



**EXCERPT FROM BOOZ ALLEN HAMILTON HOLDING CORPORATION'S 2015 10K**

**BOOZ ALLEN HAMILTON HOLDING CORPORATION  
CONSOLIDATED BALANCE SHEETS**

	March 31, 2015	March 31, 2014
	(Amounts in thousands, except share and per share data)	
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 207,217	\$ 259,994
Accounts receivable, net of allowance	857,310	916,737
Deferred income taxes	14,539	29,687
Prepaid expenses and other current assets	84,142	49,559
Total current assets	1,163,208	1,255,977
Property and equipment, net of accumulated depreciation	111,367	129,427
Deferred income taxes	14,758	—
Intangible assets, net of accumulated amortization	219,382	220,887
Goodwill	1,304,231	1,273,789
Other long-term assets	64,547	60,738
Total assets	\$ 2,877,493	\$ 2,940,818
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 57,063	\$ 73,688
Accounts payable and other accrued expenses	481,815	488,807
Accrued compensation and benefits	279,239	331,440
Other current liabilities	30,877	23,169
Total current liabilities	848,994	917,104
Long-term debt, net of current portion	1,569,272	1,585,231
Income tax reserve	58,444	57,406
Deferred income taxes	—	8,231
Other long-term liabilities	214,285	201,210
Total liabilities	2,690,995	2,769,182
<b>Commitments and contingencies (Note 20)</b>		
<b>Stockholders' equity:</b>		
Common stock, Class A — \$0.01 par value — authorized, 600,000,000 shares; issued, 150,237,675 shares at March 31, 2015 and 143,962,073 shares at March 31, 2014; outstanding, 147,238,282 shares at March 31, 2015 and 143,352,448 shares at March 31, 2014	1,502	1,440
Non-voting common stock, Class B — \$0.01 par value — authorized, 16,000,000 shares; issued and outstanding, 0 shares at March 31, 2015 and 582,080 shares at March 31, 2014	—	6
Restricted common stock, Class C — \$0.01 par value — authorized, 5,000,000 shares; issued and outstanding, 0 shares at March 31, 2015 and 935,871 shares at March 31, 2014	—	9
Special voting common stock, Class E — \$0.003 par value — authorized, 25,000,000 shares; issued and outstanding, 1,851,589 shares at March 31, 2015 and 4,424,814 shares at March 31, 2014	6	13
Treasury stock, at cost — 2,999,393 shares at March 31, 2015 and 609,625 shares at March 31, 2014	(72,293)	(10,153)
Additional paid-in capital	174,985	144,269
Retained earnings	104,457	42,688
Accumulated other comprehensive loss	(22,159)	(6,636)
Total stockholders' equity	186,498	171,636
Total liabilities and stockholders' equity	\$ 2,877,493	\$ 2,940,818

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Part II: Under Armour, Inc. (NYSE: UA; Baltimore, MD)**

4. Incorporated in Maryland in 1996, Under Armour, Inc. describes itself as “developing, marketing and distributing branded performance apparel, footwear and accessories for men, women and youth.”

On June 15, 2015, Under Armour announced the creation of a new class of non-voting common stock, the Class C common stock. The press release stated that:

*Under Armour expects to issue Class C stock through a stock dividend to all existing holders of Under Armour's Class A and Class B common stock, which will have the same effect as a two-for-one stock split. Each holder of a share of Class A or Class B stock will receive one share of the new Class C stock.*

Do you agree or disagree that the effect of the Class C stock dividend will be the same as a two-for-one stock split? As an example, assume the transaction would have occurred on January 1, 2015. On the basis of the information on Under Armour's Consolidated Balance Sheet for December 31, 2014 (excerpted and presented on the next page of this assignment), what journal entry would be required to record (a) a two-for-one stock split, and (b) the Class C stock dividend?

