



Contabilidad para no contadores

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Recursos

- **Kenneth Rivera Robles, CPA, Esq.**
Tax Partner
FPV & Galíndez, CPAs, PSC
Email. kenneth@fpvgalindez.com
- **Sylvia Reyes, CPA**
Tax Manager
FPV & Galínez, CPAs, PSC
Email. sylvia@fpvgalindez.com

Introduccion

Trasfondo Histórico

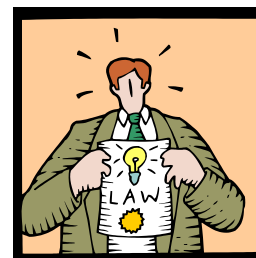
- Luca Pacioli
 - Pastor Franciscano
 - Libro de Aritmética / Geometría/ Proporciones
- Como registrar transacciones de comerciantes
- Se sigue usando sin cambios hasta el siglo 17

Principios Generales (“GAAP”)

- Emitidos por el FASB – Financial Accounting Standard Board
- Aplican a Estados Financieros publicados en EEUU

Requisitos de los Estados Financieros

- Estatutarios
 - SEC
 - Gobierno de PR
 - \$3,000,000 regla general
 - \$500,000 Sociedades Especiales / Corporaciones de Individuos
 - \$0 entidades foráneas registradas en Puerto Rico
 - Industrias Reguladas
 - Bancos
 - Seguros
 - Sin Fines
- Financiamiento
 - Banco
 - Tercero



Características de los Estados

- Relevante
- Confiable
- Comparable
 - Vertical
 - Horizontal
- Consistente



Principios Básicos

- Entidad Separada
- Going Concern / Empresa en Marcha
- Periodo de Tiempo
- Transacción Monetaria
- Realización



Principios Básicos (cont.)

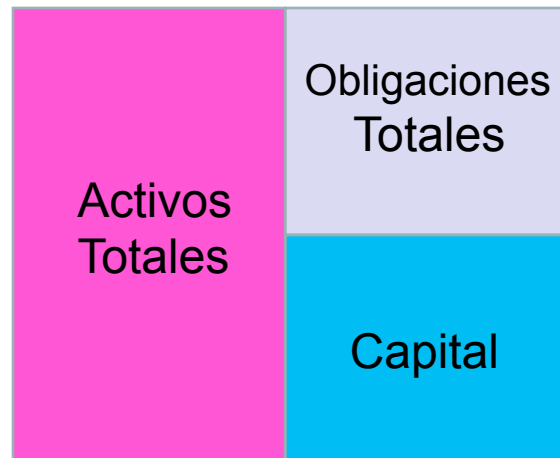
- Pareo
- Conservadurismo
- Costo Histórico
- Consistencia
- Materialidad



Ecuación de Contabilidad

Fórmula

$$\text{ACTIVOS} = \text{PASIVOS} + \text{CAPITAL}$$



Activos

- “Probable future economic benefits obtained or controlled by an entity resulting from past transactions or events”
- Las cosas que una persona tiene.
- Ejemplos
- Reservas / Cuentas Negativas
 - Cuentas Malas
 - Obsolescencia de Inventario
 - Depreciación Acumulada



Pasivos

- “Probable future sacrifices of economic benefits arising from present obligations to transfer assets or render services in the future”
- Las deudas que una persona tiene
- Ejemplos



Equity

- The residual interest in assets of an entity after subtracting its liabilities”
- Las cosas que tengo
- Aportaciones vs. Ganancias
- Ejemplos

Entradas de Jornal

- El mecanismo básico para registrar contablemente las transacciones
- Sistema DOBLE ENTRADA
 - Débito / Izquierda
 - Crédito / Derecha
- Ejemplos



Ejemplo

- La Corporacion X recibe \$100,000 como prestamo del Banco XYZ.
- La entrada seria:

Dr Efectivo \$100,000

Cr. Prestamo por pagar \$100,000

Ejemplo

- Si la Corporación X luego compra inventario con el dinero que tomo prestado.

Dr. Inventario	\$100,000	
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Cr. Cash		\$100,000
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Cuenta T

- Se resumen la actividad de las entradas de jornal
- Ejemplo



Ejemplo

- Cuenta T

Loan	
Dr.	Cr.
	\$100,000 inventory
\$2,000	
Repayment of Loan	

Métodos de Contabilidad

Efectivo y Pagado

- Conocido como el método de cash
- Ingreso cuando se cobra (dinero o propiedad)
- Gasto cuando se hace el desembolso



Acumulacion

- Se conoce como el método de la prueba de todos los sucesos (all event test)
- Ingreso o gasto cuando todos los eventos han sido realizados
- Ejemplos



Métodos Particulares

- Contratos a Largo Plazo
 - Ingreso y gastos cuando se termina el contrato
 - Ejemplo
- Ventas a Plazo
 - Se reconoce el ingreso en proporción con los cobros
 - Ejemplo



Métodos Especiales Para Reconocer el Ingreso – Porciento de Terminación

- Porciento de Terminación
 - Disponible para entidades dedicadas a construcción.
 - Se reconocen los ingresos y gastos incurridos relacionados a la construcción al cierre del año. Otros gastos e ingresos se reconocen de forma corriente.
 - Consecuencia de Contribución Alternativa Mínima (“AMT”)

Métodos Especiales Para Reconocer el Ingreso – Ventas a Plazos

- El ingreso se va reconociendo en la medida que se va cobrando.
- Disponible para:
 - Ventas de Inventario
 - Ventas casuales de bienes
 - Ventas de Propiedad Inmueble
- Se tiene que reversar para la Contribución Alternativa Mínima

Ejemplo

Luís le vende Axel por \$50,000 unas acciones en abril del 2001. Las acciones tenían un costo original de \$30,000. Estipulan hacer una venta a plazos. Durante el 2001, Axel paga solamente \$10,000.

¿Cuánto ingreso reconoce Luís?

