

Gateway_Financials_Problem_11-4

Gateway Inc	Use this		
Use for Problem 11-4 - MBA 621	year for 11-4:		
As Reported Annual Balance Sheet	12/31/2006	12/31/2005	12/31/2004
Currency	USD	USD	USD
Auditor Status	Not Qualified	Not Qualified	Not Qualified
Consolidated	No	No	No
Scale	Thousands	Thousands	Thousands
Unrestricted cash & cash equivalents	-	-	327,793
Restricted cash	-	-	55,179
Cash & cash equivalents	345,677	422,488	382,972
Marketable securities	70,658	163,200	260,537
Accounts receivable, gross	277,000	347,540	345,703
Allowance for uncollectible accounts	2,218	2,252	3,582
Accounts receivable, net	274,782	345,288	342,121
Components & subassemblies	18,181	71,163	60,965
Finished goods	79,006	148,181	135,359
Total inventory	97,187	219,344	196,324
Receivables from suppliers	247,207	213,901	78,678
Prepaid expenses	40,299	67,162	58,270
Assets held for sale	14,774	9,162	34,312
Other current assets	160,509	133,527	46,403
Total other current assets	215,582	209,851	217,663
Total current assets	1,251,093	1,574,072	1,399,617
Land	1,904	1,904	9,889
Leasehold improvements	5,819	6,344	8,788
Buildings	26,746	40,149	58,113
Construction in progress	61,834	23,103	3,168
Internal-use software	205,848	248,325	247,686
Office & production equipment	32,290	152,350	152,710
Furniture & fixtures	7,090	12,047	13,121
Vehicles	45	313	381
Property, plant & equipment, at cost	341,576	484,535	493,856
Less: accumulated depreciation & amortization	230,645	401,379	391,199
Property, plant & equipment, net	110,931	83,156	102,657
Intangible assets, at cost	129,277	99,000	-
Less: accumulated amortization	67,377	59,538	-
Intangible assets, net	61,900	39,462	-
Intangible assets, net	-	-	95,392
Goodwill	-	-	155,619
Goodwill & non-amortizable intangible assets	205,219	205,219	-
Restricted cash	3,266	3,754	-
Long-term investments	3,159	3,159	3,792
Deferred debt issue costs	6,010	7,600	9,559
Other assets, net	14,657	4,643	-
Other assets	-	-	5,151
Total other assets, net	-	-	18,502
Total assets	1,656,235	1,921,065	1,771,787
Revolving credit facility	-	50,000	50,000
Accounts payable	612,639	761,895	532,329

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Accrued expenses	159,199	178,066	154,326
Warranty	46,616	34,615	17,033
Restructuring	13,046	25,897	78,519
Other accrued liabilities	11,254	10,533	22,034
Total accrued liabilities	-	-	271,912
Accrued royalties	54,521	68,216	41,796
Deferred revenue	27,701	57,834	102,076
Income taxes payable	91,213	113,918	114,090
Other current liabilities	2,745	3,993	10,449
Total other current liabilities	-	-	226,615
Total current liabilities	1,018,934	1,304,967	1,122,652
Senior convertible notes	300,000	300,000	300,000
Deferred revenue	14,895	33,226	77,670
Warranty	18,223	2,425	2,258
Deferred tax liabilities	19,840	19,840	19,840
Other long-term liabilities	12,917	5,334	4,330
Total other long-term liabilities	-	-	104,098
Total liabilities	1,384,809	1,665,792	1,526,750
Minority interest	2,418	-	-
Common stock	3,770	3,773	3,749
Additional paid-in capital	973,895	971,761	965,114
Common stock in treasury, at cost	26,448	23,253	15,764
Deferred stock-based compensation	2,746	6,352	14,439
Retained earnings (accumulated deficit)	-678,243	-687,886	-694,047
Foreign currency translation	-921	-1,025	-1,543
Unrealized gain (loss) on available-for-sale securities, net of taxes	-299	-1,745	1,967
Accumulated other comprehensive income (loss)	-1,220	-2,770	424
Net stockholders' equity	269,008	255,273	245,037