*(a) Two-for-one stock split:*

*(b) Class C stock dividend:*

*Do you agree or disagree that the effect of the Class C stock dividend will be the same as a two-for-one stock split?*

**EXCERPT FROM UNDER ARMOUR, INC.'S 2015 10K**

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(In thousands, except share data)

	December 31, 2014	December 31, 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 593,175	\$ 347,489
Accounts receivable, net	279,835	209,952
Inventories	536,714	469,006
Prepaid expenses and other current assets	87,177	63,987
Deferred income taxes	52,498	38,377
Total current assets	1,549,399	1,128,811
Property and equipment, net	305,564	223,952
Goodwill	123,256	122,244
Intangible assets, net	26,230	24,097
Deferred income taxes	33,570	31,094
Other long term assets	57,064	47,543
Total assets	<u>\$ 2,095,083</u>	<u>\$ 1,577,741</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Revolving credit facility	\$ —	\$ 100,000
Accounts payable	210,432	165,456
Accrued expenses	147,681	133,729
Current maturities of long term debt	28,951	4,972
Other current liabilities	34,563	22,473
Total current liabilities	421,627	426,630
Long term debt, net of current maturities	255,250	47,951
Other long term liabilities	67,906	49,806
Total liabilities	744,783	524,387
Commitments and contingencies (see Note 7)		
<b>Stockholders' equity</b>		
Class A Common Stock, \$0.0003 1/3 par value; 400,000,000 shares authorized as of December 31, 2014 and 2013; 177,295,988 shares issued and outstanding as of December 31, 2014 and 171,628,708 shares issued and outstanding as of December 31, 2013.	59	57
Class B Convertible Common Stock, \$0.0003 1/3 par value; 36,600,000 shares authorized, issued and outstanding as of December 31, 2014 and 40,000,000 shares authorized, issued and outstanding as of December 31, 2013.	12	13
Additional paid-in capital	508,350	397,248
Retained earnings	856,687	653,842
Accumulated other comprehensive income (loss)	(14,808)	2,194
Total stockholders' equity	1,350,300	1,053,354
Total liabilities and stockholders' equity	<u>\$ 2,095,083</u>	<u>\$ 1,577,741</u>

See accompanying notes.



## EXCERPTS FROM LOCKHEED MARTIN CORPORATION'S 2014 10K

### Lockheed Martin Corporation Consolidated Statements of Earnings (in millions, except per share data)

	Years Ended December 31,		
	2014	2013	2012
<b>Net sales</b>			
Products	\$ 36,093	\$ 35,691	\$ 37,817
Services	9,507	9,667	9,365
Total net sales	45,600	45,358	47,182
<b>Cost of sales</b>			
Products	(31,965)	(31,346)	(33,495)
Services	(8,393)	(8,588)	(8,383)
Goodwill impairment charges	(119)	(195)	—
Severance charges	—	(201)	(48)
Other unallocated, net	132	(841)	(1,060)
Total cost of sales	(40,345)	(41,171)	(42,986)
Gross profit	5,255	4,187	4,196
Other income, net	337	318	238
<b>Operating profit</b>	5,592	4,505	4,434
Interest expense	(340)	(350)	(383)
Other non-operating income, net	6	—	21
Earnings from continuing operations before income taxes	5,258	4,155	4,072
Income tax expense	(1,644)	(1,205)	(1,327)
Net earnings from continuing operations	3,614	2,950	2,745
Net earnings from discontinued operations	—	31	—
<b>Net earnings</b>	\$ 3,614	\$ 2,981	\$ 2,745
<b>Earnings per common share</b>			
Basic			
Continuing operations	\$ 11.41	\$ 9.19	\$ 8.48
Discontinued operations	—	.10	—
Basic earnings per common share	\$ 11.41	\$ 9.29	\$ 8.48
Diluted			
Continuing operations	\$ 11.21	\$ 9.04	\$ 8.36
Discontinued operations	—	.09	—
Diluted earnings per common share	\$ 11.21	\$ 9.13	\$ 8.36

The accompanying notes are an integral part of these consolidated financial statements.

