

**THE CITADEL**  
**The Military College of South Carolina**  
**Statement of Cash Flows**  
**For the year ended June 30, 2003**

	The Citadel	The Citadel Trust	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Student tuition and fees	\$ 15,398,483	\$ -	\$ 15,398,483
Grants and contracts	3,819,243	-	3,819,243
Sales and services of educational and other activities	903,185	-	903,185
Sales and services of auxiliary enterprises	20,046,594	-	20,046,594
Other operating receipts	517,571	-	517,571
Payments to employees for salaries and benefits	(34,950,330)	(63,684)	(35,014,014)
Payments to suppliers	(23,969,317)	(44,483)	(24,013,800)
Payments for utilities	(2,469,145)	-	(2,469,145)
Payments to students for scholarships and fellowships	(2,227,363)	-	(2,227,363)
Loans issued to students	(105,557)	-	(105,557)
Collection of loans to students	128,741	-	128,741
Funds held for others	92,451	-	92,451
Student direct lending receipts	10,635,007	-	10,635,007
Student direct lending disbursements	(10,671,240)	-	(10,671,240)
<b>Net cash provided (used) by operating activities</b>	<b>(22,851,677)</b>	<b>(108,167)</b>	<b>(22,959,844)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State appropriations	15,754,606	-	15,754,606
Gifts and grants for other than capital purposes	6,278,467	3,934,254	10,212,721
Collections on note receivable	20,000	-	20,000
Other non-operating revenues/expenses	116,667	211,821	328,488
Transfers from component unit	3,204,796	(3,204,796)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>25,374,536</b>	<b>941,279</b>	<b>26,315,815</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from capital debt	3,150,000	-	3,150,000
State capital improvement bond proceeds	232,789	-	232,789
Capital grants and gifts received	15,357,222	59,005	15,416,227
Proceeds from sale of capital assets	8,658	-	8,658
Purchases of capital assets	(9,863,512)	-	(9,863,512)
Principal paid on capital debt and leases	(4,371,096)	-	(4,371,096)
Interest paid on capital related debt	(1,342,551)	-	(1,342,551)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>3,171,510</b>	<b>59,005</b>	<b>3,230,515</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	-	43,432,833	43,432,833
Interest on investments	799,452	976,190	1,775,642
Purchase of investments	-	(45,351,870)	(45,351,870)
<b>Net cash provided (used) by investing activities</b>	<b>799,452</b>	<b>(942,847)</b>	<b>(143,395)</b>
Net change in cash	6,493,821	(50,730)	6,443,091
Cash and cash equivalents - beginning of year	18,214,823	2,200,025	20,414,848
Cash and cash equivalents - end of year	<b>\$ 24,708,644</b>	<b>\$ 2,149,295</b>	<b>\$ 26,857,939</b>
<b>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (26,788,850)	\$ 1,323,835	\$ (25,465,015)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	3,198,901	-	3,198,901
Interest and dividends on investments	-	(917,647)	(917,647)
Realized and unrealized gains and losses on investments	-	(514,355)	(514,355)
Gifts in kind	67,450	-	67,450
Funds held for others	56,218	-	56,218
Changes in assets and liabilities			
Accounts receivable, net	(310,179)	-	(310,179)
Inventories	159,334	-	159,334
Student loans receivable	27,172	-	27,172
Prepaid expenses	116,969	-	116,969
Accounts payable and accrued expenses	128,610	-	128,610
Accrued compensated absences and related liabilities	49,483	-	49,483
Deferred revenue	331,534	-	331,534
Student and other deposits	111,681	-	111,681
<b>Net cash provided (used) by operating activities</b>	<b>\$ (22,851,677)</b>	<b>\$ (108,167)</b>	<b>\$ (22,959,844)</b>
<b>Non-cash transactions</b>			
Increase in fair value of investments	\$ 511,819	\$ 2,719,098	\$ 3,230,917
Assignment of Perkins Loans	\$ 7,289	\$ -	\$ 7,289
Gifts in kind (equipment)	\$ 42,418	\$ -	\$ 42,418
Gifts in kind (supplies)	\$ 67,450	\$ 8,418	\$ 75,868