

THE CITADEL
The Military College of South Carolina
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Note 1 - Basis of Presentation

The accompanying schedule of federal awards includes the federal grant activity of The Citadel and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Loans Outstanding

The Student Financial Assistance Loan Programs Cluster (SFA) is defined as a cluster of closely related student financial assistance programs with different CFDA numbers that share common compliance requirements. The loan program amounts are as follows:

	CFDA Number	Loans Made During Fiscal Year 2003	Loan Balance at June 30, 2003
Federal Perkins Loan Program- Federal Capital Contributions	84.038	\$ 106,556	\$624,247
Federal Direct Student Loan	84.268	\$10,671,240	\$ -

The Federal Direct Student Loan program provides loan capital directly from the federal government (rather than through private lenders) to vocational, undergraduate, and graduate students and their parents. The loans are made directly from the federal government; therefore there is no loan balance recorded at the university level.