

# York Traditions Bank

## Statements of Cash Flows (in thousands)

<i>Years Ended December 31,</i>	2013	2012
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 1,860	\$ 2,816
Adjustments to reconcile change in net income to net cash provided by operating activities:		
Provision for loan losses	484	525
Provision for depreciation and amortization	452	446
Amortization of securities, net	377	313
Gain on sale of loans	(1,696)	(3,039)
Proceeds from sale of loans	104,062	135,093
Loans originated for sale	(103,030)	(132,037)
Deferred loan fees, net	(41)	14
Gain on sale/call of investment securities	(63)	-
(Gain) loss on sale of foreclosed real estate	11	(16)
Provision for loss on foreclosed real estate	-	100
Loss on sale of fixed assets	1	-
Deferred income tax (benefit) expense	185	(120)
Stock-based compensation expense	104	58
Net increase in cash surrender value of bank-owned life insurance	(139)	(146)
(Increase) decrease in accrued interest receivable and other assets	311	(90)
Increase in other liabilities	133	414
<b>Net Cash Provided by Operating Activities</b>	<b>3,011</b>	<b>4,331</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of available-for-sale securities	1,439	-
Proceeds from calls, paydowns and maturities of securities available-for-sale	9,628	10,175
Purchase of securities available-for-sale	(15,527)	(14,012)
Net sale of investment in restricted bank stocks	26	166
Net increase in loans	(15,545)	(10,889)
Purchases of property and equipment	(2,265)	(1,608)
Proceeds from sale of foreclosed real estate	109	367
<b>Net Cash Used in Investing Activities</b>	<b>(22,135)</b>	<b>(15,801)</b>
<b>Cash Flows from Financing Activities</b>		
Net increase (decrease) in deposits	(1,131)	30,752
Proceeds of long-term borrowings	2,000	-
Payments of long-term borrowings	-	(3,750)
Cash dividends paid to preferred shareholders	(51)	(205)
Cash dividends paid on common stock	-	(214)
Proceeds from issuance of common stock	20	613
<b>Net Cash Provided by Financing Activities</b>	<b>838</b>	<b>27,196</b>
Net (decrease) increase in cash and cash equivalents	(18,286)	15,726
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>23,272</b>	<b>7,546</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 4,986</b>	<b>\$ 23,272</b>
<b>Supplementary Cash Flows Information</b>		
Interest paid	\$ 2,070	\$ 2,625
Income taxes paid	\$ 904	\$ 1,140
Loans transferred to foreclosed real estate	\$ 880	\$ -

See accompanying notes to financial statements.