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| **Condensed financial data of Odgers Inc. follow.**

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| **ODGERS INC.****Comparative Balance SheetsDecember 31** |
| **Assets** |   | **2014** |   |   | **2013** |   |
| Cash |   | mce\_markernbsp;193,112 |   |   | mce\_markernbsp;115,676 |   |
| Accounts receivable |   | 209,842 |   |   | 90,820 |   |
| Inventory |   | 268,875 |   |   | 245,812 |   |
| Prepaid expenses |   | 67,876 |   |   | 62,140 |   |
| Long-term investments |   | 329,820 |   |   | 260,510 |   |
| Plant assets |   | 681,150 |   |   | 579,575 |   |
| Accumulated depreciation |   | (119,500 | ) |   | (124,280 | ) |
| Total |   | $1,631,175 |   |   | $1,230,253 |   |
|   |   |   |   |   |   |   |
| **Liabilities and Stockholders' Equity** |   |   |   |   |   |   |
| Accounts payable |   | mce\_markernbsp;243,780 |   |   | mce\_markernbsp;160,847 |   |
| Accrued expenses payable |   | 39,435 |   |   | 50,190 |   |
| Bonds payable |   | 262,900 |   |   | 348,940 |   |
| Common stock |   | 525,800 |   |   | 418,250 |   |
| Retained earnings |   | 559,260 |   |   | 252,026 |   |
| Total |   | $1,631,175 |   |   | $1,230,253 |   |

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| **ODGERS INC.****Income Statement DataFor the Year Ended December 31, 2014** |
| Sales revenue |   |   |   | $928,419 |
| Less: |   |   |   |   |
|      Cost of goods sold |   | $323,749 |   |   |
|      Operating expenses, excluding depreciation |   | 29,660 |   |   |
|      Depreciation expense |   | 111,135 |   |   |
|      Income tax expense |   | 65,199 |   |   |
|      Interest expense |   | 11,305 |   |   |
|      Loss on disposal of plant assets |   | 17,925 |   | 558,973 |
| Net income |   |   |   | mce\_markernbsp;369,446 |

**Additional information:**

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| 1. |   | New plant assets costing $239,000 were purchased for cash during the year. |
| 2. |   | Old plant assets having an original cost of $137,425 and accumulated depreciation of $115,915 were sold for $3,585 cash. |
| 3. |   | Bonds payable matured and were paid off at face value for cash. |
| 4. |   | A cash dividend of $62,212 was declared and paid during the year. |

Prepare a statement of cash flows using the indirect method. ***(Show amounts that decrease cash flow with either a - sign e.g. -15,000 or in parenthesis e.g. (15,000).)***

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| **ODGERS INC.****Statement of Cash FlowsFor the Year Ended December 31, 2014** |
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| Adjustments to reconcile net income to |   |   |
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