Ejemplo- Respuesta

El ingreso será de \$4,000 computado como sigue:

$$(10,000/50,000) * (50,000-30,000)$$

Entradas de Ajuste

- Para reconocer ingresos y gastos antes de que termine el año
- Ejemplo
 - Depreciación
 - Prepagos
 - Cantidades Acumuladas



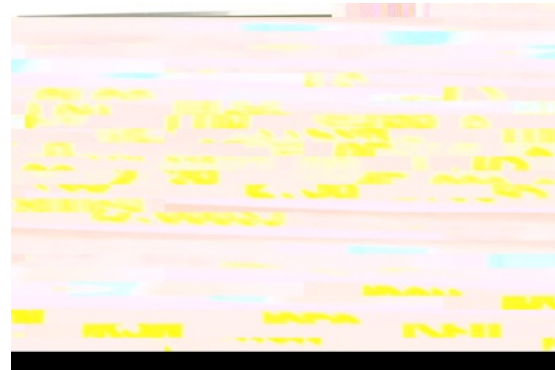
Inventarios

- Determinar la metodología para reducir los inventarios
- Métodos
 - Específico
 - LIFO
 - FIFO



Depreciacion

- Activos que se van a utilizar por más de un año
 - Valor sustancial
- Métodos
 - Línea Recta
 - Specific performance
 - Double Declining Balance / MACRS



Ejemplo

- Aportación de capital de \$1,000 en efectivo
- Compra de Edificio por \$100 en efectivo
- Préstamo de \$500
- Venta de Servicios por \$200
- Compra de Auto Financiado por \$300
- Compra de Inventario por \$150
- Venta de Inventario por \$250
- Depreciación Edificio (5 años)
- Gastos Administrativos pagados \$50
- Gastos Administrativos no pagados e incurridos \$40
- Interés acumulado y no pagado \$50

Estado de Situacion

- Se divide en activos, pasivos y capital
- Se ordena por liquidez
 - Más fácil de convertir en Efectivo

Tipos de Activos

- Efectivo
- Inversiones Corto Plazo
- Cuentas por Cobrar
 - Reserva de Cuentas Malas
- Inventarios
 - Reserva de Obsolescencia

Tipos de Activos

- Propiedad Planta y Equipo
 - Depreciación Acumulada
- Inversiones Largo Plazo
- Otros
 - Prepagos
 - Intangibles
 - Menoscabo / Impairments

Tipos de Pasivos

- Cuentas a Corto Plazo
- Obligaciones a Largo Plazo
 - Notas
 - Pensiones
- Contingencias / Reservas

Capital

- Acciones Emitidas
 - Autorizadas
 - Valor par
 - Capital Legal
- APIC
- Ganancias Retenidas
 - Utilidad
 - Distribuciones / Dividendos
 - Restricciones

Estado de Ingresos y Gastos

- Presenta el ingreso y los gastos del Estado Financiero
- Debe seguir un principio de pareo
- Segrega las actividades no recurrentes

Ingresos

- Ingreso de Ventas
 - Servicios
 - Bienes
- Otros Ingresos
 - Interes
 - Inversiones
 - Ventas de Activos

Gastos

- Costo de Ventas
- Otros Gastos

Costo de Ventas

- Concepto Margen Bruto
- Que incluye
 - Producto
 - Labor
 - “Overhead”
- Cómo se aplica?
 - Ejemplo

Otros Gastos

- Otros Gastos no Incluidos en Costo de Ventas
 - Atribuibles a la operación
- Ejemplos
 - Salarios
 - Utilidades
 - Renta
 - Intereses
 - Depreciación
 - Amortización

Estado de Flujo de Efectivo

- Reporta el efectivo recibido y pagado durante el año
- Se divide en tres tipos
 - Operaciones
 - Directo v. Indirecto
 - Financiamiento
 - Inversiones

Estados Financieros Auditados

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
The Home Depot, Inc.:

We have audited the accompanying Consolidated Balance Sheets of The Home Depot, Inc. and subsidiaries as of February 1, 2015 and February 2, 2014, and the related Consolidated Statements of Earnings, Comprehensive Income, Stockholders' Equity, and Cash Flows for each of the fiscal years in the three-year period ended February 1, 2015. These Consolidated Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of The Home Depot, Inc. and subsidiaries as of February 1, 2015 and February 2, 2014, and the results of their operations and their cash flows for each of the fiscal years in the three-year period ended February 1, 2015, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), The Home Depot, Inc.'s internal control over financial reporting as of February 1, 2015, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 26, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Atlanta, Georgia
March 26, 2015

Estados Financieros Auditados

THE HOME DEPOT, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

amounts in millions, except share and per share data

	February 1, 2015	February 2, 2014
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,723	\$ 1,929
Receivables, net	1,484	1,398
Merchandise Inventories	11,079	11,057
Other Current Assets	1,016	895
Total Current Assets	15,302	15,279
Property and Equipment, at cost	38,513	39,064
Less Accumulated Depreciation and Amortization	15,793	15,716
Net Property and Equipment	22,720	23,348
Goodwill	1,353	1,289
Other Assets	571	602
Total Assets	\$ 39,946	\$ 40,518
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Short-Term Debt	\$ 290	\$ —
Accounts Payable	5,807	5,797
Accrued Salaries and Related Expenses	1,391	1,428
Sales Taxes Payable	434	396
Deferred Revenue	1,468	1,337
Income Taxes Payable	35	12
Current Installments of Long-Term Debt	38	33
Other Accrued Expenses	1,806	1,746
Total Current Liabilities	11,269	10,749
Long-Term Debt, excluding current installments	16,869	14,691
Other Long-Term Liabilities	1,844	2,042
Deferred Income Taxes	642	514
Total Liabilities	30,624	27,996
STOCKHOLDERS' EQUITY		
Common Stock, par value \$0.05; authorized: 10 billion shares; issued: 1.768 billion shares at February 1, 2015 and 1.761 billion shares at February 2, 2014; outstanding: 1.307 billion shares at February 1, 2015 and 1.380 billion shares at February 2, 2014	88	88
Paid-In Capital	8,885	8,402
Retained Earnings	26,995	23,180
Accumulated Other Comprehensive (Loss) Income	(452)	46
Treasury Stock, at cost, 461 million shares at February 1, 2015 and 381 million shares at February 2, 2014	(26,194)	(19,194)
Total Stockholders' Equity	9,322	12,522
Total Liabilities and Stockholders' Equity	\$ 39,946	\$ 40,518

See accompanying Notes to Consolidated Financial Statements.

