# Espresso Cash Flow Statement Exercise

Attached is Espresso’s Financial Statements. Using the information found on the cash flow statement, answer the following questions.

1. Why is the deferral of unearned revenue and recognition of unearned revenue included in the adjustments to reconcile net income to net cash from operations?

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2. Has Espresso generated enough cash from operations to fund its investing activities?

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3. Why does Espresso show excess tax benefits from stock-based compensation in both its operating activities and its financing activities?

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4. What was the cash value of common stock repurchased by Espresso in 2018?

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5. What was the final net cash movement for 2018? Why do you think Espresso had this result?

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