

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Statements of Earnings

(\$000, except per share data)	Year Ended January 28, 2017	Year Ended January 30, 2016	Year Ended January 31, 2015
Sales	\$ 12,866,757	\$ 11,939,999	\$ 11,041,677
Costs and Expenses			
Cost of goods sold	9,173,705	8,576,873	7,937,956
Selling, general and administrative	1,890,408	1,738,755	1,615,371
Interest expense, net	16,488	12,612	2,984
Total costs and expenses	11,080,601	10,328,240	9,556,311
Earnings before taxes	1,786,156	1,611,759	1,485,366
Provision for taxes on earnings	668,502	591,098	560,642
Net earnings	\$ 1,117,654	\$ 1,020,661	\$ 924,724
Earnings per share			
Basic	\$ 2.85	\$ 2.53	\$ 2.24
Diluted	\$ 2.83	\$ 2.51	\$ 2.21
Weighted average shares outstanding (000)			
Basic	392,124	403,034	413,553
Diluted	394,958	406,405	418,077

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

Consolidated Statements of Comprehensive Income

(\$000)	Year Ended January 28, 2017	Year Ended January 30, 2016	Year Ended January 31, 2015
Net earnings	\$ 1,117,654	\$ 1,020,661	\$ 924,724
Other comprehensive income (loss):			
Change in unrealized loss on investments, net of tax	(91)	(148)	(59)
Comprehensive income	\$ 1,117,563	\$ 1,020,513	\$ 924,665

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

Consolidated Balance Sheets

(\$000, except share data)	January 28, 2017	January 30, 2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,111,599	\$ 761,602
Short-term investments	—	1,737
Accounts receivable	75,154	73,627
Merchandise inventory	1,512,886	1,419,104
Prepaid expenses and other	113,410	116,125
Total current assets	2,813,049	2,372,195
Property and Equipment		
Land and buildings	1,101,334	1,084,328
Fixtures and equipment	2,421,645	2,244,790
Leasehold improvements	998,508	920,392
Construction-in-progress	69,767	90,399
	4,591,254	4,339,909
Less accumulated depreciation and amortization	2,263,206	1,997,003
Property and equipment, net	2,328,048	2,342,906
Long-term investments	1,288	1,331
Other long-term assets	166,966	152,687
Total assets	\$ 5,309,351	\$ 4,869,119
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 1,021,735	\$ 945,559
Accrued expenses and other	398,126	376,522
Accrued payroll and benefits	316,492	280,766
Income taxes payable	16,153	—
Total current liabilities	1,752,506	1,602,847
Long-term debt	396,493	396,025
Other long-term liabilities	290,950	268,168
Deferred income taxes	121,385	130,088
Commitments and contingencies		
Stockholders' Equity		
Common stock, par value \$.01 per share	3,919	4,023
Authorized 1,000,000,000 shares		
Issued and outstanding 391,893,000 and 402,339,000 shares, respectively		
Additional paid-in capital	1,215,715	1,122,329
Treasury stock	(272,846)	(229,525)
Accumulated other comprehensive income	91	182
Retained earnings	1,801,138	1,574,982
Total stockholders' equity	2,748,017	2,471,991
Total liabilities and stockholders' equity	\$ 5,309,351	\$ 4,869,119

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

Consolidated Statements of Cash Flows

(\$000)	Year Ended January 28, 2017	Year Ended January 30, 2016	Year Ended January 31, 2015
Cash Flows From Operating Activities			
Net earnings	\$ 1,117,654	\$ 1,020,661	\$ 924,724
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	302,515	274,828	232,959
Stock-based compensation	74,554	70,937	53,001
Deferred income taxes	(8,703)	56,358	25,086
Tax benefit from equity issuance	23,331	42,382	29,759
Excess tax benefit from stock-based compensation	(23,331)	(42,302)	(29,415)
Change in assets and liabilities:			
Merchandise inventory	(93,782)	(46,429)	(115,520)
Other current assets	(928)	(13,496)	(16,410)
Accounts payable	83,085	(41,464)	204,158
Other current liabilities	76,676	7,796	69,568
Other long-term, net	7,780	(3,019)	(5,045)
Net cash provided by operating activities	1,558,851	1,326,252	1,372,865
Cash Flows From Investing Activities			
Additions to property and equipment	(297,880)	(366,960)	(646,691)
Decrease (increase) in restricted cash and investments	3,388	4,065	(4,329)
Purchases of investments	—	(718)	—
Proceeds from investments	1,729	1,104	12,021
Net cash used in investing activities	(292,763)	(362,509)	(638,999)
Cash Flows From Financing Activities			
Excess tax benefit from stock-based compensation	23,331	42,302	29,415
Net proceeds from issuance of long-term debt	—	—	245,676
Issuance of common stock related to stock plans	18,539	20,186	21,978
Treasury stock purchased	(43,321)	(68,925)	(39,041)
Repurchase of common stock	(700,000)	(700,000)	(550,000)
Dividends paid	(214,640)	(192,312)	(168,454)
Net cash used in financing activities	(916,091)	(898,749)	(460,426)
Net increase in cash and cash equivalents	349,997	64,994	273,440
Cash and cash equivalents:			
Beginning of year	761,602	696,608	423,168
End of year	\$ 1,111,599	\$ 761,602	\$ 696,608
Supplemental Cash Flow Disclosures			
Interest paid	\$ 18,105	\$ 18,035	\$ 9,668
Income taxes paid	\$ 628,441	\$ 523,597	\$ 510,145

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