Estados Financieros Auditados

THE HOME DEPOT, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS

	Fiscal Year Ended(1)		
	February 1, 2015	February 2, 2014	February 3, 2013
<i>amounts in millions, except per share data</i>			
NET SALES	\$ 83,176	\$ 78,812	\$ 74,754
Cost of Sales	54,222	51,422	48,912
GROSS PROFIT	28,954	27,390	25,842
Operating Expenses:			
Selling, General and Administrative	16,834	16,597	16,508
Depreciation and Amortization	1,651	1,627	1,568
Total Operating Expenses	18,485	18,224	18,076
OPERATING INCOME	10,469	9,166	7,766
Interest and Other (Income) Expense:			
Interest and Investment Income	(337)	(12)	(20)
Interest Expense	830	711	632
Other	—	—	(67)
Interest and Other, net	493	699	545
EARNINGS BEFORE PROVISION FOR INCOME TAXES	9,976	8,467	7,221
Provision for Income Taxes	3,631	3,082	2,686
NET EARNINGS	\$ 6,345	\$ 5,385	\$ 4,535
Weighted Average Common Shares	1,338	1,425	1,499
BASIC EARNINGS PER SHARE	\$ 4.74	\$ 3.78	\$ 3.03
Diluted Weighted Average Common Shares	1,346	1,434	1,511
DILUTED EARNINGS PER SHARE	\$ 4.71	\$ 3.76	\$ 3.00

(1) Fiscal years ended February 1, 2015 and February 2, 2014 include 52 weeks. Fiscal year ended February 3, 2013 includes 53 weeks.

See accompanying Notes to Consolidated Financial Statements.

Estados Financieros Auditados

THE HOME DEPOT, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

amounts in millions	Fiscal Year Ended(1)		
	February 1, 2015	February 2, 2014	February 3, 2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Earnings	\$ 6,345	\$ 5,385	\$ 4,535
Reconciliation of Net Earnings to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,786	1,757	1,684
Stock-Based Compensation Expense	225	228	218
Gain on Sales of Investments	(323)	—	—
Goodwill Impairment	—	—	97
Changes in Assets and Liabilities, net of the effects of acquisitions:			
Receivables, net	(81)	(15)	(143)
Merchandise Inventories	(124)	(455)	(350)
Other Current Assets	(199)	(5)	93
Accounts Payable and Accrued Expenses	244	605	698
Deferred Revenue	146	75	121
Income Taxes Payable	168	119	87
Deferred Income Taxes	159	(31)	107
Other Long-Term Liabilities	(152)	13	(180)
Other	48	(48)	8
Net Cash Provided by Operating Activities	8,242	7,628	6,975
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital Expenditures, net of \$217, \$46 and \$98 of non-cash capital expenditures in fiscal 2014, 2013 and 2012, respectively	(1,442)	(1,389)	(1,312)
Proceeds from Sales of Investments	323	—	—
Payments for Businesses Acquired, net	(200)	(206)	(170)
Proceeds from Sales of Property and Equipment	48	88	50
Net Cash Used in Investing Activities	(1,271)	(1,507)	(1,432)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from Short-Term Borrowings, net	290	—	—
Proceeds from Long-Term Borrowings, net of discount	1,981	5,222	—
Repayments of Long-Term Debt	(39)	(1,289)	(32)
Repurchases of Common Stock	(7,000)	(8,546)	(3,984)
Proceeds from Sales of Common Stock	252	241	784
Cash Dividends Paid to Stockholders	(2,530)	(2,243)	(1,743)
Other Financing Activities	(25)	(37)	(59)
Net Cash Used in Financing Activities	(7,071)	(6,652)	(5,034)
Change in Cash and Cash Equivalents	(100)	(531)	509
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(106)	(34)	(2)
Cash and Cash Equivalents at Beginning of Year	1,929	2,494	1,987
Cash and Cash Equivalents at End of Year	\$ 1,723	\$ 1,929	\$ 2,494
SUPPLEMENTAL DISCLOSURE OF CASH PAYMENTS MADE FOR:			
Interest, net of interest capitalized	\$ 782	\$ 639	\$ 617
Income Taxes	\$ 3,435	\$ 2,839	\$ 2,482

(1) Fiscal years ended February 1, 2015 and February 2, 2014 include 52 weeks. Fiscal year ended February 3, 2013 includes 53 weeks.

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business, Consolidation and Presentation

The Home Depot, Inc. and its subsidiaries (the "Company") operate The Home Depot stores, which are full-service, warehouse-style stores averaging approximately 104,000 square feet of enclosed space, with approximately 24,000 additional square feet of outside garden area. The stores stock approximately 30,000 to 40,000 different kinds of building materials, home improvement supplies and lawn and garden products that are sold to do-it-yourself customers, do-it-for-me customers and professional customers. The Company also offers a significantly broader product assortment through its Home Depot, Home Decorators Collection and Blinds.com websites. At the end of fiscal 2014, the Company was operating 2,269 The Home Depot stores, which included 1,977 stores in the United States, including the Commonwealth of Puerto Rico and the territories of the U.S. Virgin Islands and Guam ("U.S."), 181 stores in Canada and 111 stores in Mexico. The Consolidated Financial Statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions have been eliminated in consolidation.

Fiscal Year

The Company's fiscal year is a 52- or 53-week period ending on the Sunday nearest to January 31. Fiscal years ended February 1, 2015 ("fiscal 2014") and February 2, 2014 ("fiscal 2013") include 52 weeks. The fiscal year ended February 3, 2013 ("fiscal 2012") includes 53 weeks.

