

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 & allowances		<u>9,880</u>	<u>14,547</u>
Net sales			\$873,107
Cost of goods sold			
Beginning inventory, Jan. 1			\$182,343
Add: Purchases		\$593,356	
Freight-in		<u>21,090</u>	
			\$614,446
Less: Purchase discounts	\$ 3,501		
Purchase returns & allowances		<u>19,009</u>	<u>22,510</u>
Net purchases			<u>591,936</u>
Goods available for sale			\$774,279
Less: Ending inventory, Dec. 31			<u>199,055</u>
Cost of goods sold			<u>575,224</u>
Gross profit			\$297,883
Expenses			
Salaries			\$188,000
Insurance			9,152
Utilities			7,760
Freight-out			2,434
Depreciation			<u>13,773</u>
			<u>221,119</u>
Net income			<u>\$ 76,764</u>