

**UNIVERSITY OF THE SCIENCES IN PHILADELPHIA**  
**Statements of Cash Flows for the Years Ended June 30, 2003 and 2002**

|   | <u>2003</u>          | <u>2002</u>          |
|---|----------------------|----------------------|
| <b>Cash Flows from Operating Activities</b>   |                      |                      |
| Increase/(decrease) in net assets   | \$ 3,635,443         | \$ (3,665,179)       |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                      |                      |
| Depreciation and amortization   | 2,844,230            | 3,180,395            |
| Impairment of capitalized assets  | 555,053              | -                    |
| Contributions restricted for long-term investments  | (2,889,973)          | (1,849,267)          |
| Net realized losses/(gains) on sales of investments   | 3,501,731            | (196,898)            |
| Change in market value of investments   | (3,619,414)          | 7,477,148            |
| Cancellations and allowance for student loans   | 41,212               | 18,779               |
| Changes in operating assets and liabilities   |                      |                      |
| Increase in student accounts receivable   | (1,277,075)          | (17,612,861)         |
| Increase/(decrease) in government receivables   | (132,802)            | 232,496              |
| (Increase)/decrease in contributions receivable   | (1,007,038)          | 66,405               |
| (Increase)/decrease in other receivables  | 371,409              | (253,489)            |
| Decrease in prepaid expenses and other current assets                                       | (17,191)             | (274,877)            |
| Increase/(decrease) in accounts payable   | (90,859)             | 620,833              |
| Increase in accrued liabilities   | 1,406,864            | 722,942              |
| Increase in refundable government grants and loans  | 18,173               | 60,350               |
| Increase in tuition deposits and deferred revenue   | 1,707,021            | 19,819,942           |
| Increase/(decrease) in annuity liabilities  | 70,125               | (20,622)             |
| Increase in other liabilities   | 5,683                | 1,056                |
| Net cash provided by operating activities   | <u>5,122,592</u>     | <u>8,327,153</u>     |
| <b>Cash Flows from Investing Activities</b>   |                      |                      |
| Proceeds from sale of investments   | 19,796,606           | 25,279,974           |
| Purchase of investments   | (19,453,982)         | (29,342,552)         |
| (Increase)/decrease in deposits with trustees   | 18,185,213           | (26,799,207)         |
| Purchase of property and equipment  | <u>(22,436,735)</u>  | <u>(6,609,050)</u>   |
| Net cash used in investing activities   | <u>(3,908,898)</u>   | <u>(37,470,835)</u>  |
| <b>Cash Flows from Financing Activities</b>   |                      |                      |
| Contributions restricted for long-term investment   | 2,889,973            | 1,849,267            |
| Disbursements for loans to students   | (1,314,069)          | (955,266)            |
| Repayment of loans by students  | 1,131,460            | 1,172,942            |
| Net proceeds from bond issuance   | -                    | 29,554,242           |
| Repayment of bonds and term loan  | <u>(1,670,000)</u>   | <u>(1,600,000)</u>   |
| Net cash provided by financing activities   | <u>1,037,364</u>     | <u>30,021,185</u>    |
| Net increase in cash and cash equivalents   | 2,251,058            | 877,503              |
| Cash and cash equivalents, beginning of year  | <u>25,004,215</u>    | <u>24,126,712</u>    |
| Cash and cash equivalents, end of year  | <u>\$ 27,255,273</u> | <u>\$ 25,004,215</u> |

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