

## Chart of Accounts

Use the following accounts for all exam entries. Use the most specific account listed. Use an accrued liability when an invoice has NOT been received and accounts payable when an invoice has been received.

### ASSETS

#### Current

Cash
Accounts receivable
Inventories
Prepaid expenses

#### Noncurrent

PP&E historical cost
Accumulated depreciation
Goodwill

### LIABILITIES

#### Current

Accounts payable
Accrued liabilities
Dividends payable
Deferred revenues

#### Noncurrent

Long-term debt
Other long-term liabilities

### OWNERS' EQUITY

#### Permanent

Common stock
Treasury stock (contra owners' equity)
Noncontrolling interest
Retained earnings

#### Net income

Service revenues
Product revenues
Cost of sales
Sales, general & administrative
Depreciation expense
Interest income
Gain on sale of PP&E
Loss on sale of PP&E
Income summary

Ellie's Holiday Decorations and Party Services 2012 BSE Matrix

	ASSETS												LIABILITIES												OWNERS' EQUITY											
	Current						Non-current						Current						Permanent						Net Income											
	C	AR	Inven	PreEx	PP&E	AcDep	PP&E	AcDep	AP	AcTx	AccLb	DefRv	CC	RE	RvSer	RvPrd	Cgs	SG&A	CC	RE	RvSer	RvPrd	Cgs	SG&A	DepEx	TaxEx	IncSm									
31-Dec-11	\$750	\$550	\$650	\$240	\$1,150	\$250	\$1,150	\$250	\$450	\$160	\$600	\$350	\$680	\$850	\$0	\$0	\$0	\$0	\$680	\$850	\$0	\$0	\$0	\$0	\$0	\$0	\$0									
E3 Purchase products on account			+ 800						+ 800																											
E4 Collect amounts due from customers	+ 700	- 700																																		
E5 Pay invoices due	- 450								- 450																											
E6 Sell services for cash	+ 800											+ 800																								
E7 Prepay expenses with cash	- 350								+ 350																											
E8a Recognize products revenue	+ 1,100	+ 600														+ 1,700						+ 1,700														
E8b Recognize cost of sold products			- 500														+ 500						+ 500													
E9 Pay previously accrued taxes	- 20									- 20																										
E10 Pay previous expenses not invoiced	- 300										- 300																									
E11 Receive invoices previously expensed									+ 400		- 400																									
E12 Recognize SG&A expense (period)	- 125								+ 200																											
E13 Recognize SG&A expense (adjusting)				- 300							+ 190																									
E14 Recognize depreciation expense																																				
E15 Recognize previously deferred revenue												- 190																								
E16 Accrue tax expense										+ 110																										
Net cash from operations	+ 1,355	- 100	+ 300	+ 50	+ 0	+ 125	+ 0	+ 125	+ 950	+ 90	- 510	+ 610	+ 0	+ 0	+ 190	+ 1,700	+ 500	+ 0	+ 0	+ 190	+ 1,700	+ 500	+ 815	+ 125	+ 110	+ 0										
E2 Purchase PP&E	- 2,400				+ 2,400																															
Net cash from investing activities	- 2,400	+ 0	+ 0	+ 0	+ 2,400	- 0	- 0	- 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0										
E1 Issue common stock	+ 2,100														+ 2,100																					
Net cash from financing activities	+ 2,100	+ 0	+ 0	+ 0	+ 0	- 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 2,100	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0	+ 0										
Trial balance	\$1,805	\$450	\$950	\$290	\$3,550	\$375	\$3,550	\$375	\$1,400	\$250	\$90	\$960	\$2,780	\$850	\$190	\$1,700	\$500	\$815	\$125	\$110	\$110	\$0	\$0	\$0	\$0	\$0										
c1 Close to Income summary															- 190	- 1,700	- 500	- 815	- 125	- 110	- 110	- 0	- 0	- 0	- 0	+ 340										
c2 Close from Income summary														+ 340												- 340										
31-Dec-12	\$1,805	\$450	\$950	\$290	\$3,550	\$375	\$3,550	\$375	\$1,400	\$250	\$90	\$960	\$2,780	\$1,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0										

**CHART OF ACCOUNTS**

<b>ASSETS</b>	
Current	
C	Cash
AR	Accounts receivable
Inven	Inventory
PreEx	Prepaid expenses
<b>Noncurrent</b>	
PP&E	Property, plant & equipment at cost
AcDep	Accumulated depreciation
<b>LIABILITIES</b>	
Current	
AP	Accounts payable
AccLb	Other accrued liabilities
DefRv	Deferred revenues
<b>OWNERS' EQUITY</b>	
<b>Permanent</b>	
CC	Contributed capital
RE	Retained earnings
<b>Temporary</b>	
RvSer	Services revenues
RvPrd	Products revenues
Cgs	Cost of products sold
SG&A	Sales, general & administrative
DepEx	Depreciation expense
TaxEx	Tax expense
IncSm	Income summary

