



University of Puerto Rico (UPR)

May - FY 2022 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 May 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 May and YTD FY22.

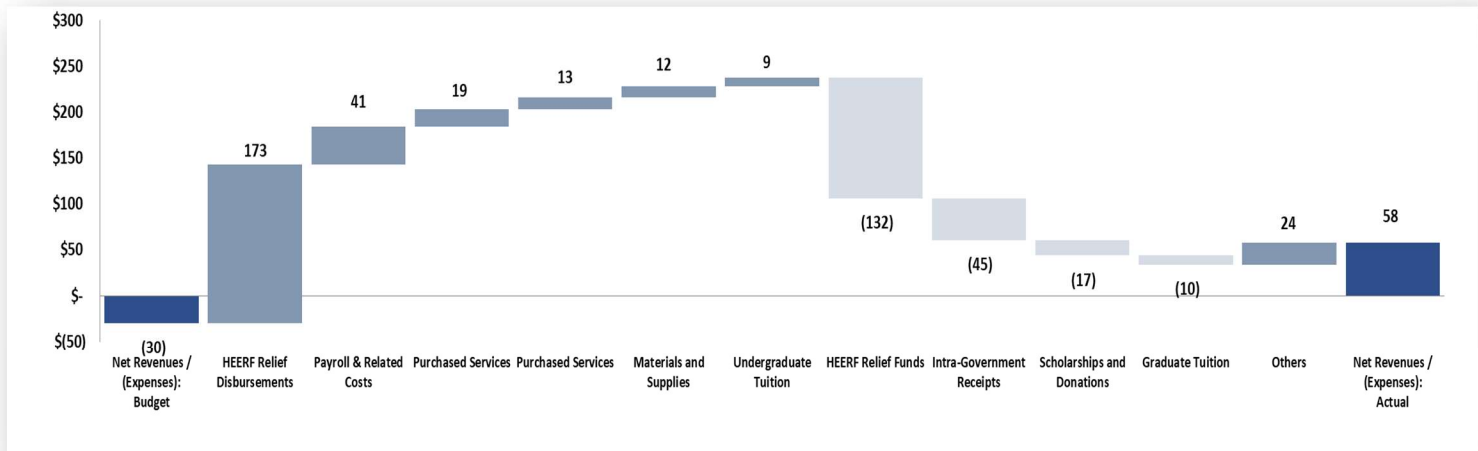
EXECUTIVE SUMMARY

YTD May, UPR ended net operations with a favorable variance of \$58.0M compared to budget. Variances by concept levels were relevant in the following line items:

Favorable variances: timing variance in HEERF Relief Required Disbursements (\$173M), permanent variance in Payroll & Related Costs (\$41M), permanent variance in Purchased Services (\$19M), permanent variance in Materials and Supplies (\$12M), and a timing variance in Undergraduate Tuition (\$9M).

Unfavorable variances: timing variance in HEERF Relief Funds (\$132M), variance in Intra-Government Receipts (\$45M), permanent variance in Scholarships and Donations (\$17), and a permanent variance in Graduate Tuition (\$10M).

