

Consolidated Statements of Cash Flows – Continued

CharterMac & Subsidiaries

(Dollars in thousands)	Years Ended December 31,		
	2003	2002	2001
Cash flows from financing activities:			
Distributions to shareholders	(69,132)	(56,441)	(35,790)
Distributions paid to preferred shareholders of subsidiary	(18,897)	(16,234)	(11,847)
Proceeds from financing arrangements	581,415	208,224	309,310
Principal repayments of financing arrangements	(297,224)	(67,313)	(96,826)
Issuance of common and Convertible CRA shares of subsidiary	104,315	124,876	168,264
Retirement of convertible CRA shares	--	--	(8,987)
Increase in preferred shares of subsidiaries	--	52,932	47,614
Increase in other deferred costs	(4,649)	(3,838)	(553)
Net cash provided by financing activities	295,828	242,206	371,185
Net increase (decrease) in cash and cash equivalents	44,558	(91,665)	69,248
Cash and cash equivalents at the beginning of the period	13,699	105,364	36,116
Cash and cash equivalents at the end of the period	\$ 58,257	\$ 13,699	\$ 105,364
Supplemental Information:			
Interest paid	\$ 19,412	\$ 12,703	\$ 4,493
Reclassification of goodwill to intangible assets:			
Decrease in goodwill		(8,639)	
Increase in intangible assets		8,639	
Issuance of restricted shares of stock	19,385		
Supplemental disclosure of noncash activities:			
Acquisition of PW Funding Inc.			
Increase in guaranteed investment contracts			\$ (18,406)
Increase in mortgage servicing rights			(35,646)
Increase in promissory notes receivable			(29,325)
Increase in other assets			(2,500)
Increase in notes payable			29,325
Increase in due to FNMA			18,406
Increase in accounts payable, accrued expenses and other liabilities			9,807
Increase in reserves for possible DUS losses			1,938
Increase in minority interest in subsidiary			3,652
Increase in deferred tax liability			10,251
Increase in goodwill			(9,842)
Acquisition of PWF, net of cash acquired			\$ (22,340)
Acquisition of Related Capital Company			
Increase in investment in and advances to partnerships	\$ (35,424)		
Increase in intangible assets	(185,300)		
Increase in goodwill	(210,294)		
Increase in other assets and liabilities	(1,272)		
Issuance of special common units	288,006		
Increase in notes payable	28,952		
Increase in deferred tax liability	59,071		
	<u>\$(56,261)</u>		

See accompanying notes to consolidated financial statements