,300	135,262	61,962	46%	571,770	752,142	180,372	24
let Revenues / (Expenses) Before Debt Service		30,509	5,459	25,050	459%	63,489	7,963	55,526	697
Contract Debt Service	10	4,075 77,375	4,021 139,283	(54) 61,908	-1% 44%	16,747 588,517	20,589 772,731	3,841 184,214	19 24
				01,000		300,317	,,,,,,,,,	107,214	24
otal Expenses After Debt Service							,		

#### <u>Notes</u>

- Unfavorable timing variance in the UPR Sustainability Initiative - ARP Funds receipts due to a delay in the receipt of these funds. However, the net effect is zero since the related ARP disbursements have not been performed.
- Unfavorable timing variance in Trainings & Seminars due to a delay in the recording of these revenues in the accounting system. We expect to reach budget amounts during the FY22.
- 3. Favorable variance in Undergraduate Tuition, which is temporary as we expect to approximate budget amounts during the FY22.
- Unfavorable variance in Intra-Government Receipts, which is temporary as we expect to approximate budget amounts during the FY22.
- Unfavorable timing variance in HEERF Relief Funds due to a delay in the recording of these revenues in the accounting system. Actual YTD amount of \$181.0M was presented in the Liquidity Report.
- Incentives includes disbursements of \$8.0M related to the Premium Pay Program under the CARES ACT allocated to the Government of PR.
- Favorable timing variance in Total Payroll and Related Costs due to a delay in the recording of December payrolls in the accounting system. Actual YTD amount of \$304.2M was presented in the Liquidity Report. Pensions Payments recording amounts are affected due to the delay.
- 8. Favorable permanent variance in Purchased Services, as we expect to have savings in this line for the rest of the year.
- 9. Favorable timing variance in HEERF Relief Required Disbursements, as we expect to reach budget amounts during the FY22.
- 10. Favorable timing variance in Contractual Debt Service due to a delay in the recording of the December payment in the accounting system. Actual YTD of \$20.8M was presented in the Liquidity Report.
- An advance of \$18M in Employer Contributions to the UPR Retirement System (Pensions Payment) was performed during December 2021. This amount is pending to be recorded and is not included in this report.