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



May and YTD – FY22 FOMB Certified Budget versus Actual Variance Analysis

University of Puerto Rico
Budget to Actuals
For the month of May 2022

	Notes	ACTUAL		BUDGET		ACTUAL		BUDGET	
		May-22	May-22	Variance \$	Variance %	YTD	YTD	Variance \$	Variance %
Central Government Appropriations:									
TSA General Fund Appropriation - Net Measures		33,926	33,926	0	0%	373,188	373,188	0	0%
TSA General Fund Appropriation - ARP Funds	1	61,810	7,833	53,977	689%	61,810	86,167	(24,356)	-28%
TSA General Fund Appropriation - Joint Resolutions		2,421	2,444	(24)	-1%	27,194	26,889	305	1%
Other Special Appropriations - Training and Seminars	2	-	833	(833)	-100%	-	9,167	(9,167)	-100%
Services to Department of Education	2	-	835	(835)	-100%	-	9,186	(9,186)	-100%
Legislative Scholarships		792	792	0	0%	8,709	8,708	1	0%
Total Central Government Appropriations		98,949	46,664	52,285	112%	470,901	513,304	(42,403)	-8%
Operating Revenues:									
PR Slot Machine Receipts - Law 36		6,000	5,379	621	12%	66,513	59,167	7,345	12%
Undergraduate Tuition	3	945	1,777	(833)	-47%	141,079	131,615	9,465	7%
Graduate Tuition	4	508	483	26	5%	25,860	35,753	(9,893)	-28%
Campus-generated Inflows		11,373	16,369	(4,997)	-31%	159,053	163,351	(4,298)	-3%
Special Funds		207	155	52	34%	3,040	545	2,495	458%
Other Revenues		-	167	(167)	-100%	273	1,833	(1,560)	-85%
Total Operating Revenues		19,032	24,329	(5,297)	-22%	395,818	392,264	3,554	1%
Other Sources of Revenues:									
Intra-Government Receipts	5	3,261	7,062	(3,802)	-54%	115,643	160,931	(45,288)	-28%
FEMA and Insurance Receipts		20	-	20	0%	4,325	-	4,325	0%
HEERF Relief Funds	6	9,205	29,429	(20,224)	-69%	192,134	323,720	(131,586)	-41%
Total Other Sources of Revenues		12,486	36,491	(24,005)	-66%	312,102	484,651	(172,549)	-36%
Total Revenues		130,467	107,485	22,982	21%	1,178,821	1,390,219	(211,398)	-15%
Operating Expenditures:									
Payroll & Related Costs									
Salaries - Faculty		(30,538)	25,149	55,687	221%	228,642	269,548	40,907	15%
Salaries - Non-Faculty		10,179	15,550	5,371	35%	156,242	166,663	10,421	6%
Christmas Bonus		3	-	(3)	0%	5,763	6,240	477	8%
Overtime		111	122	10	8%	1,674	1,305	(370)	-28%
Other Compensation		-	-	-	0%	-	-	-	0%
Liquidations		480	469	(11)	-2%	8,605	5,023	(3,582)	-71%
Incentives	7	25	74	49	66%	8,496	791	(7,705)	-975%
Medical Plan		3,226	4,528	1,302	29%	44,757	48,533	3,776	8%
Social Security Payment		2,568	3,107	539	17%	35,699	33,299	(2,401)	-7%
State Insurance Fund		475	593	119	20%	6,775	6,360	(415)	-7%
Unemployment Insurance		73	17	(56)	-332%	556	180	(375)	-208%
Total Payroll & Related Costs	8	(13,399)	49,608	63,007	127%	497,210	537,942	40,732	8%
Materials and Supplies									
Purchased Services	9	658	1,015	357	35%	20,358	39,099	18,740	48%
Scholarships and Donations	10	6,891	3,309	(3,582)	-108%	105,278	88,251	(17,028)	-19%
Joint Resolutions		-	-	-	0%	-	-	-	0%
Facilities and Payments for Public Services		2,067	2,104	37	2%	33,527	28,542	(4,985)	-17%
Professional Services		188	418	230	55%	775	4,598	3,823	83%
Transportation Expenses		468	1,103	636	58%	2,602	6,190	3,588	58%
Other Operating Expenses	11	7,436	12,387	4,951	40%	67,832	81,094	13,262	16%
Total Operating Expenditures		21,225	25,585	4,360	17%	257,082	286,692	29,610	10%
Other Expenditures:									
Capital Expenditures		1,176	866	(310)	-36%	12,259	19,265	7,006	36%
Restricted CAPEX - Graduate Tuition Measure		-	419	419	100%	-	4,609	4,609	100%
Equipment		1,955	1,273	(682)	-54%	11,105	9,690	(1,415)	-15%
Pensions Payment	8, 12	(1,928)	10,133	12,062	119%	93,719	111,467	17,748	16%
HEERF Relief Required Disbursements	13	443	29,429	28,986	98%	150,546	323,720	173,174	53%
UPR Sustainability Initiative - ARP Funds	1	61,810	7,833	(53,977)	-689%	61,810	86,167	24,356	28%
Total Other Expenditures		63,456	49,953	(13,503)	-27%	329,438	554,917	225,478	41%
Total Expenses Before Debt Service		71,283	125,147	53,864	43%	1,083,730	1,379,551	295,820	21%
Net Revenues / (Expenses) Before Debt Service		59,185	(17,662)	76,847	-435%	95,091	10,668	84,423	791%
Contract Debt Service									
Total Expenses After Debt Service		4,075	4,021	(54)	-1%	37,123	40,694	3,571	9%
Net Revenues / (Expenses)		55,110	(21,683)	76,793	-354%	57,968	(30,026)	87,993	293%

Notes

- Unfavorable timing variance in the General Fund Appropriations – ARP Funds (zero net effect 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.
- Favorable variance in Undergraduate Tuition, which is temporary as we expect to approximate budget amounts during the FY22.
- Unfavorable variance in Graduate Tuition, which is permanent since budget amount for FY22 was over the actual revenues realized.
- Unfavorable variance in Intra-Government Receipts, which is partially permanent since budget amount for FY22 was over the actual revenues realized. In addition, the variance is timing related to a delay in the recording of these revenues in the accounting system.
- Unfavorable timing variance in HEERF Relief Funds due to a delay in the recording of these revenues in the accounting system. Actual YTD amount is \$260.2M as 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 permanent variance in Total Payroll & Related Costs related to the reclassification of \$61.8M from Payroll and Related Costs - \$52.5M and Pensions Payment - \$9.6M to the UPR Sustainability Initiative - ARP Funds.
- Favorable permanent variances in Materials and Supplies, and Purchased Services, as we expect to have savings in these lines for FY22.
- Unfavorable variance in Scholarships and Donations, which is permanent since budget amount was below actual student aid granted.
- Favorable variance in Other Operating Expenses, which is temporary since we expect to reach budget amounts during FY22.
- Pensions Payment include an advance of \$40M in Employer Contributions to the UPR Retirement System. However, this amount is pending for recording in system. Actual YTD amount is \$137.7M as presented in the Liquidity Report.
- Favorable permanent variance in HEERF Relief Required Disbursements, since projected disbursements were over the actual expenditures.