



**University of Puerto Rico  
September - FY 2020 Budget to Actual reporting  
(FOMB Certified Budget)**

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# Disclaimer (cont'd)

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- Actuals figures are based on information obtained from the University of Puerto Rico Financial Accounting System (Oracle) and respective auxiliary systems which interface with Oracle.
- UPR actual figures are recorded in its chart of account codes, which are not necessarily the same as OMB account codes, therefore the actual figures in this report may not provide an accurate classification of revenues and expenses when compared to the Budget.
- FOMB certified budget is not developed on a monthly basis. For reporting purposes and comparison with actuals, the budget was distributed based on an analysis of cash receipts and disbursements as part on an ongoing liquidity planning project.
- The actuals figures have not being audited by independent auditors at the time this report is being issued therefore, potential adjustments may be applied afterwards.
- UPR hasn't established a month-end closing process to review and ensure financial transactions are recorded properly in the accounting system. Therefore, the trial balance used to produce the actual figures in this report might not reflect UPR current operating results.



# Disclaimer (cont'd)

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- The management team is committed during FY20 to implementing internal process improvements for month-end closing in order to have better quality on the actual figures.
- In addition, in the first quarter of FY20, UPR has been facing technical issues in the accounting system that caused delays in payment to vendors as well as delays in recording transactions. This issue is being addressed by management, and it is expected to normalize in the next quarter.
- There are 15 object codes in the trial balance used to produce the actual figures in this report that were not possible to map to the correct concepts. The total net of the object codes is (\$14.5M) and it was recorded as “Other Operating Payments”.
- UPR has gone into greater detail in payroll benefits mapping in order to present the budget to actual reporting at the level of detail the FOMB has requested. Therefore, from September-19 UPR will be presenting budget to actual for payroll benefits.



# Introduction

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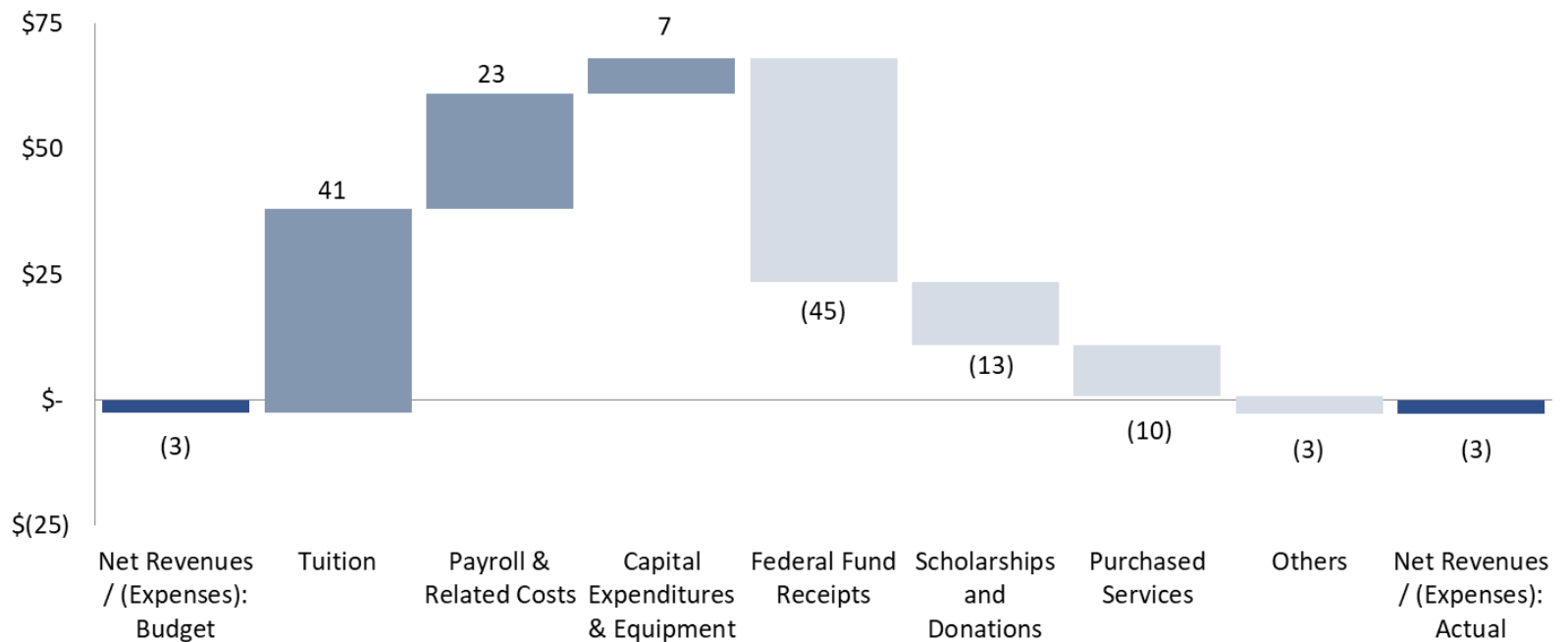
- University of Puerto Rico (“UPR”) is a state-supported university system created by the Law No. 1 of January 20, 1966, “Law of the University of Puerto Rico” (“Act No. 1”), as amended. UPR is responsible for serving the people of Puerto Rico to contribute to the development and enjoyment of the fundamental, 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 September –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 September – FY20.



