**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)**