

## SCF Handout

Below is a comparative balance sheet for Howe Company.

<b>Howe Company</b>		
<b>Comparative Balance Sheet</b>		
<b>As of December 31</b>		
	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash & Cash Equivalents	\$ 19,000	\$ 14,000
Accounts receivable	25,000	41,000
Inventory	22,000	35,000
Land	<u>340,000</u>	<u>270,000</u>
<b>Total assets</b>	<b>\$ <u>406,000</u></b>	<b>\$ <u>360,000</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 50,000	\$ 58,000
Long-term notes payable	97,000	32,000
Common stock, \$5 par	70,000	70,000
Paid-in capital in excess of par	126,000	126,000
Retained earnings	<u>63,000</u>	<u>74,000</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>406,000</u></b>	<b>\$ <u>360,000</u></b>

**Notes:** No dividends were paid over the year.

**Question:** Using the indirect method, prepare a statement of cash flows for 2013.

A comparative balance sheet for Lidstrom Company is provided below.

<b>Lidstrom Company</b> <b>Comparative Balance Sheet</b> <b>As of December 31</b>			
		<b>2012</b>	<b>2011</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$	7,500	\$ 5,000
Accounts receivable (net)		32,000	37,000
Inventory		5,000	3,000
PP&E		110,000	75,000
Accumulated Depreciation — PP&E		<u>(55,000)</u>	<u>(44,000)</u>
Total assets	\$	<u>99,500</u>	\$ <u>76,000</u>
<b>Liabilities and Equities</b>			
Accounts payable	\$	22,000	\$ 14,000
Notes payable		8,000	9,000
Common stock, \$1 par		23,000	10,500
Retained earnings		<u>46,500</u>	<u>42,500</u>
Total liabilities and equity	\$	<u>99,500</u>	\$ <u>76,000</u>

**Notes:** The Lidstrom Company paid dividends of \$15,000 during the year.

**Question:** Using the indirect method, prepare a statement of cash flows for 2012.

The following is a comparative balance sheet for Shanahan Corp. for 2013.

<b>Shanahan Corp. Comparative Balance Sheet As of December 31</b>		
	<b>2013</b>	<b>2012</b>
<b>Assets</b>		
Cash	\$ 27,000	\$ 29,000
Accounts receivable	62,000	55,000
Inventory	30,000	22,000
Prepaid Rent	1,000	3,000
Machinery	600,000	560,000
Accumulated depreciation - Machinery	<u>(120,000)</u>	<u>(95,000)</u>
<b>Total assets</b>	<b>\$ <u>600,000</u></b>	<b>\$ <u>574,000</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 45,000	\$ 35,000
Long-term Debt	29,000	61,000
Common stock, \$2 par	200,000	150,000
Additional Paid in Capital	260,000	260,000
Retained earnings	<u>66,000</u>	<u>68,000</u>
<b>Total liabilities and stockholders' equity</b>	<b>\$ <u>600,000</u></b>	<b>\$ <u>574,000</u></b>

**Notes:** Cash dividends of \$10,000 were paid during the year.

**Question:** Using the indirect method, prepare a statement of cash flows for 2013.