Use of Estimates

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities, and reported amounts of revenues and expenses in preparing these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from these estimates.

Fair Value of Financial Instruments

The carrying amounts of Cash and Cash Equivalents, Receivables, Short-Term Debt and Accounts Payable approximate fair value due to the short-term maturities of these financial instruments. The fair value of the Company's Long-Term Debt is discussed in Note 11.

Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company's cash equivalents are carried at fair market value and consist primarily of money market funds.

Accounts Receivable

The Company has an agreement with a third-party service provider who directly extends credit to customers, manages the Company's private label credit card program and owns the related receivables. The Company evaluated the third-party entities holding the receivables under the program and concluded that they should not be consolidated by the Company. The agreement with the third-party service provider expires in 2018, with the Company having the option, but no obligation, to purchase the receivables at the end of the agreement. The deferred interest charges incurred by the Company for its deferred financing programs offered to its customers are included in Cost of Sales. The interchange fees charged to the Company for the customers' use of the cards and any profit sharing with the third-party service provider are included in Selling, General and Administrative expenses ("SG&A"). The sum of the three is referred to by the Company as "the cost of credit" of the private label credit card program.

In addition, certain subsidiaries of the Company extend credit directly to customers in the ordinary course of business. The receivables due from customers were \$68 million and \$57 million as of February 1, 2015 and February 2, 2014, respectively. The Company's valuation reserve related to accounts receivable was not material to the Consolidated Financial Statements of the Company as of the end of fiscal 2014 or 2013.

Merchandise Inventories

The majority of the Company's Merchandise Inventories are stated at the lower of cost (first-in, first-out) or market, as determined by the retail inventory method. As the inventory retail value is adjusted regularly to reflect market conditions, the inventory valued using the retail method approximates the lower of cost or market. Certain subsidiaries, including retail

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

operations in Canada and Mexico, and distribution centers, record Merchandise Inventories at the lower of cost or market, as determined by a cost method. These Merchandise Inventories represent approximately 26% of the total Merchandise Inventories balance. The Company evaluates the inventory valued using a cost method at the end of each quarter to ensure that it is carried at the lower of cost or market. The valuation allowance for Merchandise Inventories valued under a cost method was not material to the Consolidated Financial Statements of the Company as of the end of fiscal 2014 or 2013.

Independent physical inventory counts or cycle counts are taken on a regular basis in each store and distribution center to ensure that amounts reflected in the accompanying Consolidated Financial Statements for Merchandise Inventories are properly stated. During the period between physical inventory counts in stores, the Company accrues for estimated losses related to shrink on a store-by-store basis based on recent shrink results and current trends in the business. Shrink (or in the case of excess inventory, "swell") is the difference between the recorded amount of inventory and the physical inventory. Shrink may occur due to theft, loss, inaccurate records for the receipt of inventory or deterioration of goods, among other things.

Income Taxes

Income taxes are accounted for under the asset and liability method. The Company provides for federal, state and foreign income taxes currently payable, as well as for those deferred due to timing differences between reporting income and expenses for financial statement purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in income tax rates is recognized as income or expense in the period that includes the enactment date.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company and its eligible subsidiaries file a consolidated U.S. federal income tax return. Non-U.S. subsidiaries and certain U.S. subsidiaries, which are consolidated for financial reporting purposes, are not eligible to be included in the Company's consolidated U.S. federal income tax return. Separate provisions for income taxes have been determined for these entities. The Company intends to reinvest substantially all of the unremitted earnings of its non-U.S. subsidiaries and postpone their remittance indefinitely. Accordingly, no provision for U.S. income taxes on these earnings was recorded in the accompanying Consolidated Statements of Earnings.

Depreciation and Amortization

The Company's Buildings, Furniture, Fixtures and Equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold Improvements are amortized using the straight-line method over the original term of the lease or the useful life of the improvement, whichever is shorter. The Company's Property and Equipment is depreciated using the following estimated useful lives:

	Life
Buildings	5 – 45 years
Furniture, Fixtures and Equipment	2 – 20 years
Leasehold Improvements	5 – 45 years

Capitalized Software Costs

The Company capitalizes certain costs related to the acquisition and development of software and amortizes these costs using the straight-line method over the estimated useful life of the software, which is three to six years. Certain development costs not meeting the criteria for capitalization are expensed as incurred.

Revenues

The Company recognizes revenue, net of estimated returns and sales tax, at the time the customer takes possession of merchandise or receives services. The liability for sales returns is estimated based on historical return levels. When the Company receives payment from customers before the customer has taken possession of the merchandise or the service has been performed, the amount received is recorded as Deferred Revenue in the accompanying Consolidated Balance Sheets until the sale or service is complete. The Company also records Deferred Revenue for the sale of gift cards and recognizes

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

this revenue upon the redemption of gift cards in Net Sales. Gift card breakage income is recognized based upon historical redemption patterns and represents the balance of gift cards for which the Company believes the likelihood of redemption by the customer is remote. During fiscal 2014, 2013 and 2012, the Company recognized \$32 million, \$30 million and \$33 million, respectively, of gift card breakage income. This income is included in the accompanying Consolidated Statements of Earnings as a reduction in SG&A.

Services Revenue

Net Sales include services revenue generated through a variety of installation, home maintenance and professional service programs. In these programs, the customer selects and purchases material for a project, and the Company provides or arranges professional installation. These programs are offered through the Company's stores and in-home sales programs. Under certain programs, when the Company provides or arranges the installation of a project and the subcontractor provides material as part of the installation, both the material and labor are included in services revenue. The Company recognizes this revenue when the service for the customer is complete.

All payments received prior to the completion of services are recorded in Deferred Revenue in the accompanying Consolidated Balance Sheets. Services revenue was \$3.8 billion, \$3.5 billion and \$3.2 billion for fiscal 2014, 2013 and 2012, respectively.

