

Waren Sports Supply
STATEMENT OF INCOME AND RETAINED EARNINGS
Years Ended December 31, 2013 and 2012

	2013
REVENUE	
Miscellaneous Revenue	\$ 825.00
Sales	\$ 1,588,571.00
Less: Sales returns and allowances	\$ 61,111.00
Sales discounts taken	\$ 15,405.82
Net Sales	<u>\$ 1,512,879.18</u>
COST OF GOODS SOLD	
Beginning Inventory	\$ 101,681.00
Purchases	\$ 1,132,955.00
Fright in	\$ 24,642.69
Less: Returns and Allowances	\$ 19,445.00
Discounts Taken	\$ 16,650.40
Goods Available for sale	<u>\$ 1,223,183.29</u>
Ending Inventory	<u>\$ 198,296.00</u>
Cost of Goods Sold	\$ 1,024,887.29
GROSS MARGIN	\$ 487,991.89
OPERATING EXPENSES	
Wages and Salaries	\$ 141,198.14
Payroll Taxes	\$ 11,528.80
Rent	\$ 57,600.00
Bad Debit Expense	\$ 3,780.14
Depreciation	\$ 35,109.50
Advertising Expense	\$ 21,905.00
Office Supply Expense	\$ 5,621.45
Other Operation Expense	\$ 29,287.75
Total operating Expenses	<u>\$ 306,030.78</u>
OPERATING INCOME (LOSS)	\$ 181,961.11
NONOPERATING EXPENSE-INTEREST	\$ 197.26
INCOME (LOSS) BEFORE TAXES	\$ 181,763.85
FEDERAL INCOME TAXES	\$ 52,184.99
NET INCOME (LOSS)	\$ 129,578.86
RETAINED EARNINGS - Beginning of Year	\$ 90,264.99
DIVIDENDS	0
RETAINED EARNINGS - End of Year	<u>\$ 219,843.85</u>