

Please note the following information:

- 1) The company acquired \$400,000 worth of new plant property and equipment in 2007.
- 2) If common stock was issued by the company in 2007, it was used to acquire plant property and equipment.
- 3) Total coupon payments to bondholders exceeded total interest expense by \$50,000 in 2007.
- 4) If bonds were issued by the company in 2007, they were issued at par.
- 5) No patents were acquired in 2007.
- 6) Taxes payable for 2007 were paid in cash on 12/31/2007.

Balance Sheet
For the Periods Ending

	December 31, 2006	2007
Assets		
Cash	\$500,000	\$690,000
Accounts Receivable	\$1,500,000	\$1,675,000
Inventory	\$550,000	\$700,000
Patent	\$240,000	\$220,000
Property, Plant, and Equipment	\$3,100,000	\$3,175,000
Accumulated Depreciation	(\$1,200,000)	(\$1,420,000)
Total Assets	\$4,690,000	\$5,040,000
Liabilities and Shareholders' Equity		
Accounts Payable	\$370,000	\$300,000
Salaries Payable	\$120,000	\$110,000
Other Liabilities	\$60,000	\$80,000
Bonds	\$2,500,000	\$2,750,000
Total Liabilities	\$3,050,000	\$3,240,000
Common Stock	\$400,000	\$500,000
Retained Earnings	\$1,240,000	\$1,300,000
Total Shareholders' Equity	\$1,640,000	\$1,800,000
Total Liabilities and Shareholders' Equity	\$4,690,000	\$5,040,000

Income Statement
For the Periods Ending

	December 31 2007
Revenues	\$3,000,000
Gain on equipment sale	\$10,000
Net Revenue	\$3,010,000
Expenses	
Rent Expense	\$1,180,000
Salary Expense	\$620,000
Depreciation Expense	\$420,000
Amortization Expense	\$20,000
Interest Expense	\$450,000
Tax Expense	\$130,000
Total Expenses	\$2,820,000
Net Income	\$190,000

I am 20K off. Here is what I have so far:

Statement of Cash Flows

Statement of Cash Flows For December 31, 2007

Operations:

Net Income	\$190,000
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Addbacks and Additions:

Depreciation Expense	\$420,000
Amortization Expense	\$20,000
Other Liabilities Increase	\$20,000

Subtractions:

Gain on Sale of Equipment	(10,000)	
Excess of Coupon Payments Over Interest Expense		(50,000)
Accounts Receivable Increase	(175,000)	
Inventory Increase	(150,000)	
Accounts Payable Decrease	(70,000)	
Salaries Payable Decrease	(10,000)	
Cash Flow from Operations	\$185,000	

Investing:

Sale of Equipment	\$115,000
Acquisition of PPE	(300,000)
Cash Flow from Investing	(185,000)

Financing:

Issued Bonds at Par	\$300,000
Paid Dividends	(130,000)
Cash Flow from Financing	\$170,000

Change in Cash	\$170,000	
Cash, Beginning December 31, 2006		\$500,000
Cash, Beginning December 31, 2007		\$670,000