### Lockheed Martin Corporation Consolidated Statements of Comprehensive Income (in millions)

	Years Ended December 31,		
	2014	2013	2012
Net earnings	\$ 3,614	\$ 2,981	\$ 2,745
Other comprehensive (loss) income, net of tax			
Postretirement benefit plans			
Net other comprehensive (loss) income recognized during the period, net of tax benefit (expense) of \$1.5 billion in 2014, \$(1.6) billion in 2013 and \$1.8 billion in 2012	(2,870)	2,868	(3,204)
Amounts reclassified from accumulated other comprehensive loss, net of tax expense of \$386 million in 2014, \$555 million in 2013 and \$469 million in 2012	706	1,015	858
Other, net	(105)	9	110
Other comprehensive (loss) income, net of tax	(2,269)	3,892	(2,236)
Comprehensive income	\$ 1,345	\$ 6,873	\$ 509

The accompanying notes are an integral part of these consolidated financial statements.

**Lockheed Martin Corporation**  
**Consolidated Balance Sheets**  
(in millions, except par value)

	December 31,	
	2014	2013
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 1,446	\$ 2,617
Receivables, net	5,884	5,834
Inventories, net	2,882	2,977
Deferred income taxes	1,451	1,088
Other current assets	666	813
Total current assets	12,329	13,329
Property, plant and equipment, net	4,755	4,706
Goodwill	10,862	10,348
Deferred income taxes	4,013	2,850
Other noncurrent assets	5,114	4,955
Total assets	\$ 37,073	\$ 36,188
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 1,570	\$ 1,397
Customer advances and amounts in excess of costs incurred	5,790	6,349
Salaries, benefits and payroll taxes	1,826	1,809
Other current liabilities	1,926	1,565
Total current liabilities	11,112	11,120
Accrued pension liabilities	11,413	9,361
Other postretirement benefit liabilities	1,102	902
Long-term debt, net	6,169	6,152
Other noncurrent liabilities	3,877	3,735
Total liabilities	33,673	31,270
Stockholders' equity		
Common stock, \$1 par value per share	314	319
Additional paid-in capital	—	—
Retained earnings	14,956	14,200
Accumulated other comprehensive loss	(11,870)	(9,601)
Total stockholders' equity	3,400	4,918
Total liabilities and stockholders' equity	\$ 37,073	\$ 36,188

The accompanying notes are an integral part of these consolidated financial statements.

**Note 8 – Debt**

Our long-term debt consisted of the following (in millions):

	2014	2013
Notes with rates from 2.13% to 6.15%, due 2016 to 2042	\$5,642	\$5,642
Notes with rates from 7.00% to 7.75%, due 2016 to 2036	916	916
Other debt	483	476
Total long-term debt	7,041	7,034
Less: unamortized discounts	(872)	(882)
Total long-term debt, net	\$6,169	\$6,152

In August 2014, we entered into a new \$1.5 billion revolving credit facility with a syndicate of banks and concurrently terminated our existing \$1.5 billion revolving credit facility which was scheduled to expire in August 2016. The new credit facility expires August 2019 and we may request and the banks may grant, at their discretion, an increase to the new credit facility of up to an additional \$500 million. The credit facility also includes a sublimit of up to \$300 million available for the issuance of letters of credit. There were no borrowings outstanding under the new facility through December 31, 2014. Borrowings under the new credit facility would be unsecured and bear interest at rates based, at our option, on a Eurodollar Rate or a Base Rate, as defined in the new credit facility. Each bank's obligation to make loans under the credit facility is subject to, among other things, our compliance with various representations, warranties and covenants, including covenants limiting our ability and certain of our subsidiaries' ability to encumber assets and a covenant not to exceed a maximum leverage ratio, as defined in the credit facility. The leverage ratio covenant excludes the adjustments recognized in stockholders' equity related to postretirement benefit plans. As of December 31, 2014, we were in compliance with all covenants contained in the credit facility, as well as in our debt agreements.

We have agreements in place with financial institutions to provide for the issuance of commercial paper. There were no commercial paper borrowings outstanding during 2014 or 2013. If we were to issue commercial paper, the borrowings would be supported by the credit facility.

In April 2013, we repaid \$150 million of long-term notes with a fixed interest rate of 7.38% due to their scheduled maturities. During the next five years, we have scheduled long-term debt maturities of \$952 million due in 2016 and \$900 million due in 2019. Interest payments were \$326 million in 2014, \$340 million in 2013 and \$378 million in 2012. All of our existing unsecured and unsubordinated indebtedness rank equally in right of payment.