University of Puerto Rico (UPR)

November - 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 November 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 November and YTD FY22.
EXECUTIVE SUMMARY

YTD November, UPR ended net operations with a favorable variance of $40.3M compared to budget. Variances by concept levels were relevant in the following line items: a favorable timing variance in HEERF Relief Required Disbursements ($60M) as we expect to reach budget amounts in the next months, a favorable variance in Undergraduate Tuition ($16M), which is temporary as we expect to match budget amounts in the next months, and a favorable permanent variance in Purchased Services ($15M), 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 ($67M), due to a delay in the recording of these expenses in the accounting system, and an unfavorable timing variance in General Fund Appropriations – ARP Funds ($39M) due to a delay in the receipt of these funds (net effect of zero since the related ARP disbursements have not been performed).
University of Puerto Rico
Budget to Actuals
For the month of November 2021

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

**Central Government Appropriations:**
- **TSA General Fund Appropriation - Net Measures:** $32,955 (123) 0% 164,777 164,892 (116) 0%
- **TSA General Fund Appropriation - ARP Funds:** 1 - 7,833 (7,833) -100% - 39,167 (39,167) -100%
- **TSA General Fund Appropriation - Joint Resolutions:** 2,437 2,444 (7) 0% 12,195 12,222 (27) 0%
- **Other Special Appropriations - Training and Seminars:** 2 - 833 (833) -100% - 4,167 (4,167) -100%
- **Services to Department of Education:** 2 - 833 (833) -100% - 4,175 (4,175) -100%
- **Legislative Scholarships:** 792 792 0 0% 3,959 3,959 0 0%

**Total Central Government Appropriations:** $36,184 45,716 (9,532) -21% 180,931 228,582 (47,651) -21%

**Operating Revenues:**
- **PR Slot Machine Receipts - Law 36:** 5,700 5,379 321 6% 31,089 26,894 4,195 16%
- **Graduate Tuition:** 3 (90) 1,672 (1,762) -105% 74,316 58,329 15,887 27%
- **Undergraduate Tuition:** (0) 454 (454) -100% 18,381 15,845 2,536 16%
- **Campus-generated Inflows:** 7,513 13,160 (5,647) -43% 70,334 77,803 (7,469) -10%
- **Special Funds:** 244 - 244 0% 513 107 405 378%
- **Other Revenues:** 167 (167) -100% - 833 (833) -100%

**Total Operating Revenues:** $13,367 20,832 (7,465) -36% 194,532 179,822 14,720 8%

**Other Sources of Revenues:**
- **Intra-Government Receipts:** 8,607 9,562 (956) -10% 61,755 63,845 (2,091) -3%
- **FEMA and Insurance Receipts:** 1,094 1,094 0% 3,111 3,111 0%
- **HEERF Relief Funds:** 4 2,945 29,429 (26,484) -90% 80,471 147,146 (66,675) -45%

**Total Other Sources of Revenues:** $12,646 38,992 (26,346) -68% 145,537 210,991 (65,454) -31%

**Total Revenues:** $62,197 105,540 (43,343) -41% 521,000 619,384 (98,385) -16%

**Operating Expenditures:**
- **Payroll & Related Costs:**
  - **Salaries - Faculty:** 17,216 24,680 7,464 30% 116,481 120,657 4,176 3%
  - **Salaries - Non-Faculty:** 11,832 15,259 3,427 22% 68,391 74,603 6,212 8%
  - **Christmas Bonus:** - - - 0% 3 - 3 (3) 0%
  - **Overtime:** 103 119 16 13% 577 584 7 1%
  - **Other Compensation:** - - - 0% - - - 0%
  - **Materials and Supplies:** 174 460 286 62% 4,084 2,248 (1,835) -82%
  - **Purchased Services:** 5 48 72 25 34% 8,090 354 (7,736) -218%
  - **Incentives:** 3,144 4,444 1,300 30% 19,212 21,725 2,513 12%
  - **Medical Plan:** 2,328 3,049 721 24% 14,325 14,905 580 4%
  - **Social Security Payment:** 432 582 150 26% 2,709 2,847 138 5%
  - **State Insurance Fund:** 170 17 (153) -92% 249 81 (168) -208%

**Total Payroll & Related Costs:** $35,448 48,682 (13,234) 27% 234,121 238,004 3,884 2%

**Other Expenditures:**
- **Capital Expenditures:** 1,611 629 (982) -156% 6,238 5,839 (398) -7%
- **Restricted CAREX - Graduate Tuition Measure:** - 419 419 100% - 2,095 2,095 100%
- **Equipment:** 969 1,005 36 4% 5,552 3,966 (1,586) -40%
- **Pensions Payment:** 8,315 10,133 1,818 18% 44,615 50,667 6,051 12%
- **HEERF Relief Required Disbursements:** 6,094 29,429 23,335 79% 86,749 147,146 60,396 41%
- **UPR Sustainability Initiative - ARP Funds:** 17,833 7,833 10,000% - 39,167 39,167 0 0%

**Total Other Expenditures:** $16,990 49,450 32,459 66% 143,155 248,880 105,725 42%

**Total Expenses Before Debt Service:** $67,533 114,463 46,931 41% 486,633 617,888 131,255 21%

**Net Revenues / (Expenses) Before Debt Service:**
- **Actual:** $3,536 (9,824) 3,588 -40% 34,367 1,497 32,870 2196%
- **Budget:** 9 4,075 4,021 (54) -1% 12,672 20,105 7,433 37%

**Total Net Revenues / (Expenses) After Debt Service:** $71,608 118,484 46,877 40% 509,305 637,993 138,688 22%

**Notes**
1. 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.
2. Unfavorable timing variance in Other Special Appropriations and Services to Department of Education due to a delay in the recording of these revenues in the accounting system.
3. Favorable variance in Undergraduate Tuition, which is temporary as we expect to match budget amounts in the next months.
4. 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 $169.6M was presented in the Liqidity Report.
5. Incentives includes disbursements of $8.0M related to the Premium Pay Program under the CARES ACT allocated to the Government of PR.
6. Favorable timing variance in Total Payroll and Related Costs due to a delay in the recording of November payrolls in the accounting system. Actual YTD amount of $252.4M was presented in the Liquidity Report. Pensions Payments recording amounts are affected due to the delay.
7. Favorable permanent variance in Purchased Services, as we expect to have savings in this line for the rest of the year.
8. Favorable timing variance in HEERF Relief Required Disbursements, as we expect to reach budget amounts during the year.
9. Favorable variance in Contractual Debt Service is partially related to a permanent variance of $3.5M due to a credit in the September payment in accordance with the Fourteenth Standstill Extension Agreement. Also, there is a timing variance due to a delay in the recording of the December payment in the accounting system. Actual YTD amount of $16.7M was presented in the Liquidity Report.