

PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
(A Component Unit of the Commonwealth of Puerto Rico)

STATEMENT OF NET DEFICIT
JUNE 30, 2012

ASSETS**CURRENT ASSETS**

Cash	\$ 384,715
Due from Commonwealth of Puerto Rico	336,050
Accrued interest receivable	35
Prepaid expenses	<u>1,008</u>
Total current assets	721,808

NONCURRENT ASSETS

Capital assets, net	<u>1,402</u>
Total assets	<u>723,210</u>

LIABILITIES**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	2,482,461
Due to Government Development Bank for Puerto Rico	426
Note payable to Government Development Bank for Puerto Rico	<u>6,049,595</u>
Total current liabilities	<u>8,532,482</u>

NET DEFICIT

Invested in capital assets	1,402
Unrestricted	<u>(7,810,674)</u>
	<u>\$ (7,809,272)</u>

See notes to basic financial statements.

PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
(A Component Unit of the Commonwealth of Puerto Rico)

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET DEFICIT
FOR THE YEAR ENDED JUNE 30, 2012

REVENUES:	
Program revenues	\$ 2,911,213
Professional fees	19,406,421
Total revenues	<u>22,317,634</u>
OPERATING EXPENSES:	
Program expenses	(2,911,213)
General and administrative	(15,530,463)
Interest expense	(410,864)
Total operating expenses	<u>(18,852,540)</u>
OPERATING INCOME	3,465,094
NONOPERATING REVENUES	
Interest income	<u>1,587</u>
CHANGE IN NET DEFICIT	3,466,681
NET DEFICIT - Beginning of year	<u>(11,275,953)</u>
NET DEFICIT - End of year	<u>\$ (7,809,272)</u>

See notes to basic financial statements.

PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
(A component unit of the Commonwealth of Puerto Rico)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

NET CASH FLOWS FROM OPERATING ACTIVITIES

Program revenues received	\$ 2,911,213
Fees collected	19,406,421
Cash paid to suppliers for goods and services	(18,410,185)
Cash paid to employees for services	<u>(634,858)</u>
Net cash used in operating activities	3,272,591

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	<u>1,610</u>
-------------------	--------------

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from note payable	16,044,361
Payments to notes payable	<u>(20,126,421)</u>
Net cash used in noncapital financing activities	(4,082,060)

NET INCREASE IN CASH (807,859)

Cash at beginning of the year 1,192,574

Cash at end of year \$ 384,715

See notes to basic financial statements.

PUERTO RICO PUBLIC PRIVATE PARTNERSHIPS AUTHORITY
(A component unit of the Commonwealth of Puerto Rico)

STATEMENT OF CASH FLOWS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012

**RECONCILIATION OF OPERATING LOSS TO NET CASH
 USED IN OPERATING ACTIVITIES**

Operating income	\$ 3,465,094
Adjustments to reconcile operating income to net cash used in operating activities:	
Interest expense	410,864
Depreciation and amortization	179
Decrease in due from Commonwealth of Puerto Rico	2,068,342
Decrease in other assets	5,409
Decrease in due to Government Development Bank	(18)
Decrease in accounts payable and accrued liabilities	<u>(2,677,279)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ 3,272,591</u>
Noncash investing and noncapital financing activities:	
Capitalized interest on loans and other	<u>\$ 427,306</u>

See notes to basic financial statements.