

Cash Flow Identity Practice

You've been hired by a small medical practice to help the understand their financial position. Body Plumbers is a vascular surgery practice opened a few ago by Dr Richie in Southern California. Given the medical background of the owner the financial situation of the firm is unclear. Use the information provided by Dr. Richie below to assess the cash flow situation of the company.

	2021	2022
Accounts payable	24,148	35,024
Accounts receivable	29,187	47,541
Cash	34,844	84,909
Common Stock	10,000	90,000
Cost of goods sold	232,148	322,742
Depreciation	51,285	71,899
Dividends	0	12,500
Interest Expense	4,158	17,980
Inventory	45,318	77,147
Long-term debt	81,357	124,687
Net fixed assets	342,400	395,158
Notes Payable	21,578	37,957
Sales	382,121	537,126
Selling, general, and administrative	81,268	104,610
Tax Rate	25.0%	25.0%