Self-Insurance

The Company is self-insured for certain losses related to general liability (including product liability), workers' compensation, employee group medical and automobile claims. The expected ultimate cost for claims incurred as of the balance sheet date is not discounted and is recognized as a liability. The expected ultimate cost of claims is estimated based upon analysis of historical data and actuarial estimates. The Company maintains network security and privacy liability insurance coverage to limit the Company's exposure to losses such as those that may be caused by a significant compromise or breach of the Company's data security. This coverage is discussed further in Note 13.

Prepaid Advertising

Television and radio advertising production costs, along with media placement costs, are expensed when the advertisement first appears. Amounts included in Other Current Assets in the accompanying Consolidated Balance Sheets relating to prepayments of production costs for print and broadcast advertising as well as sponsorship promotions were not material at the end of fiscal 2014 and 2013.

Vendor Allowances

Vendor allowances primarily consist of volume rebates that are earned as a result of attaining certain purchase levels and advertising co-op allowances for the promotion of vendors' products that are typically based on guaranteed minimum amounts with additional amounts being earned for attaining certain purchase levels. These vendor allowances are accrued as earned, with those allowances received as a result of attaining certain purchase levels accrued over the incentive period based on estimates of purchases.

Volume rebates and certain advertising co-op allowances earned are initially recorded as a reduction in Merchandise Inventories and a subsequent reduction in Cost of Sales when the related product is sold. Certain advertising co-op allowances that are reimbursements of specific, incremental and identifiable costs incurred to promote vendors' products are recorded as an offset against advertising expense. In fiscal 2014, 2013 and 2012, gross advertising expense was \$884 million, \$865 million and \$831 million, respectively, and is included in SG&A. Specific, incremental and identifiable advertising co-op allowances were \$125 million, \$114 million and \$85 million for fiscal 2014, 2013 and 2012, respectively, and are recorded as an offset to advertising expense in SG&A.

Cost of Sales

Cost of Sales includes the actual cost of merchandise sold and services performed, the cost of transportation of merchandise from vendors to the Company's stores, locations or customers, the operating cost of the Company's sourcing and distribution network and the cost of deferred interest programs offered through the Company's private label credit card program.

The cost of handling and shipping merchandise from the Company's stores, locations or distribution centers to the customer is classified as SG&A. The cost of shipping and handling, including internal costs and payments to third parties, classified as SG&A was \$443 million, \$410 million and \$394 million in fiscal 2014, 2013 and 2012, respectively.

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Impairment of Long-Lived Assets

The Company evaluates its long-lived assets each quarter for indicators of potential impairment. Indicators of impairment include current period losses combined with a history of losses, management's decision to relocate or close a store or other location before the end of its previously estimated useful life or when changes in other circumstances indicate the carrying amount of an asset may not be recoverable. The evaluation for long-lived assets is performed at the lowest level of identifiable cash flows, which is generally the individual store level.

The assets of a store with indicators of impairment are evaluated by comparing its undiscounted cash flows with its carrying value. The estimate of cash flows includes management's assumptions of cash inflows and outflows directly resulting from the use of those assets in operations, including gross margin on Net Sales, payroll and related items, occupancy costs, insurance allocations and other costs to operate a store. If the carrying value is greater than the undiscounted cash flows, an impairment loss is recognized for the difference between the carrying value and the estimated fair market value. Impairment losses are recorded as a component of SG&A in the accompanying Consolidated Statements of Earnings. When a leased location closes, the Company also recognizes in SG&A the net present value of future lease obligations less estimated sublease income. The Company recorded impairments and lease obligation costs on closings and relocations in the ordinary course of business, as well as for the closing of seven stores in China in fiscal 2012, which were not material to the Consolidated Financial Statements in fiscal 2014, 2013 or 2012.

Goodwill and Other Intangible Assets

Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company does not amortize goodwill but does assess the recoverability of goodwill in the third quarter of each fiscal year, or more often if indicators warrant, by determining whether the fair value of each reporting unit supports its carrying value. Each year the Company may assess qualitative factors to determine whether it is more likely than not that the fair value of each reporting unit is less than its carrying amount as a basis for determining whether it is necessary to complete quantitative impairment assessments, with a quantitative assessment completed at least once every three years. The Company's most recent quantitative assessment was completed in fiscal 2013.

In fiscal 2014, the Company completed its annual assessment of the recoverability of goodwill for its U.S., Canada and Mexico reporting units. The Company performed qualitative assessments, concluding that the fair value of the reporting units was not more likely than not less than the carrying value. In fiscal 2012, the Company recorded a charge of \$97 million to impair all of the goodwill associated with its former China reporting unit. There were no impairment charges related to the remaining goodwill for fiscal 2014, 2013 or 2012.

The Company amortizes the cost of other intangible assets over their estimated useful lives, which range up to ten years, unless such lives are deemed indefinite. Intangible assets with indefinite lives are tested in the third quarter of each fiscal year for impairment, or more often if indicators warrant. There were no impairment charges related to other intangible assets for fiscal 2014, 2013 or 2012.

Stock-Based Compensation

The per share weighted average fair value of stock options granted during fiscal 2014, 2013 and 2012 was \$14.13, \$13.10 and \$9.86, respectively. The fair value of these options was determined at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	Fiscal Year Ended		
	February 1, 2015	February 2, 2014	February 3, 2013
Risk-free interest rate	1.7%	0.8%	1.2%
Assumed volatility	22.7%	26.3%	27.0%
Assumed dividend yield	2.3%	2.2%	2.3%
Assumed lives of options	5 years	5 years	5 years

Derivatives

The Company uses derivative financial instruments from time to time in the management of its interest rate exposure on long-term debt and its exposure on foreign currency fluctuations. The Company accounts for its derivative financial instruments in accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Subtopic 815-10. The fair value of the Company's derivative financial instruments is discussed in Note 11.

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Comprehensive Income

Comprehensive Income includes Net Earnings adjusted for certain gains and losses that are excluded from Net Earnings under U.S. generally accepted accounting principles. Adjustments to Net Earnings and Accumulated Other Comprehensive Income consist primarily of foreign currency translation adjustments.