## Consolidated Balance Sheets

Dollars in Thousands

	February 2, 2013	January 28, 2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 124,060	\$ 224,272
Accounts receivable	31,519	28,708
Merchandise inventories	1,294,581	1,304,124
Other current assets	41,820	34,625
Total current assets	<u>1,491,980</u>	<u>1,591,729</u>
Property and equipment:		
Land and land improvements	67,471	69,088
Buildings and leasehold improvements	3,047,108	3,091,063
Furniture, fixtures and equipment	1,320,938	1,468,010
Buildings under construction	453	29,193
Buildings and equipment under capital leases	18,522	18,522
Less accumulated depreciation and amortization	(2,167,477)	(2,235,610)
	<u>2,287,015</u>	<u>2,440,266</u>
Other assets	269,749	274,142
<b>Total assets</b>	<u><u>\$ 4,048,744</u></u>	<u><u>\$ 4,306,137</u></u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Trade accounts payable and accrued expenses	\$ 653,769	\$ 655,653
Current portion of long-term debt	—	76,789
Current portion of capital lease obligations	1,710	2,312
Federal and state income taxes including current deferred taxes	111,637	135,610
Total current liabilities	<u>767,116</u>	<u>870,364</u>
Long-term debt	<u>614,785</u>	<u>614,785</u>
Capital lease obligations	<u>7,524</u>	<u>9,153</u>
Other liabilities	<u>233,492</u>	<u>245,218</u>
Deferred income taxes	<u>255,652</u>	<u>314,598</u>
Subordinated debentures	<u>200,000</u>	<u>200,000</u>
Commitments and Contingencies		
Stockholders' equity:		
Common stock, Class A—119,676,474 and 118,529,925 shares issued; 43,758,311 and 45,430,606 shares outstanding	1,197	1,185
Common stock, Class B (convertible)—4,010,929 shares issued and outstanding	40	40
Additional paid-in capital	932,495	828,796
Accumulated other comprehensive loss	(31,275)	(39,034)
Retained earnings	3,099,566	3,107,344
Less treasury stock, at cost, Class A—75,918,163 and 73,099,319 shares	<u>(2,031,848)</u>	<u>(1,846,312)</u>
Total stockholders' equity	<u>1,970,175</u>	<u>2,052,019</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 4,048,744</u></u>	<u><u>\$ 4,306,137</u></u>

## Consolidated Statements of Income

### Dollars in Thousands, Except Per Share Data

	Years Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
Net sales	\$ 6,593,169	\$ 6,263,600	\$ 6,120,961
Service charges and other income	158,426	141,884	137,384
	<u>6,751,595</u>	<u>6,405,484</u>	<u>6,258,345</u>
Cost of sales	4,247,108	4,047,269	3,980,873
Selling, general and administrative expenses	1,671,526	1,630,907	1,625,793
Depreciation and amortization	259,621	257,685	261,550
Rentals	34,838	48,110	51,045
Interest and debt expense, net	69,596	72,059	73,792
Gain on litigation settlement	—	(44,460)	—
Gain on disposal of assets	(12,435)	(3,955)	(5,632)
Asset impairment and store closing charges	1,591	1,200	2,208
Income before income taxes and income on (equity in losses of) joint ventures	479,750	396,669	268,716
Income taxes (benefit)	145,060	(62,518)	84,450
Income on (equity in losses of) joint ventures	1,272	4,722	(4,646)
Net income	<u>\$ 335,962</u>	<u>\$ 463,909</u>	<u>\$ 179,620</u>
Earnings per common share:			
Basic	\$ 6.98	\$ 8.67	\$ 2.68
Diluted	6.87	8.52	2.67

## Consolidated Statements of Comprehensive Income

### Dollars in Thousands

	Years Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
Net income	\$ 335,962	\$ 463,909	\$ 179,620
Other comprehensive income (loss):			
Amortization of retirement plan and other retiree benefit adjustments (net of tax of \$2,640, \$11,903 and \$2,579)	7,759	(21,204)	4,468
Comprehensive income	<u>\$ 343,721</u>	<u>\$ 442,705</u>	<u>\$ 184,088</u>

