

**CENTRAL TEXAS COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Years Ended August 31, 2008 and August 31, 2007**

Exhibit 3

	Fiscal Year 2008	Fiscal Year 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 36,989,079	\$ 30,862,432
Receipts from grants and contracts	57,032,559	52,959,180
Payments to suppliers for goods and services	(36,079,498)	(31,011,193)
Payments to or on behalf of employees	(75,940,104)	(76,193,300)
Payments for scholarships and fellowships	(9,868,875)	(8,282,929)
Payments for loans issued to students	(64,902)	(72,476)
Receipts from collection of loans to students	60,271	73,925
Other receipts (payments)	10,949,607	11,197,571
Net cash (used) by operating activities	<u>(16,921,863)</u>	<u>(20,466,790)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	24,229,532	23,299,782
Receipts from Ad valorem taxes	9,690,551	8,515,023
Payments for collection of taxes	(159,480)	(144,872)
Receipts from student organizations and other agency transactions	455,301	351,523
Payments to student organizations and other agency transactions	(482,241)	(808,235)
Other receipts (payments)	201,743	17,356
Net cash provided (used) by non-capital financing activities	<u>33,935,406</u>	<u>31,230,577</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the sale of capital assets	3,793,119	8,951
Purchases of capital assets	(5,529,968)	(1,784,385)
Payments on capital debt - principal	(4,445,000)	(2,085,000)
Payments on capital debt - interest and fees	(257,717)	(322,508)
Net cash provided (used) by capital and related financing activities	<u>(6,439,566)</u>	<u>(4,182,942)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	51,083,658	39,671,921
Receipts from interest on investments	3,624,192	4,388,124
Purchases of investments	(61,412,614)	(42,049,808)
Net cash provided (used) by investing activities	<u>(6,704,764)</u>	<u>2,010,237</u>
Increase (decrease) in cash and cash equivalents	<u>3,869,213</u>	<u>8,591,082</u>
Cash and cash equivalents-September 1, 2007	61,655,902	53,064,820
Cash and cash equivalents-August 31, 2008	<u>\$ 65,525,115</u>	<u>\$ 61,655,902</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	\$ (25,656,245)	\$ (26,263,333)
Adjustments to reconcile operating income to net cash used by operating activities:		
Depreciation expense	2,986,724	3,004,401
Changes in assets and liabilities		
Receivables (net)	5,330,587	1,526,206
Inventories	563,293	(164,260)
Prepaid expenses	89,416	(91,459)
Accounts payable	(563,941)	(1,079,498)
Accrued liabilities	762,468	1,098,323
Compensated absences	(7,983)	57,989
Deferred revenues	(421,552)	1,446,152
Other Assets	(4,630)	(1,311)
Net cash provided (used) by operating activities	<u>\$ (16,921,863)</u>	<u>\$ (20,466,790)</u>

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