# Executive Summary

- YTD September, UPR ended net operations in line with budget. However variances by concept levels were relevant in the following line items: Tuition (+41\$M) since UPR records 100% of tuition revenues when the student is approved and signed into their course, whereas in FOMB budget the assumption used was based on cash receipts seasonality, therefore this variance is expected to normalize next month; Payroll & Related Costs of (+\$23M) which is probably permanent due to FOMB budget considers higher liability to account for the underfunding of the plan. Offsetting by positive variance is Federal Fund Receipts (-\$45M) which is timing related as there is no expectation total net cash flow will be impacted, as federal funds will pass through in the form of outflows for various uses and programs, Scholarships and Donations (-\$13M) and Purchased Services (-\$10M), both are driven by timing variances and are expected to reverse in the next month.

**FY20 YTD/Q1 September FOMB Certified Budget vs Actual (\$mm)**



# September – FY20 FOMB Certified Budget versus Actual Variance Analysis

(\$000's)	ACTUAL			BUDGET			
	Notes	Sep-19	Sep-19	Variance \$	ACTUAL YTD	BUDGET YTD	Variance \$
<b>Central Government Appropriations</b>							
TSA General Fund Appropriation (net measures)		41,089	40,715	375	124,181	122,144	2,038
TSA General Fund Appropriation (Resoluciones Conjuntas)		3,231	2,439	791	9,870	14,693	(4,824)
<b>Central Government Appropriations</b>		<b>44,320</b>	<b>45,612</b>	<b>(1,292)</b>	<b>134,051</b>	<b>136,837</b>	<b>(2,786)</b>
<b>Operating Receipts</b>							
PR Slot Machine Receipts (Law 36)		5,594	5,444	150	11,182	16,333	(5,151)
Tuition	1	23,760	44,071	(20,310)	106,360	65,848	40,512
Campus-generated and Other Campus-generated inflows	2	8,533	15,812	(7,279)	25,882	35,965	(10,082)
Special State Fund		114	469	(355)	201	1,408	(1,207)
Other Receipts		801	-	801	2,473	-	2,473
<b>Total Operating Receipts</b>		<b>38,802</b>	<b>65,796</b>	<b>(26,994)</b>	<b>146,099</b>	<b>119,553</b>	<b>26,546</b>
<b>Federal Fund Receipts</b>							
Federal Fund Appropriation	3	35,958	17,399	18,559	51,987	96,661	(44,674)
<b>Total Federal Fund Receipts</b>		<b>35,958</b>	<b>17,399</b>	<b>18,559</b>	<b>51,987</b>	<b>96,661</b>	<b>(44,674)</b>
<b>Disaster Relief Receipts</b>							
FEMA and Insurance Receipts		-	-	-	-	-	-
Other Federal Programs		-	-	-	-	-	-
<b>Total Disaster Relief Receipts</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>		<b>119,081</b>	<b>128,808</b>	<b>(9,727)</b>	<b>332,137</b>	<b>353,051</b>	<b>(20,914)</b>
<b>Operating Disbursements:</b>							
<b>Payroll &amp; Related Costs</b>							
- Salaries - Full Time Employees		41,017	41,237	219	122,761	120,058	(2,703)
- Salaries - Transitory / Part Time Employees		711	1,498	788	4,340	4,363	22
- Christmas Bonus		-	-	-	2	-	(2)
- Overtime		169	122	(48)	445	354	(91)
- Other Compensation		-	-	-	-	-	-
- Liquidations		-	471	471	-	1,372	1,372
- Incentives		356	74	(281)	837	216	(621)
- Medical Insurance		5,052	5,002	(49)	15,804	15,006	(798)
- Social Security Payment		2,490	3,103	613	7,679	9,035	1,356