Foreign Currency Translation

Assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the current rate of exchange on the last day of the reporting period. Revenues and expenses are generally translated using average exchange rates for the period and equity transactions are translated using the actual rate on the day of the transaction.

Segment Information

The Company operates within a single reportable segment primarily within North America. Net Sales for the Company outside the U.S. were \$8.5 billion, \$8.5 billion and \$8.4 billion for fiscal 2014, 2013 and 2012, respectively. Long-lived assets outside the U.S. totaled \$2.5 billion and \$2.9 billion as of February 1, 2015 and February 2, 2014, respectively.

The following table presents the Net Sales of each major product category (and related services) for each of the last three fiscal years (dollar amounts in millions):

Product Category	Fiscal Year Ended					
	February 1, 2015		February 2, 2014		February 3, 2013	
	Net Sales	% of Net Sales	Net Sales	% of Net Sales	Net Sales	% of Net Sales
Kitchen	\$ 8,403	10.1%	\$ 7,978	10.1%	\$ 7,022	9.4%
Indoor Garden	7,550	9.1	7,176	9.1	6,907	9.2
Paint	7,300	8.8	7,026	8.9	6,764	9.0
Outdoor Garden	6,394	7.7	6,154	7.8	5,958	8.0
Building Materials	6,055	7.3	5,729	7.3	5,594	7.5
Lumber	6,050	7.3	5,814	7.4	5,454	7.3
Flooring	5,986	7.2	5,734	7.3	5,469	7.3
Plumbing	5,740	6.9	5,437	6.9	5,126	6.9
Electrical	5,648	6.8	5,360	6.8	5,036	6.7
Tools	5,384	6.5	4,876	6.2	4,533	6.1
Hardware	4,974	6.0	4,718	6.0	4,580	6.1
Millwork	4,694	5.6	4,386	5.6	4,281	5.7
Bath	3,923	4.7	3,706	4.7	3,552	4.8
Décor	2,576	3.1	2,346	3.0	2,225	3.0
Lighting	2,499	3.0	2,372	3.0	2,253	3.0
Total	\$ 83,176	100.0%	\$ 78,812	100.0%	\$ 74,754	100.0%

Note: Certain percentages may not sum to totals due to rounding.

Reclassifications

Certain amounts in prior fiscal years have been reclassified to conform with the presentation adopted in the current fiscal year.

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. INVESTMENT IN HD SUPPLY HOLDINGS, INC.

At the end of fiscal 2013, the Company owned 16.3 million shares of HD Supply Holdings, Inc. ("HD Supply") common stock, which represented approximately 8% of the shares of HD Supply common stock outstanding. This investment is accounted for using the cost method, as there are significant restrictions in place on the Company's ability to sell or transfer its HD Supply shares. The restrictions are controlled by the three largest shareholders of HD Supply (the "Principal Shareholders") for so long as they continue to own a certain portion of their original holdings of HD Supply. The carrying value of the HD Supply shares was impaired by the Company to a zero cost basis in fiscal 2009.

In the first quarter of fiscal 2014, the Principal Shareholders elected to sell shares of HD Supply common stock in a secondary public offering (the "May Offering"). Under the terms of a registration rights agreement among the Company, HD Supply and the Principal Shareholders (the "Registration Rights Agreement"), the Company had the right to include a portion of its shares in the May Offering and elected to do so. During the third and fourth quarters of fiscal 2014, two of the Principal Shareholders again elected to sell shares of HD Supply common stock in secondary public offerings, and the Company again exercised its rights under the Registration Rights Agreement to include a portion of its shares in these offerings. As a result of all of these offerings (including an overallotment option exercised during the second quarter of fiscal 2014 by the underwriters of the May Offering), the Company sold 12.2 million shares of HD Supply common stock in fiscal 2014, for which it received \$323 million of proceeds and recognized a corresponding gain in fiscal 2014.

The total pretax gain of \$323 million is included in Interest and Investment Income in the accompanying Consolidated Statements of Earnings for fiscal 2014. The remaining 4.1 million shares owned by the Company, which represent approximately 2% of the shares of HD Supply common stock outstanding, continue to be accounted for using the cost method as the restrictions on these shares remain in place.

3. PROPERTY AND LEASES

Property and Equipment as of February 1, 2015 and February 2, 2014 consisted of the following (amounts in millions):

	February 1, 2015	February 2, 2014
Property and Equipment, at cost:		
Land	\$ 8,243	\$ 8,375
Buildings	17,759	17,950
Furniture, Fixtures and Equipment	9,602	10,107
Leasehold Improvements	1,419	1,388
Construction in Progress	585	548
Capital Leases	905	696
	38,513	39,064
Less Accumulated Depreciation and Amortization	15,793	15,716
Net Property and Equipment	\$ 22,720	\$ 23,348

The Company leases certain retail locations, office space, warehouse and distribution space, equipment and vehicles. While most of the leases are operating leases, certain locations and equipment are leased under capital leases. As leases expire, it can be expected that in the normal course of business certain leases will be renewed or replaced.

Certain lease agreements include escalating rents over the lease terms. The Company expenses rent on a straight-line basis over the lease term, which commences on the date the Company has the right to control the property. The cumulative expense recognized on a straight-line basis in excess of the cumulative payments is included in Other Accrued Expenses and Other Long-Term Liabilities in the accompanying Consolidated Balance Sheets.

Total rent expense, net of minor sublease income, for fiscal 2014, 2013 and 2012 was \$918 million, \$905 million and \$849 million, respectively. Certain store leases also provide for contingent rent payments based on percentages of sales in excess of specified minimums. Contingent rent expense for fiscal 2014, 2013 and 2012 was approximately \$7 million, \$5 million and \$4 million, respectively. Real estate taxes, insurance, maintenance and operating expenses applicable to the leased property are obligations of the Company under the lease agreements.

