Brooklyn College

Koppleman School of Business

Department of Accounting

Accounting 2001 – Introduction to Financial Accounting

Handout - Cash Flow Statement

CASH FLOW FROM OPERATIONS
Indirect (Reconciliation Method)

NET INCOME   {Accrual}
BASIS

ADD: **Expenses and Losses Not Using Cash**

SUBTRACT: **Revenues and Gains Not Providing Cash**

ADD:	Decreases in Current (operating) Assets Increases in Current (operating) Liabilities	*Changes* *in* *Working Capital* *Accounts*
SUBTRACT:	Increases in Current (operating) Assets Decreases in Current (operating) Liabilities	

CASH FLOW FROM OPERATIONS   {Cash}
BASIS