



UPR
Universidad de Puerto Rico
Tu Universidad



University of Puerto Rico (UPR)

March - 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. We are currently assessing the situation as it progresses to determine the necessary measures to keep the accounting current.

The University is certain that this reality will have an impact in University’s short-term operations/financial constraints. A preliminary assessment of COVID-19 impact to UPR’s operations was performed and disclosed to the FOMB on April 15, 2020. Although this report does not include such estimates and the FY20 forecast has not been adjusted for COVID-19, in some instances we consider them for the explanations of expected variances for the rest of FY20.

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 March 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.

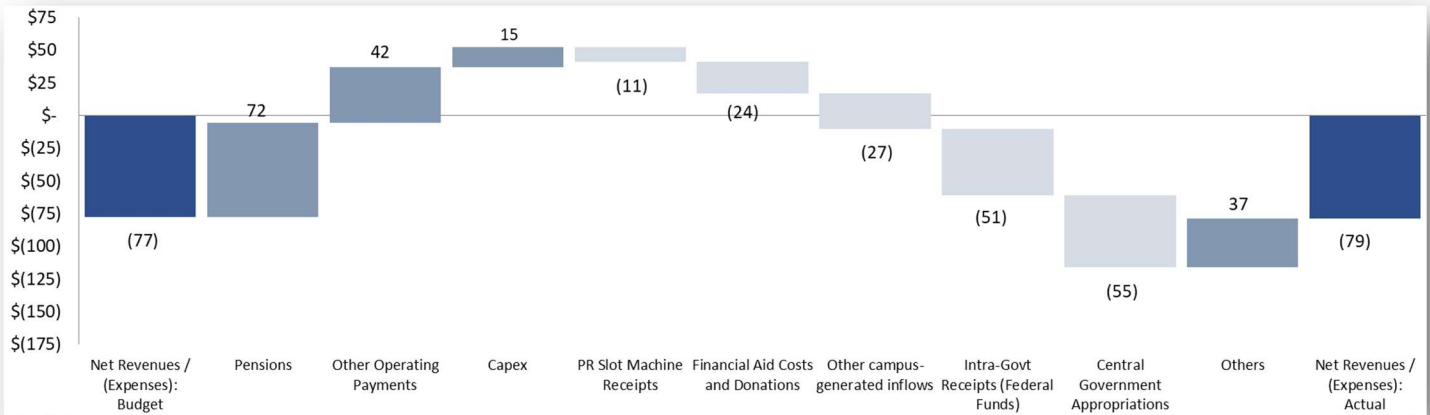
The FOMB budget was certified by the Federal Oversight Management Board and figures were used as a reference in this report for comparison with actual to evaluate UPR’s performance for the month of March and YTD FY20.

EXECUTIVE SUMMARY

YTD March, UPR ended net operations with a negative variance of \$1.3M compared to budget. Variances by concept levels were relevant in the following line items: Pensions (+\$72M) which is expected to normalize as increase in pension payments for next quarter will match FY20 budgeted amount; other operating payments (+\$42M) which are primarily driven by student aid expenditures, trainings, seminars and other expenses not expected to realize for FY20; Capex (+\$15M) driven by a delay in projects developments through the rest of FY.

Positive variances are partially offset by PR slot machines receipts (-\$11M) which is accounting related due to pending accrual recording of February and March collections; Financial Aid Costs and Donations (-\$24M) permanent variance driven by disbursements of Direct Loans to students; other campus-generated inflows (-\$27M) which are timing based and expected to reverse through the end of fiscal year; intra-governmental receipts (Federal Funds) (-\$51M) which is mostly driven by Pell grant receipts in March pending for recording and a backlog of federal projects reimbursements pending for request expected to be realized during the next FY; and government appropriations (-\$55M) which are mostly due to Central Government appropriations received in March pending for recording.