Estados Financieros Auditados

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The approximate future minimum lease payments under capital and all other leases at February 1, 2015 were as follows (amounts in millions):

<u>Fiscal Year</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2015	\$ 113	\$ 893
2016	111	817
2017	108	737
2018	101	638
2019	97	561
Thereafter through 2097	880	4,059
	<u>1,410</u>	<u>\$ 7,705</u>
Less imputed interest	726	
Net present value of capital lease obligations	684	
Less current installments	36	
Long-term capital lease obligations, excluding current installments	<u>\$ 648</u>	

Short-term and long-term obligations for capital leases are included in the accompanying Consolidated Balance Sheets in Current Installments of Long-Term Debt and Long-Term Debt, respectively. The assets under capital leases recorded in Property and Equipment, net of amortization, totaled \$557 million and \$374 million at February 1, 2015 and February 2, 2014, respectively.

4. DEBT

The Company has commercial paper programs that allow for borrowings up to \$2.0 billion. In connection with the programs, the Company has a back-up credit facility with a consortium of banks for borrowings up to \$2.0 billion. In December 2014, the Company replaced its back-up credit facility, which was scheduled to expire in July 2017, with a new, substantially identical \$2.0 billion credit facility. The new credit facility expires in December 2019 and contains various restrictive covenants. At February 1, 2015, the Company was in compliance with all of the covenants, and they are not expected to impact the Company's liquidity or capital resources.

At February 1, 2015, there were \$290 million of borrowings outstanding under the commercial paper programs and no borrowings outstanding under the related credit facility. All of the Company's short-term borrowings in fiscal 2014 were under these commercial paper programs. For the fiscal year ended February 1, 2015, the maximum amount outstanding at any month-end was \$290 million, the average daily short-term borrowings were \$20 million and the weighted average interest rate was 0.13%. There were no borrowings under the commercial paper programs or the related credit facility in fiscal 2013.

Plan de Negocios

Plan de Negocios

- El plan de negocios
 - Es una herramienta de evaluación previa para determinar la rentabilidad y participación de mercado.
 - Nos ayuda a determinar si nuestra idea es viable
 - Provee información sobre nuestro mercado
 - Provee información sobre cuanto esperamos ganar.

Plan de Negocios

- Un buen plan de negocios debe contener:
 - Introducción
 - Descripción detallada del negocio y sus metas
 - Análisis de la propiedad del negocio y su estructura legal
 - Lista de las destrezas y la experiencia que aportará al negocio
 - Análisis de las ventajas que usted y su negocio tienen sobre sus competidores

Plan de Negocios

- Mercadeo
 - Presentación de los productos y servicios que su compañía ofrecerá.
 - Identificación de la demanda de los clientes de sus productos y servicios.
 - Identificación de su mercado, tamaño y ubicación.
 - Análisis de la promoción y mercadeo de sus productos y servicios.
 - Análisis de su estrategia de precios.

Plan de Negocios

- Datos Financieros

- Análisis de las fuentes y uso de fondos.
- Análisis de los costos y punto de empate.
- Supuestos de generación de Ingresos.
- Supuestos de gastos generales.
- Proyección del estado de ingresos y gastos por 3 años.
- Análisis de índices financieros y comparativos con índices de la industria.
- Estados financieros personales de los dueños.

Plan de Negocios

- Operaciones
 - Estudio del manejo diario del negocio.
 - Análisis de los procedimientos de contratación y del personal.
 - Analisis de seguros, acuerdos de arrendamiento o alquiler y asuntos pertinentes a su negocio.
 - Detalle de la producción y entrega de productos y servicios.

Documentos de Apoyo

- Resúmenes de la gerencia
- Cartas de intención de suplidores y clientes
- Cartas de referencias de crédito
- Cotizaciones de costos de los equipos
- Contrato de arrendamiento
- Cartas de recomendación
- Mapa mostrando ubicación del negocio

Documentos de Apoyo

- Esquema organizacional
- Planos
- Documentos legales de la propiedad que sirven de colateral
- Informes de crédito
- Patentes
- Otros documentos que estime necesario

Presupuesto

Presupuesto

- Un presupuesto nos permite planificar, coordinar y controlar las operaciones de forma ordenada.
- Además, nos permite administrar los gastos, utilizar ordenadamente los recursos financieros y definir de forma clara y objetiva las prioridades de tu negocio.

Presupuesto

- Para crear un presupuesto debemos considerar:
 - La estructura organizacional- administración, operaciones o ventas, a fin de definir los sueldos.
 - Listar gastos- gastos fijos y variables.
 - Establecer reservas y los gastos imprevistos.
 - Establecer prioridades

Presupuesto

- Debemos revisarlo constantemente.
- En la medida que sea posible, debemos solicitar una revisión externa.

IVU → IVA

Period	Description	Tax Rate	Comments
Phase I – Until June 30, 2015	Goods	7%	Credits may be taken for inputs acquired (limited to 75%)
	B2C Services	7%	No credit is available for input services
	B2B Taxable Services	7%	Designated under Act 40-2013 / Taxable
	B2B Exempt Services	Non Taxable	
	B2C Designated Services	Non Taxable	
Phase II – From July 1, 2015	Goods	11.5%	75% limitation is eliminated
	Services	11.5%	Services rendered outside of PR are included
	B2B Taxable Services	11.5%	
	B2B Exempt Services	Non Taxable	
	B2C Designated Services	Non Taxable	
Phase III – From October 1, 2015	B2B Taxable Services	11.5%	
	B2B Exempt Services	4%	Not subject to municipal SUT
	B2C Designated Services	4%	Not subject to municipal SUT
Phase IV – From April 1, 2016	Goods and Services	11.5% & 10.5%	Credits may be taken for inputs. Designated & Exempt (not subject to municipal SUT).

