



July 15, 2010

GOVERNMENT OF PUERTO RICO

Cash Flow

Fiscal year 2009-2010

As of June 30, 2010

Disclaimer

The Cash Flow Projection of the Government of Puerto Rico for Fiscal Year 2009-2010 includes all government receipts, including general fund revenues as well as other collections that do not impact the general fund and is based on currently available information and expectations of the Department of the Treasury and Government Development Bank for Puerto Rico, and is subject to risks and uncertainties. Actual cash flow of the Government of Puerto Rico for the Fiscal Year 2009-2010 may vary from those set forth in the published projection. The Government of Puerto Rico, the Department of the Treasury and Government Development Bank for Puerto Rico do not undertake to update its projection to reflect the impact of circumstances or events that may arise after the date of publication.



Government of Puerto Rico
Cash Flow
Fiscal Year 2009-2010
As of June 30, 2010

Cash Flow Summary for Fiscal Year ended June 30, 2010:

- Ending cash balance of \$87 MM was 5% above the \$83 MM projected in the previously published quarterly cash flow projection of 3/31/2010.
- Collections and receipts for the fiscal year ended on 06/30/2010 were \$13,003 MM, a 1% increase when compared to the \$12,883 MM projection as of 3/31/2010, mostly resulting from:
 - Aggressive tax compliance initiatives by the Treasury Department and an improvement in Sales and Use Tax collections
- Expenses including debt service were \$173 MM or 1% more than projected as of 3/31/2010 mainly as a result of:
 - Additional assignment to government health insurance program through the Stabilization Fund



Government of Puerto Rico

Cash Flow

Fiscal Year 2009-2010

As of June 30, 2010

(in \$ millions)	ACTUAL											
	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
Beginning Balance	39	144	81	140	136	126	204	73	104	58	114	71
Collection and Receipts	1,003	821	948	953	825	1,426	908	1,082	1,043	1,533	1,068	1,394
Expenses Incl. Debt Service	1,375	1,475	1,192	1,168	1,432	1,369	1,118	1,208	1,284	1,241	1,141	1,324
Total Financing Activity	477	411	60	(17)	9	(39)	(6)	(10)	(7)	(209)	(4)	(629)
Total Stabilization Funds	-	180	244	228	588	61	85	247	222	144	174	165
Ending Cash Balance	144	81	140	136	126	204	73	184	78	285	211	(323)
Restricted Cash for the Payment of TRANS								(80)	(20)	(170)	(140)	410
Cash available after Reconstruction Plan Initiatives and Restricted Cash	144	81	140	136	126	204	73	104	58	114	71	87

Summary of FY 2010 ended 6/30/10*	for FY ended June 30, 2010			
	Actual	Projected as of 3/31/10	\$ Change	% Change
Beginning Balance	39	39	-	-
Collection and Receipts	13,003	12,883	120	1%
Expenses Incl. Debt Service	15,327	15,178	173	1%
Financing Activity	35	25	10	39%
Stabilization Funds	2,337	2,290	47	2%
Ending Cash Balance	87	83	4	5%

*These numbers are preliminary and subject to change upon FY2010 audit. Some numbers may differ due to rounding.
Source: Department of the Treasury and Government Development Bank for Puerto Rico



Cash Flow Line Item Description

Line Item	Description
Collections and Receipts	Includes all revenues collected by the Department Treasury, including, but not limited to, internal revenues, such as income taxes, employee withholding taxes (net of refunds), sales and use taxes, among others. Also includes collections that are received by the Department of Treasury that are not part of the General Fund, such as vehicle licenses, traffic tickets and other fines and mandatory car insurance. Federal transfer payments, federal reimbursement for excise taxes on rum shipments and transfers and reimbursements from other government agencies are also included, among others. In addition, it includes reconstruction plan initiatives to increase revenues already implemented.
Expenses Including Debt Service	Includes disbursements of government and federal program expenses, including payroll, payments to suppliers and other agencies, such as the government health insurance program (ASES, by its Spanish acronym), and legislative appropriations, among others. Also includes reimbursements of revenue collections that are not part of the General Fund, such as motor vehicle mandatory insurance premiums, motor vehicle accident compensation fees, vehicle licenses fees, traffic tickets and other fines. In addition, it includes reconstruction plan initiatives to reduce operating expenses already implemented.
Total Financing Activity	Includes financial transactions such as interim credit lines, bond issuances, tax anticipation notes and other financing transactions between the Treasury Department and the GDB.
Total Stabilization Funds	Includes funds received from the 2009 COFINA bond issue to cover operating expenses of Fiscal Year 2010 and expenses related to the Transition Fund. Also includes ARRA state stabilization funds received by the Government of Puerto Rico.
Reconstruction Plan Initiatives	Fiscal measures to be implemented by the Government of Puerto Rico to reduce expenses and increase revenues.