

Interiors With Oohs and Aahs sells custom home décor. Following is the corporation's income statement. Use this statement to prepare closing entries. No dividends were declared during the period.

INTERIORS WITH OOHS AND AAHS			
Income Statement			
For the Year Ending December 31, 20X4			
Revenues			
Sales			\$ 887,654
Less: Sales discounts		\$ 4,667	
Sales returns and allowances		9,880	14,547
Net sales			\$ 873,107
Cost of goods sold			
Beginning inventory, Jan. 1		\$ 182,343	
Add: Purchases	\$ 593,356		
Freight-in	21,090		
		\$ 614,446	
Less: Purchase discounts	\$ 3,501		
Purchase returns & allowances	19,009	22,510	
Net purchases		591,936	
Goods available for sale		\$ 774,279	
Less: Ending inventory, Dec. 31		199,055	
Cost of goods sold			575,224
			\$ 297,883
Gross profit			
Expenses			
Salaries		\$ 188,000	
Insurance		9,152	
Utilities		7,760	
Freight-out		2,434	
Depreciation		13,773	221,119
Net income			\$ 76,764