**Statement of Cash Flows**

**Indirect Method**

**For the Year Ended December 31, 2013**

**Cash Flows from Operating Activities:**

**Net Income $100,000**

**Adjustments to reconcile net income to net cash provided by Operating Activities:**

**Depreciation Expense – Equipment $33,000**

**Depreciation Expense – Building $21,000**

**Loss on Sale of Equipment $3,000**

**Increase Accounts Receivable (7,000)**

**Decrease Inventory $5,000**

**Decrease Prepaid Insurance $6,000**

**Increase Accounts Payable $4,000 $65,000**

**Net Cash Provided by Operating Activities $165,000**

**Cash Flows from Investing Activities:**

**Sale of Equipment $9,000**

**Purchase of Equipment (37,000)**

**Sale of Land $28,000 $ 0**

**Cash Flows from Financing Activities:**

**Payment of Cash Dividend (86,500) $86,500**

**Net increase cash $78,500**

**Cash at Beginning $43,000**

**Cash at End $113,500**

* **Noncash Investing & Financing $25,000**

**(Conversion of bonds by common stock)**