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



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

(\$000's)	ACTUAL			BUDGET	ACTUAL			BUDGET	Notes	
	Notes	Mar-20	Mar-20	Variance \$	YTD	YTD	Variance \$			
Central Government Appropriations										
TSA General Fund Appropriation (net measures)	1	79	40,715	(40,636)	328,869	366,431	(37,561)		1. Negative timing variance due to Central Government appropriations received in March pending to be recorded in accounting systems. The formula remittances for the month of March represent \$43.8M.	
TSA General Fund Appropriation (Resoluciones Conjuntas)	1	-	2,439	(2,439)	20,270	21,955	(1,685)			
Central Government Appropriations		79	43,154	(43,075)	349,139	388,386	(39,247)			
Other Special Appropriations										
Executive Order No. 2017-021 (training and seminars)	2	-	833	(833)	-	7,500	(7,500)		2. Negative timing variance due to appropriations related to educational trainings that have been recorded as deferred revenues. These revenues will be recognized once trainings are executed.	
Department of Education (training to teachers and tutoring)	2	-	833	(833)	-	7,500	(7,500)			
Legislative Scholarships	1	-	792	(792)	6,333	7,125	(792)			
Total Other Appropriations		-	2,458	(2,458)	6,333	22,125	(15,792)			
Central Government Appropriations		79	45,612	(45,534)	355,472	410,511	(55,038)			
Operating Receipts										
PR Slot Machine Receipts (Law 36)	3	-	5,444	(5,444)	37,716	48,999	(11,283)		3. Negative timing variance is due to pending accrual recording relating to February and March collections. However, it is important to mention that we have not received the remittances for those months.	
Tuition		16,887	13,045	3,842	168,949	161,027	7,922			
Campus-generated inflows	4	8,534	9,124	(590)	92,315	84,220	8,095			
Other campus-generated inflows	4	238	4,159	(3,921)	11,603	38,389	(26,786)		4. Positive and negative variances are due to over and under budget amounts interrelated with the campus-generated and other campus-generated inflows items. Therefore, these variances should be viewed in the aggregate. Variances are timing related and expected to normalize throughout FY20.	
Special State Fund		-	469	(469)	506	4,223	(3,716)			
Total Operating Receipts		25,659	32,242	(6,583)	311,088	336,857	(25,769)			
Other Sources of Revenue										
Intra-Government Receipts (Federal Funds)	5	11,352	17,399	(6,047)	192,753	243,585	(50,832)		5. Negative variance is mostly driven by Pell grant receipts of \$27.0M in March that are pending to be recorded in the accounting system. In addition, there is a backlog of federal projects reimbursements pending to be requested. The University expects these revenues to be realized during the next FY.	
Disaster Relief Receipts		-	-	-	-	-	-			
Other		24	-	24	1,985	-	1,985			
Other Sources of Revenue		11,376	17,399	(6,023)	194,738	243,585	(48,847)			
Total Revenues		37,114	95,253	(58,139)	861,299	990,953	(129,654)			
Operating Disbursements:										
Payroll & Related Costs										
- Salaries - Full Time Employees		37,193	36,462	(731)	382,981	373,597	(9,383)		6. 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). This variance is expected to be permanent for FY20.	
- Salaries - Transitory / Part Time Employees		12	1,324	1,312	1,997	13,568	11,570			
- Christmas Bonus		1	-	(1)	6,129	6,301	172			
- Overtime		132	107	(25)	2,029	1,101	(928)			
- Other Compensation		-	-	-	-	-	-			
- Liquidations		-	417	417	2	4,268	4,266			
- Incentives		-	66	66	-	672	672			
- Medical Insurance		4,113	5,002	889	41,173	45,019	3,846			
- Social Security Payment		2,838	2,742	(96)	29,649	28,097	(1,551)			
- State Insurance Fund		524	524	(0)	5,622	5,366	(256)			
- Unemployment Insurance		99	15	(85)	2,760	152	(2,608)			
- Other Marginal Benefits		-	3	3	-	32	32			
- Other Subsidies to Employees		6	15	9	125	149	24			
Total Payroll		44,919	46,676	1,757	472,466	478,321	5,856			
Governmental entities		-	474	474	-	4,262	4,262			7. Positive variance in other operating payments is primarily driven by student aid expenditures, trainings, seminars and other expenses in which the University does not expect to realize this fiscal year.
Materials and Supplies		2,766	3,685	919	33,341	33,166	(175)			
Purchased Services		1,952	3,373	1,421	32,841	30,353	(2,489)			
Financial Aid Costs and Donations	6	29,583	32,964	3,381	246,269	221,858	(24,411)			
Resoluciones Conjuntas (Pass Throughs)		-	-	-	-	-	-			
Professional Services		-	835	835	983	7,512	6,529			
Other Operating Expenses		-	-	-	-	-	-			
Facilities and Payments for Public Services		1,951	2,944	993	22,050	26,500	4,450			
Transportation Expenses		323	732	409	5,223	6,592	1,369			
Media Ads and Guidelines		2	15	12	181	131	(50)			
Other Operating Payments	7	3,054	7,557	4,503	25,669	68,015	42,346			
Total Operating Disbursements		39,632	52,579	12,947	366,556	398,388	31,832			
Other Disbursements										
Disaster-related Disbursements		-	-	-	-	-	-		8. Positive variance in capital expenditures is driven by lower than projected disbursements due to a delay in projects developments through the rest of FY.	
Capital Expenditures	8	1,274	2,908	1,634	7,339	26,171	18,832			
Equipment	8	886	963	77	12,191	8,665	(3,526)			
Pensions Payments	9	5,630	13,408	7,778	48,503	120,675	72,172			
Total Other Disbursements		7,790	17,279	9,489	68,033	155,511	87,478			
Total Expenses (before Debt Service)		92,341	116,533	24,193	907,055	1,032,220	125,165			
Debt-Related Disbursements:										
Debt and Interest Payments	10	-	4,021	4,021	32,955	36,189	3,234		9. Positive variance will normalize as pension payments will increase during the next quarter to match budgeted amount for FY20.	
Total Debt Related Disbursements		-	4,021	4,021	32,955	36,189	3,234			
Total Expenses (after Debt Service payment)		92,341	120,554	62,078	940,009	1,068,409	128,400			
Net Revenues/ (Expenses)		(55,227)	(25,302)	(29,925)	(78,710)	(77,456)	(1,254)		10. Positive variance is due to deferred payments expected to be performed at end of FY20 in accordance with the current Forbearance Agreement.	

