



April 15, 2010

GOVERNMENT OF PUERTO RICO

Cash Flow Projection

Fiscal year 2009-2010

As of March 31, 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

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Cash Flow Summary for the quarter ended March 31, 2010:

- Ending cash balance of \$158 MM was 15.3% above the \$137 MM projected in the previously published quarterly cash flow projection of 12/31/2009.
 - Actual ending cash balance is gross of \$100 MM reserve established for the payment of TRANS.
- Collections and receipts for the 3-month period ended on 3/31/2010 were \$3,033 MM, a 2.7% increase when compared to the \$2,952 MM projection as of 12/31/2009, mostly resulting from:
 - An improvement in Sales and Use Tax collections and a more efficient procurement for federal funds
- Expenses including debt service were \$180 MM or 4.8% less than projected as of 12/31/2009 mainly as a result of:
 - Reduction of operating expenses including a decrease in payroll expenses of \$103 MM or 7%



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(in \$ millions)	ACTUAL									PROJECTED		
	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.
Beginning Balance	39	144	81	140	136	126	204	73	104	56	176	117
Collection and Receipts	1,003	821	948	953	825	1,426	908	1,082	1,043	1,419	1,206	1,210
Expenses Incl. Debt Service	1,375	1,475	1,192	1,168	1,432	1,369	1,118	1,208	1,284	1,199	1,186	1,211
Total Financing Activity	477	411	60	(17)	9	(39)	(6)	(10)	(7)	(217)	(317)	(318)
Total Stabilization Funds	-	180	244	228	588	61	85	247	222	82	170	184
Ending Cash Balance	144	81	140	136	126	204	73	184	78	142	49	(19)
Reconstruction Plan Initiatives	-	-	-	-	-	-	-	-	-	34	34	34
Cumulative Effect of Initiatives	-	-	-	-	-	-	-	-	-	34	68	102
Restricted Cash for the Payment of TRANS								(80)	(20)			
Cash available after Reconstruction Plan Initiatives and Restricted Cash	144	81	140	136	126	204	73	104	58	176	117	83

Summary of Quarter ended 3/31/10*	Actual	Projected as of 12/31/09 without Initiatives	Reconstruction Initiatives	Projected as of 12/31/09 with Initiatives	\$ Change	% Change
Beginning Balance	204	204	-	204	-	-
Collection and Receipts	3,033	2,952	-	2,952	81	2.7%
Expenses Incl. Debt Service	3,610	3,848	58	3,790	(180)	-4.8%
Financing Activity	(23)	145	-	145	(168)	-115.9%
Stabilization Funds	554	625	-	625	(71)	-11.4%
Ending Cash Balance**	158	79	58	137	21	15.3%

*Some numbers may differ due to rounding.

**Actual ending cash balance is gross of \$100 MM reserve established for the payment of TRANS.

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.