

**APPLIED CAPITAL, LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net income	\$ 76,334
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in accounts receivable	(1,324)
Change in prepaid expenses and deposits	6,195
Change in accounts payable	4,591
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>85,796</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Member's contributions	5,000
Member's distributions	<u>(50,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(45,000)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	40,796
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>32,395</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 73,191</u></u>

See Accompanying Notes