

EXPOSITION CORPORATION**Balance Sheet****December 31, 2013**

(\$ in millions)

Assets
\$3,000
Liabilities
\$1,000
Shareholders' Equity

Paid-in capital:

Capital stock (par):

Preferred stock, 10%, \$10 par, cumulative, nonparticipating	\$100
Common stock, \$1 par	55
Common stock dividends distributable	5

Additional paid-in capital:

Paid-in capital—excess of par, preferred	50
Paid-in capital—excess of par, common	260
Paid-in capital— reacquired shares	8
Paid-in capital—conversion of bonds	7
Paid-in capital—stock options	9
Paid-in capital—stock award plan	5
Paid-in capital—lapse of stock options	1

Total paid-in capital

\$ 500

Retained earnings

1,670

Accumulated other comprehensive income:

Net unrealized holding gains (losses) on investments	(85)
Net unrecognized gain (loss) on pensions	(75)
Deferred gains (losses) on derivatives*	(4)
Gains (losses) from foreign currency rate adjustments**	-0-
	_____ (164)

Treasury stock (at cost)

(6)

Total shareholders' equity

\$2,000

*When a derivative designated as a cash flow hedge is adjusted to fair value, the gain or loss is deferred as a component of other comprehensive income and included in earnings later, at the same time as earnings are affected by the hedged transaction (described in Appendix A at the end of the book).

**Gains or losses from changes in foreign currency exchange rates are discussed elsewhere in your accounting curriculum. The amount could be an addition to or reduction in shareholders' equity.