Q3 – FY20 FOMB Certified Budget versus Actual Variance Analysis

(\$000's)	NOTES	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	CERT. BUDGET	Variance \$
		Q1	Q1	Q2	Q2	Q3	Q3	YTD FY20	YTD FY20	
Central Government Appropriations										
TSA General Fund Appropriation (net measures)		123,912	122,144	123,418	122,144	81,540	122,144	328,869	366,431	(37,561)
TSA General Fund Appropriation (Resoluciones Conjuntas)		7,687	7,318	7,718	7,318	4,864	7,318	20,270	21,955	(1,685)
Central Government Appropriations		\$ 131,599	\$ 129,462	\$ 131,136	\$ 129,462	\$ 86,404	\$ 129,462	\$ 349,139	\$ 388,386	\$ (39,247)
Other Special Appropriations										
Executive Order No. 2017-021 (training and seminars)		-	2,500	-	2,500	-	2,500	-	7,500	(7,500)
Department of Education (training to teachers and tutoring)		-	2,500	-	2,500	-	2,500	-	7,500	(7,500)
Legislative Scholarships		2,375	2,375	2,375	2,375	1,583	2,375	6,333	7,125	(792)
Total Other Appropriations		2,375	\$ 7,375	\$ 2,375	\$ 7,375	\$ 1,583	\$ 7,375	\$ 6,333	\$ 22,125	\$ (15,792)
Central Government Appropriations		133,974	\$ 136,837	\$ 133,511	\$ 136,837	\$ 87,987	\$ 136,837	\$ 355,472	\$ 410,511	\$ (55,038)
Operating Receipts										
PR Slot Machine Receipts (Law 36)		11,182	16,333	21,333	16,333	5,200	16,333	37,716	48,999	(11,283)
Tuition		94,684	65,848	49,584	25,339	24,681	69,839	168,949	161,027	7,922
Campus-generated inflows		37,600	24,704	31,618	24,453	23,097	35,063	92,315	84,220	8,095
Other Campus-generated inflows		4,725	11,260	4,764	11,146	2,113	15,982	11,603	38,389	(26,786)
Special State Fund		290	1,408	216	1,408	-	1,408	506	4,223	(3,716)
Total Operating Receipts		\$ 148,482	\$ 119,553	\$ 107,515	\$ 78,679	\$ 55,091	\$ 138,625	\$ 311,088	\$ 336,857	\$ (25,769)
Other Sources of Revenue										
Intra-Government Receipts (Federal Funds)		78,135	96,661	74,167	65,729	40,451	81,195	192,753	243,585	(50,832)
Other Federal Programs		-	-	-	-	-	-	-	-	-
Other		1,793	-	(4)	-	196	-	1,985	-	1,985
Other Sources of Revenue		79,928	96,661	74,162	65,729	40,647	81,195	194,738	243,585	\$ (48,847)
Total Revenues		\$ 362,384	\$ 353,051	\$ 315,189	\$ 281,245	\$ 183,726	\$ 356,657	\$ 861,299	\$ 990,953	\$ (129,654)
Operating Disbursements:										
Payroll & Related Costs										
- Salaries - Full Time Employees		(127,775)	(118,752)	(132,275)	(134,965)	(122,931)	(119,880)	(382,981)	(373,597)	(9,383)
- Salaries - Transitory / Part Time Employees		(1,774)	(4,313)	(149)	(4,901)	(75)	(4,354)	(1,997)	(13,568)	11,570
- Christmas Bonus		(2)	-	(6,114)	(6,301)	(12)	-	(6,129)	(6,301)	172
- Overtime		(494)	(350)	(1,143)	(398)	(391)	(353)	(2,029)	(1,101)	(928)
- Other Compensation		-	-	-	-	-	-	-	-	-
- Liquidations		-	(1,357)	(2)	(1,542)	-	(1,370)	(2)	(4,268)	4,266
- Incentives		-	(214)	-	(243)	-	(216)	-	(672)	672
- Medical Insurance		(14,326)	(15,006)	(13,675)	(15,006)	(13,172)	(15,006)	(41,173)	(45,019)	3,846
