

**CENTRAL TEXAS COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Years Ended August 31, 2007 and August 31, 2006**

Exhibit 3

	Fiscal Year 2007	Fiscal Year 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 30,862,432	\$ 28,155,266
Receipts from grants and contracts	52,959,180	54,544,986
Payments to suppliers for goods and services	(31,011,193)	(28,722,176)
Payments to or on behalf of employees	(76,193,300)	(72,902,961)
Payments for scholarships and fellowships	(8,282,929)	(8,679,046)
Payments for loans issued to students	(72,476)	(32,884)
Receipts from collection of loans to students	73,925	56,321
Other receipts (payments)	11,197,571	11,447,092
Net cash (used) by operating activities	<u>(20,466,790)</u>	<u>(16,133,402)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	23,299,782	22,992,221
Receipts from Ad valorem taxes	8,515,023	7,456,785
Payments for collection of taxes	(144,872)	(103,213)
Receipts from student organizations and other agency transactions	351,523	727,417
Payments to student organizations and other agency transactions	(808,235)	(192,033)
Other receipts (payments)	17,356	31,315
Net cash provided (used) by non-capital financing activities	<u>31,230,577</u>	<u>30,912,492</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the sale of capital assets	8,951	
Purchases of capital assets	(1,784,385)	(2,430,163)
Payments on capital debt - principal	(2,085,000)	(2,000,000)
Payments on capital debt - interest and fees	(322,508)	(407,508)
Net cash provided (used) by capital and related financing activities	<u>(4,182,942)</u>	<u>(4,837,671)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	39,671,921	38,492,103
Receipts from interest on investments	4,388,124	3,190,706
Purchases of investments	(42,049,808)	(40,479,918)
Net cash provided (used) by investing activities	<u>2,010,237</u>	<u>1,202,891</u>
Increase (decrease) in cash and cash equivalents	<u>8,591,082</u>	<u>11,144,310</u>
Cash and cash equivalents-September 1, 2006	53,064,820	41,920,510
Cash and cash equivalents-August 31, 2007	<u>\$ 61,655,902</u>	<u>\$ 53,064,820</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (26,263,333)	\$ (22,651,385)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation expense	3,004,401	2,817,117
Changes in assets and liabilities		
Receivables (net)	1,526,206	1,122,403
Inventories	(164,260)	358,980
Prepaid expenses	(91,459)	(287,890)
Accounts payable	(1,079,498)	2,696,459
Accrued liabilities	1,098,323	829,827
Compensated absences	57,989	(28,133)
Deferred revenues	1,446,152	(967,874)
Other Assets	(1,311)	(22,906)
Net cash provided (used) by operating activities	<u>\$ (20,466,790)</u>	<u>\$ (16,133,402)</u>

The accompanying notes are an integral part of the financial statements.