## Consolidated Statements of Cash Flows

Dollars in Thousands

	Years Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
<b>Operating activities:</b>			
Net income	\$ 335,962	\$ 463,909	\$ 179,620
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization of property and deferred financing cost	261,572	259,467	263,395
Deferred income taxes	(61,093)	(9,494)	18,439
Gain on disposal of assets	(12,435)	(3,955)	(5,632)
Asset impairment and store closing charges	1,591	1,200	2,208
Excess tax benefits from share-based compensation	(49,949)	(10,171)	(3,446)
Gain on repurchase of debt	—	(173)	(21)
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(2,811)	(2,758)	37,272
Decrease (increase) in merchandise inventories	9,543	(13,977)	10,533
Decrease in federal income tax receivable	—	—	217
(Increase) decrease in other current assets	(7,195)	7,913	626
Decrease (increase) in other assets	7,923	(210,443)	6,536
Increase (decrease) in trade accounts payable and accrued expenses and other liabilities	11,472	(17,981)	24,647
Increase (decrease) in income taxes payable	28,123	37,603	(21,472)
Net cash provided by operating activities	<u>522,703</u>	<u>501,140</u>	<u>512,922</u>
<b>Investing activities:</b>			
Purchase of property and equipment	(136,632)	(115,651)	(98,184)
Proceeds from disposal of assets	30,923	29,946	17,569
Distribution from joint venture	—	2,481	—
Investment in joint venture	—	—	(9,000)
Net cash used in investing activities	<u>(105,709)</u>	<u>(83,224)</u>	<u>(89,615)</u>
<b>Financing activities:</b>			
Principal payments on long-term debt and capital lease obligations	(79,020)	(56,767)	(17,466)
Cash dividends paid	(252,341)	(10,002)	(11,110)
Purchase of treasury stock	(185,536)	(491,157)	(413,889)
Proceeds from issuance of common stock	6,315	10,820	17,310
Excess tax benefits from share-based compensation	49,949	10,171	3,446
Issuance cost of line of credit	(5,375)	—	—
Purchase and retirement of common stock	(51,198)	—	—
Net cash used in financing activities	<u>(517,206)</u>	<u>(536,935)</u>	<u>(421,709)</u>
(Decrease) increase in cash and cash equivalents	(100,212)	(119,019)	1,598
Cash and cash equivalents, beginning of year	224,272	343,291	341,693
Cash and cash equivalents, end of year	<u>\$ 124,060</u>	<u>\$ 224,272</u>	<u>\$ 343,291</u>
<b>Non-cash transactions:</b>			
Accrued capital expenditures	\$ —	\$ 7,089	\$ 1,553
Stock awards	4,764	2,762	2,292
Capital lease transactions	—	—	3,966

## Consolidated Statements of Stockholders' Equity

Dollars in Thousands, Except Per Share Data

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total
	Class A	Class B					
Balance, January 30, 2010	\$ 1,169	\$ 40	\$ 782,746	\$ (22,298)	\$ 2,484,447	\$ (942,001)	\$ 2,304,103
Net income	—	—	—	—	179,620	—	179,620
Other comprehensi income	—	—	—	4,468	—	—	4,468
Issuance of 786,768 shares under stock option and stock bonus plans	8	—	22,676	—	—	364	23,048
Purchase of 14,641,705 shares of treasury stock	—	—	—	—	—	(413,889)	(413,889)
Cash dividends declared: Common stock, \$0.16 per share	—	—	—	—	(10,630)	—	(10,630)
Balance, January 29, 2011	1,177	40	805,422	(17,830)	2,653,437	(1,355,526)	2,086,720
Net income	—	—	—	—	463,909	—	463,909
Other comprehensi loss	—	—	—	(21,204)	—	—	(21,204)
Issuance of 839,374 shares under stock option and stock bonus plans	8	—	23,374	—	—	371	23,753
Purchase of 11,374,852 shares of treasury stock	—	—	—	—	—	(491,157)	(491,157)
Cash dividends declared: Common stock, \$0.19 per share	—	—	—	—	(10,002)	—	(10,002)
Balance, January 28, 2012	\$ 1,185	\$ 40	\$ 828,796	\$ (39,034)	\$ 3,107,344	\$(1,846,312)	\$ 2,052,019

### Consolidated Statements of Stockholders' Equity

Balance, January 28, 2012	\$ 1,185	\$ 40	\$ 828,796	\$ (39,034)	\$3,107,344	\$(1,846,312)	\$2,052,019
Net income	—	—	—	—	335,962	—	335,962
Other compreheni income	—	—	—	7,759	—	—	7,759
Issuance of and stock bonus plans	23	—	112,475	—	—	—	112,498
Purchase and retirement of 1,169,218 shares under stock option plan	(11)	—	(8,776)	—	(93,896)	—	(102,683)
Purchase of 2,818,844 shares of treasury stock	—	—	—	—	—	(185,536)	(185,536)
Cash dividends declared:							
Common stock, \$5.20 per share	—	—	—	—	(249,844)	—	(249,844)
Balance, February 2, 2013	<u>\$ 1,197</u>	<u>\$ 40</u>	<u>\$ 932,495</u>	<u>\$ (31,275)</u>	<u>\$3,099,566</u>	<u>\$(2,031,848)</u>	<u>\$ 1,970,175</u>