- Social Security Payment		(9,817)	(8,931)	(10,199)	(10,150)	(9,633)	(9,016)	(29,649)	(28,097)	(1,551)
- State Insurance Fund		(1,831)	(1,706)	(2,052)	(1,938)	(1,739)	(1,722)	(5,622)	(5,366)	(256)
- Unemployment Insurance		(30)	(48)	(129)	(55)	(2,601)	(49)	(2,760)	(152)	(2,608)
- Other Marginal Benefits		-	(10)	-	(12)	-	(10)	-	(32)	32
- Other Subsidies to Employees		(43)	(47)	(56)	(54)	(26)	(48)	(125)	(149)	24
Total Payroll & Other Payroll Related		\$ (156,091)	\$ (150,733)	\$ (165,796)	\$ (175,565)	\$ (150,578)	\$ (152,023)	\$ (472,466)	\$ (478,321)	\$ 5,856
Governmental entities		-	(1,421)	-	(1,421)	-	(1,421)	-	(4,262)	4,262
Materials and Supplies		(7,497)	(11,055)	(13,873)	(11,055)	(11,971)	(11,055)	(33,341)	(33,166)	(175)
Purchased Services		(18,349)	(10,118)	(7,676)	(10,118)	(6,817)	(10,118)	(32,841)	(30,353)	(2,489)
Financial Aid Costs and Donations		(97,438)	(80,633)	(42,798)	(29,646)	(106,033)	(111,579)	(246,269)	(221,858)	(24,411)
Facilities and Payments for Public Services		(5,302)	(8,833)	(9,123)	(8,833)	(7,624)	(8,833)	(22,050)	(26,500)	4,450
Professional Services		(26)	(2,504)	(841)	(2,504)	(116)	(2,504)	(983)	(7,512)	6,529
Other Operating Expenses		-	-	-	-	-	-	-	-	-
Transportation Expenses		(1,407)	(2,197)	(2,297)	(2,197)	(1,519)	(2,197)	(5,223)	(6,592)	1,369
Media Ads and Guidelines		(70)	(44)	(69)	(44)	(42)	(44)	(181)	(131)	(50)
Other Operating Payments		(4,949)	(22,672)	(11,804)	(22,672)	(8,916)	(22,672)	(25,669)	(68,015)	42,346
Total Operating Disbursements		\$ (135,038)	\$ (139,476)	\$ (88,481)	\$ (88,489)	\$ (143,036)	\$ (170,422)	\$ (366,556)	\$ (398,388)	\$ 31,832
Other Disbursements										
Disaster Related Disbursements		-	-	-	-	-	-	-	-	-
Capital Expenditures		(1,668)	(8,724)	(2,364)	(8,724)	(3,308)	(8,724)	(7,339)	(26,171)	18,832
Equipment		(3,737)	(2,888)	(4,189)	(2,888)	(4,265)	(2,888)	(12,191)	(8,665)	(3,526)
Pensions Payments		(15,462)	(40,225)	(15,763)	(40,225)	(17,278)	(40,225)	(48,503)	(120,675)	72,172
Total Other Disbursements		\$ (20,867)	\$ (51,837)	\$ (22,315)	\$ (51,837)	\$ (24,850)	\$ (51,837)	\$ (68,033)	\$ (155,511)	\$ 87,478
Total Expenses (before Debt Service)		\$ (311,997)	\$ (342,046)	\$ (276,593)	\$ (315,892)	\$ (318,465)	\$ (374,282)	\$ (907,055)	\$ (1,032,220)	\$ 125,165
Debt-Related Disbursements:										
Debt and Interest Payments		(12,375)	(12,063)	(12,329)	(12,063)	(8,250)	(12,063)	(32,955)	(36,189)	3,234
Total Debt Related Disbursements		\$ (12,375)	\$ (12,063)	\$ (12,329)	\$ (12,063)	\$ (8,250)	\$ (12,063)	\$ (32,955)	\$ (36,189)	\$ 3,234
Total Expenses (after Debt Service payment)		\$ (324,372)	\$ (354,109)	\$ (288,922)	\$ (327,955)	\$ (326,715)	\$ (386,345)	\$ (940,009)	\$ (1,068,409)	\$ 128,400
Net Revenues / (Expenses)		\$ 38,012	\$ (1,059)	\$ 26,267	\$ (46,709)	\$ (142,990)	\$ (29,688)	\$ (78,710)	\$ (77,456)	\$ (1,254)