



GOVERNMENT OF PUERTO RICO

Cash Flow

Fiscal Year 2010-2011

As of June 30, 2011

Disclaimer

The Cash Flow Projection of the Government of Puerto Rico for Fiscal Year 2010-2011 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 2010-2011 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 Commentary for the fiscal year ended June 30, 2011:

- Collections and receipts for the 3-month period ended June 30, 2011 increased by \$310MM or 7.8% compared to estimates due mainly to larger than expected non-resident withholdings, corporate tax collections and excise tax on certain multinational groups. The excise tax on certain multinational groups was recently implemented as part of the Tax Reform.
- Expenses including debt service ended \$151MM or 4.4% above quarterly projections mainly as a result of an accelerated processing of tax refunds due to higher than expected online filing.
- Total stabilization funds drawn during 4th quarter were \$84MM or 25.7% above quarterly projections mainly as a result of an increase in COFINA excess funds available to cover operational expenses.
- Ending cash balance for FY 2011 3rd quarter of \$204MM was \$181MM above initial projections.



Government of Puerto Rico

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(in \$ millions)	Actual			
	Q1	Q2	Q3	Q4
Beginning Balance	87	125	401	141
Collection and Receipts	2,734	3,376	3,229	4,281
Expenses Incl. Debt Service	3,553	3,637	3,673	3,557
Total Financing Activity	700	(225)	43	(1,072)
Total Stabilization Funds*	157	761	142	410
Ending Cash Balance	125	401	141	204

* Total Stabilization Funds include ARRA funds.

Note: These numbers are preliminary and subject to change upon FY2010 audit. Some numbers may differ due to rounding. As of 3/31/2011.

Source: Department of the Treasury and Government Development Bank for Puerto Rico



FY 2011 4th quarter ended with \$204 million in ending cash balance

4th quarter - FY 2011

(in \$ millions)	Initial Projections	Actual	Difference
Beginning Balance	\$141	\$141	\$-
Collection and Receipts	3,971	4,281	310
Expenses (including D/S)	3,406	3,557	151
Total Financing Activity	(1,009)	(1,072)	(63)
Total Stabilization Funds	326	410	84
Ending Cash Balance	23	204	181



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 2010 COFINA bond issue to cover operating expenses of Fiscal Year 2011 and \$231 MM from State Fiscal Stabilization Funds (ARRA).