- State Insurance Fund		596	593	(4)	1,785	1,726	(60)
- Unemployment Insurance		17	17	(1)	20	49	29
- Other Marginal Benefits		-	4	4	-	11	11
- Other Subsidies to Employees		20	16	(3)	43	47	5
- Pensions Payment	4	3,073	13,408	10,335	15,606	40,225	24,619
<b>Total Payroll &amp; Pensions</b>		<b>53,501</b>	<b>65,545</b>	<b>12,044</b>	<b>169,322</b>	<b>192,462</b>	<b>23,141</b>
<b>Governmental entities</b>							
Materials and Supplies		-	474	474	-	1,421	1,421
Purchased Services	2	4,652	3,685	(967)	6,878	11,055	4,177
Scholarships and Donations	2	17,516	3,373	(14,144)	20,410	10,118	(10,292)
Resoluciones Conjuntas (Pass Throughs)		58,880	42,835	(16,045)	93,144	80,633	(12,512)
Enclosed Allocations		-	-	-	-	-	-
Professional Services		-	835	835	-	2,504	2,504
Facilities and Payments for Public Services		3,836	2,944	(891)	4,507	8,833	4,326
Contributions to Non-Government Entities		-	-	-	-	-	-
Transportation Expenses		546	732	186	1,161	2,197	1,036
Budget Reserve		-	-	-	-	-	-
Media Ads and Guidelines		34	15	(20)	67	44	(23)
Federal Funds Appropriation		-	-	-	-	-	-
<b>Other Operating Payments</b>		<b>18,140</b>	<b>7,557</b>	<b>(10,583)</b>	<b>23,825</b>	<b>22,672</b>	<b>(1,153)</b>
<b>Total Operating Disbursements</b>		<b>103,604</b>	<b>62,449</b>	<b>(41,154)</b>	<b>149,991</b>	<b>139,476</b>	<b>(10,515)</b>
<b>Disaster Relief Disbursements</b>							
FEMA and Insurance-related		-	-	-	-	-	-
Other Federally Supported Projects		-	-	-	-	-	-
<b>Total Disaster-related Disbursements</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Expenditures</b>							
Equipment		(9)	2,908	2,917	653	8,724	8,071
Total Capital Expenditures & Equipment		1,618	963	(655)	3,921	2,888	(1,032)
<b>Total Expenses (before Debt Service)</b>		<b>158,714</b>	<b>131,865</b>	<b>(26,849)</b>	<b>323,886</b>	<b>343,550</b>	<b>19,664</b>
<b>Net Cash Flow (before Debt Service)</b>		<b>(39,633)</b>	<b>(3,058)</b>	<b>(36,576)</b>	<b>8,250</b>	<b>9,500</b>	<b>(1,250)</b>
<b>Debt-Related Disbursements:</b>							
Debt and Interest Payments		3,650	4,021	371	10,950	12,063	1,113
Total Debt Related Disbursements		3,650	4,021	371	10,950	12,063	1,113
<b>Total Expenses (after Debt Service payment)</b>		<b>162,364</b>	<b>135,886</b>	<b>58,428</b>	<b>334,836</b>	<b>355,613</b>	<b>20,777</b>
<b>Net Revenues/ (Expenses)</b>		<b>(43,283)</b>	<b>(7,079)</b>	<b>(36,205)</b>	<b>(2,700)</b>	<b>(2,563)</b>	<b>(137)</b>

## Notes

1. Positive variance is driven by tuition recognition where UPR records 100% of tuition revenues when the student is approved and signed into their course, whereas in budget the assumption used was based on cash receipts seasonality, therefore this variance is expected to normalize next month.
2. Negative variance is timing related and is expected to reverse next month.
3. Negative variance is timing related as there is no expectation total net cash flow will be impacted since federal funds pass through in the form of outflows for various uses and programs.
4. Positive variances is probably permanent where the FOMB certified budget assumes a higher liability to account for the underfunding of the plan.