Services	UNTIL JUNE, 2015 (SUT)	FROM JULY TO SEPTEMBER, 2015 (SUT)	FROM OCTOBER, 2015 TO APRIL 1, 2016 (SUT)	FROM APRIL 1, 2016 (VAT)
Business to Business (B2B) **				
GENERAL RULE (Less Excluded Services)	0	0	4%***	10.5%*
TAXABLE: REPAIRS & MAINTENANCE LAUNDRY CLEANING WASTE COLLECTION SECURITY BANK CHARGES COLLECTION OF ACCOUNTS TELECOMMUNICATIONS SERVICES DAILY RENTAL OF MOTOR VEHICLES	7%	11.5%	11.5%	11.5%
Business to Consumer (B2C)				
GENERAL RULE (Less Excluded Services)	7%	11.5%	11.5%	11.5%
DESIGNATED SERVICES: LAWYERS CPAs TAX PREPARERS ARCHITECTS GEOLOGISTS ENGINEERS & SURVEYORS REAL ESTATE BROKERS APPRAISERS PROFESSIONAL DRAFTERS	0	0	4%	10.5%*
EXCLUDED SERVICES: SERVICES PROVIDED BY THE GOVERNMENT EDUCATION SERVICES INTEREST AND OTHER CHARGES FOR THE USE OF THE MONEY INSURANCE AND COMMISSION SERVICES HEALTH OR MEDICAL SERVICES SERVICES PROVIDED BY PERSONS WITH VOLUME OF BUSINESS OF LESS THAN \$50,000 SERVICES AMONG ENTITIES UNDER THE SAME CONTROLLED GROUP COMMERCIAL REAL PROPERTY RENT	0	0	0	0

Exenciones Se Eliminan IVA

- Servicios Funerarios
- Regreso a la Escuela
- Regla Especial de Construcción (35%)
- Producción
- Publicidad
- Subcontratados
 - Construcción
 - Telecomunicaciones
- Agencias de Empleo
- Revendedor Elegible

INDICE LEGAL

Leyes

- Ley 72 de 29 de mayo de 2015: Adopción del IVA y su transición
- Ley 101 de 1 de julio de 2015: Se añade subtítulo DDD – Sobretasa del Impuesto al Consumo
- Ley 107 de 2 de julio de 2015: Exención a Condominio
- Ley 159 de 30 de septiembre de 2015: Enmiendas Técnicas y adopción de exenciones
- Ley 1 de 1 de febrero de 2016: Impuesto de ventas y uso a seguros internacionales

Reglamentos

- Reglamento Combinado del IVU (propuesto)
- Reglamento del 4% (propuesto)

Publicaciones

- BIPC 15-09: Ley 2-2015
- BIPC 15-10: Actualización sistemas del IVU
- BIPC 15-11: Revisión de Fianzas del IVU
- CC 15-08: Devoluciones antes del 30 de junio de 2015
- DA 15-10: IVU en ventas de bienes y servicios hechas antes del 30 de junio
- CCPC: 15-09: Exclusión Contratos Preexistentes

Publicaciones (Cont.)

- CCPC 15-10: Exclusion Contratos Preexistentes
- CCPC 15-11: Contratos Preexistentes en servicios entre comerciantes o servicios profesionales designados
- DA 15-12: IVU en espectáculos públicos luego del 30 de junio de 2015
- DA 15-14: Cambios en planilla mensual
- DA 15-15: Diferimiento IVU julio 2015 (comerciantes menos de \$1,000,000)

Publicaciones (Cont.)

- CCPC 15-12: Registro de Comerciantes (Actualización)
- DA 15-17: IVU en SPD y B2B
- BIPC 15-14: Eliminación sorteos de IVU Loto
- DA 15-20: Requisitos Terminales Fiscales
- DA 15-21: SPD y B2B a tenor con Ley 159-2015
- CCPC 15-13: Recibos en Terminales Fiscales

Publicaciones (Cont.)

- CCPC 15-14: IVU en servicios de manufactura
- CCPC 15-15: Certificado de Compras Exentas
- CCRI 15-01: Terminales Fiscales Propiedad de Hacienda
- DA 15-23: Planilla Mensual de IVU (SC 2915F)
- DA 15-24: Información Suplementaria 163-2013 (nuevos anejos de IVU)
- DA 15-25: Cambios SC 2915F

Publicaciones (Cont.)

- DA 15-26: Vigencia del IVA
 - 29 de diciembre del 2015
 - 2 etapas y media
 - 1 de abril
 - 1 de junio
 - Certificados

Registro de Comerciantes

Requisito Básico

- Impuesto a TODA persona que lleve a cabo negocios en Puerto Rico
 - Definición del Término
 - Comerciante

Comerciante

- Persona dedicada a hacer negocios, excepto:
 - Exhibidor no haga ventas
 - Planes de Pensiones
 - Asociación de Residentes
 - Clase Graduanda
 - Vendedores de Billetes
 - Distribuidores Negocio Multinivel

Negocio

- Una venta ocasional no se entenderá que se está haciendo negocio
- Venta Ocasional
 - Factores
 - Número de Transacciones
 - Magnitud
 - Carácter
 - Iglesias

Certificado de Pequeño Comerciante

- Se tiene que solicitar
- Volumen
 - Año Contributivo Anterior menor a \$125,000
 - No ventas ocasionales

Certificado de Exención y Tasa Cero para Planta Manufacturera

- Se tiene que solicitar
- Puede importar o comprar sin IVA
- Vigencia: 3 años

Certificado de Compras Exentas

- Se tiene que solicitar
- Importar o comprar sin pagar el IVA
- Vigencia: 3 años
- Persona Elegible
 - Gobierno
 - Unidad Hospitalaria
 - Negocio Turístico
 - Agricultor Bonafide

Certificado de Comerciante Elegible

- Requisitos
 - Volumen excede \$500,000 por año
 - Promedio últimos 3 años
 - 80% de sus Ventas Totales son Tasa Cero
 - Exportación bienes o servicios
 - Venta inventario o equipo a plantas manufacturas
- Beneficio: Puede pedir reintegro de forma expedita

Otros

- Negocio Multinivel
- Pago Directamente al Secretario

Preguntas



Gracias por su atención