

XYZ Bank told Bob to increase cash to \$70,000 from 2016 to 2017. But cash increased from \$16,566 in 2016 to just \$33,411 in 2017, well short of \$70,000. In this assignment, you will review six select changes in the Balance Sheet accounts, highlighted in yellow, to better understand how these individual account changes impact overall cash flows.

2017 and 2016 Comparative

ASSETS

2017

2016

Items 1 to 6. Note the \$ value effect on Cash. Did the change in balances from one year to the next create (+) or 'use' (-) cash? Note the accounting or finance issue related to each of the six accounts reviewed.

Cash \$ \$ 33,411 \$ \$ 16,566

Accounts Receivable \$ 260,205 \$ 318,768

Inventory \$ 423,819 \$ 352,740

Other current assets \$ 41,251 \$ 29,912

Total Current Assets \$ 758,686 \$ 717,986

Plant Property and Equipment \$ 1,512,675 \$ 1,403,220

Goodwill and other assets \$ 382,145 \$ 412,565

Total Assets \$ 2,653,506 \$ 2,533,771

LIABILITIES AND EQUITY

Accounts Payable \$ 378,236 \$ 332,004

Wages Payable \$ 14,487 \$ 7,862

Accrued income taxes \$ 21,125 \$ 16,815

Total Current Liabilities \$ 413,848 \$ 356,681

Long-Term Debt: Bank Notes \$ 679,981 \$ 793,515

Total Liabilities \$ 1,093,829 \$ 1,150,196

Total Common Equity \$ 1,559,677 \$ 1,383,575

Total Liabilities and Equity \$ 2,653,506 \$ 2,533,771

Needed to foot the Cash Flow Statement all the way back to 2017 cash position.

Net Income \$3,155,848  
Depreciation 212,366  
Dividends Paid 2,966,412  
Tax 225,700