## 2<sup>nd</sup> QTR & YTD – FY22 FOMB Certified Budget versus Actual Variance Analysis

# University of Puerto Rico PROMESA 203 Report

For	the	quarter	ended	Dec	31,	2021	

	ACTUAL BUDGET				ACTUAL CERT. BUDGET					
(\$000's)		Q2	Variance \$ 💌	Variance % 💌	YTD FY22	YTD FY22	Variance \$	Variance % 💌		
Central Government Appropriations: TSA General Fund Appropriation - Net Measures	98,8	66 98,935	(69)	0%	197,732	197,871	(139)	0%		
TSA General Fund Appropriation - ARP Funds	50,0	- 23,500		-100%	-	47,000	(47,000)	-100%		
TSA General Fund Appropriation - Joint Resolutions	7,3	12 7,333	(21)	0%	14,632	14,667	(35)	0%		
Other Special Appropriations - Training and Seminars		- 2,500		-100%	-	5,000	(5,000)	-100%		
Services to Department of Education		- 2,505	(2,505) 0	-100%	-	5,011	(5,011)	-100% 0%		
Legislative Scholarships Total Central Government Appropriations		75 2,375 54 137,149		0% - <b>21%</b>	4,751 <b>217,115</b>	4,750 <b>274,298</b>	(57,183)	- <b>21%</b>		
	100).	107,145	(20,000)			274)250	(57,200)			
Operating Revenues:										
PR Slot Machine Receipts - Law 36	17,8		1,760	11%	37,189	32,273	4,916	15%		
Undergraduate Tuition Graduate Tuition	54,	785 41,864 .72 11,372	12,921 (6,201)	31% -55%	106,784 22,189	86,171 23,408	20,614 (1,220)	24% -5%		
Campus-generated Inflows	41,6			10%	93,417	88,713	4,704	-5%		
Special Funds		13 76		578%	513	116	396	341%		
Other Revenues		- 500	(500)	-100%	-	1,000	(1,000)	-100%		
Total Operating Revenues	120,0	42 107,696	12,346	11%	260,092	231,681	28,410	12%		
Other Sources of Revenues:										
Intra-Government Receipts	32,2	34 39,503	(7,268)	-18%	66,786	77,551	(10,765)	-14%		
FEMA and Insurance Receipts	2,3	51 -	2,351	0%	3,311	-	3,311	0%		
HEERF Relief Funds	22,3			-75%	87,955	176,575	(88,620)	-50%		
Total Other Sources of Revenues	56,8	94 127,790	(70,896)	-55%	158,052	254,126	(96,074)	-38%		
Total Revenues	285,4	90 372,635	(87,146)	-23%	635,259	760,105	(124,847)	-16%		
Operating Expenditures: Payroll & Related Costs										
Salaries - Faculty	54,5	49 75,226	(20,677)	-27%	132,927	146,401	13,475	9%		
Salaries - Non-Faculty	36,6		(9,888)	-21%	79,849	90,521	10,672	12%		
Christmas Bonus	3,9			-36%	3,984	6,240	2,256	36%		
Overtime	5	53 364	189	52%	853	709	(145)	-20%		
Other Compensation			-	0%	-	-	-	0%		
Liquidations Incentives	1,2 8,0		(191) 7,863	-14% 3564%	4,269 8,147	2,728 429	(1,541) (7,717)	-56% -1797%		
Medical Plan	10,0			-26%	22,418	26,360	3,942	-1/9/%		
Social Security Payment	7,9			-14%	17,169	18,086	917	5%		
State Insurance Fund		16 1,775		-15%	3,271	3,454	184	5%		
Unemployment Insurance		14 50		524%	319	98	(221)	-226%		
Total Payroll & Related Costs	124,8	49 154,629	(29,780)	-19%	273,204	295,026	21,822	7%		
Materials and Supplies	6	35 10,979	(4,644)	-42%	12,741	18,580	5,839	31%		
Purchased Services		370 3,413	(2,042)	-60%	17,846	33,512	15,665	47%		
Scholarships and Donations	18,8	18,255		3%	50,762	44,490	(6,271)	-14%		
Joint Resolutions			-	0%	-	-	-	0%		
Facilities and Payments for Public Services	10,5			23%	15,408	16,042	634	4%		
Professional Services		11 1,254		-99%	13	2,508	2,495	99% 74%		
Transportation Expenses Other Operating Expenses	18,0	50 1,535 66 19,535	(985) (869)	-64% -4%	823 31,900	3,187 36,249	2,363 4,348	12%		
Total Operating Expenditures	56,2		(7,272)	-11%	129,493	154,567	25,074	16%		
Other Expenditures:			(2		6.000	10.075	2	2		
Capital Expenditures Restricted CAPEX - Graduate Tuition Measure	4,0	14 7,555 - 1,257		-47% -100%	6,909	10,645 2,514	3,736 2,514	35% 100%		
Equipment	2.5	.72 2,472		-12%	6,261	5,015	(1,246)	-25%		
Pensions Payment	27,5			-10%	54,601	60,800	6,199	10%		
HEERF Relief Required Disbursements	31,	.87 88,287	(57,100)	-65%	101,301	176,575	75,274	43%		
UPR Sustainability Initiative - ARP Funds		- 23,500		-100%	-	47,000	47,000	100%		
Total Other Expenditures	64,8	80 153,471	(88,592)	-58%	169,072	302,549	133,477	44%		
Total Expenses Before Debt Service	245,9	93 371,637	(125,644)	-34%	571,770	752,142	180,372	24%		
Net Revenues / (Expenses) Before Debt Service	39,4	96 998	38,498	3858%	63,489	7,963	55,526	697%		
Contract Debt Service	12,3	25 12,063	162	1%	16,747	20,589	3,841	19%		
Total Expenses After Debt Service	258,2			-33%	588,517	772,731	184,214	24%		
Net Revenues / (Expenses)	27,2	.71 (11,065	) 38,336	-346%	46,742	(12,625)	59,367	470%		
	27,	(11,003	, 30,330	-3-0%		(12,023)		47078		