

**STARK AREA REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003**

| | 2003 |
|---|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Cash received from customers | \$967,029 |
| Cash payments to suppliers for goods & services | (2,713,694) |
| Cash payments to employees for salaries and wages | (5,625,977) |
| Cash payments to employees for bebefits | (4,028,017) |
| Net cash used in operating activities | (11,400,659) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| Sales taxes received | 10,601,662 |
| Operating & Preventive maintenance grants received | 2,060,819 |
| Other | 11,041 |
| Net cash provided by noncapital financing activities | 12,673,522 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Federal Capital Grant Revenue | 3,450,108 |
| Statel Capital Grant Revenue | 278,353 |
| Acquisition of fixed assets & work in process | (3,700,821) |
| Proceeds from sale of fixed assets | |
| Net cash used in capital and related financing activities | 27,640 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest received from investments | 15,785 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,316,288 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 1,409,094 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$2,725,382 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES: | |
| Operating loss | (13,879,318) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 2,636,151 |
| Change in assets and liabilities: | |
| Accounts receivable - trade | 15,996 |
| Materials and supplies inventory | 115,088 |
| Prepaid expenses and other assets | 516 |
| Accounts payable | 64,454 |
| Accrued payroll | 54,384 |
| Accrued payroll taxes | (197,280) |
| Deferred Revenue | (20,070) |
| Other current liabilities | (190,580) |
| NET CASH USED IN OPERATING ACTIVITIES | (\$11,400,659) |

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