

PROFIT & LOSS STATEMENT (Sample Only)

KLM Landscaping Company 201 Third St
 San Francisco, CA 94103
 (415) 555-5555
 (Must include address and phone)

(Must include month and year)

| January 2009 | | February 2009 | | March 2009 | |
|--------------------|---------|--------------------|-----------|--------------------|---------|
| Total Income | \$5,000 | Total | \$2,000 | Total Income | \$4,000 |
| Expenses: | | Expenses: | | Expenses: | |
| Car | \$ 200 | Car | \$ 200 | Car | \$ 200 |
| Equipment | \$1,000 | Equipment | \$1,000 | Equipment | \$ 300 |
| Repair | \$ 300 | Repair | \$1,100 | Repair | \$ 100 |
| Advertising | \$ 300 | Advertising | \$ 300 | Advertising | \$300 |
| Depreciation | \$ 100 | Depreciation | \$ 0 | Depreciation | \$ 0 |
| Meals & Entertain. | \$ 100 | Meals & Entertain. | \$ 0 | Meals & Entertain. | \$ 0 |
| Cash Draw | \$1,000 | Cash Draw | \$1,000 | Cash Draw | \$1,000 |
| Total Expenses : | \$3,000 | Total Expenses: | \$3,600 | Total Expenses: | \$1,900 |
| Net Income: | \$2,000 | Net Income: | - \$1,600 | Net Income: | \$2,100 |

***Please list the monthly expenses related to your business, including the dollar amount. (For example: Equipment, repair, advertising, etc)**

The information provided above is true and correct to the best of my knowledge. ←(Must include this statement)

 (Signature of Person Earning Income)

 (Date)

- Applicant must complete his or her own Profit and Loss Form.
- A "Profit and Loss" must only be used if an applicant cannot provide: a copy of the previous year's Federal Tax Forms 1040, 1040A, 1040EZ, with a Schedule C or an e-file printout of these forms.
- Applicant can submit a Profit and Loss Statement with copy of 1040 tax form if 1040 tax form and Schedule C does not reflect applicant's current income.
- This document must be dated within 45 days from when the program receives document.
- Please refer to the next page to see how programs calculate your monthly income.

HOW PROGRAMS CALCULATE INCOME

* When calculating your income, programs do not include depreciation, meals and entertainment, and cash draws as business expenses. Programs add expenses for depreciation, meals and entertainment and cash draws back into your monthly income. These types of expenses are referred to as "Disallowed Expenses." Please see the example below.

** Programs count negative amounts as zero (\$0). Please see the February 2009 income as an example.

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San Francisco, CA 94103
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| January 2009 | February 2009 | March 2009 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Total Income: \$5,000 | Total: \$2,000 | Total: \$4,000 |
| Expenses: | Expenses: | Expenses: |
| Car \$ 200 | Car \$ 200 | Car \$ 200 |
| Equipment \$ 1,000 | Equipment \$ 1,000 | Equipment \$ 300 |
| Repair \$ 300 | Repair \$ 1,100 | Repair \$ 100 |
| Advertising \$ 300 | Advertising \$ 300 | Advertising \$ 300 |
| Depreciation* \$ 100 | Depreciation* \$ 0 | Depreciation* \$ 0 |
| Meals & Entertain.* \$ 100 | Meals & Entertain.* \$ 0 | Meals & Entertain.* \$ 0 |
| Cash Draw* \$ 1,000 | Cash Draw* \$ 1,000 | Cash Draw* \$ 1,000 |
| Total Expenses: - \$ 3,000 | Total Expenses : -\$3,600 | Total Expenses: -\$1,900 |
| Total Income: \$ 5,000 | Total Income: \$2,000 | Total Income: \$4,000 |
| Total Expenses: - \$ 3,000 | Total Expenses: -\$3,600 | Total Expenses: -\$1,900 |
| Net Income: \$ 2,000 | Net Income : -\$1,600 | Net Income: \$2,100 |
| Disallowed Expenses* \$1,200 | Disallowed Expenses* \$1,000 | Disallowed Expenses* \$1,000 |
| Adjusted Net : \$3,200 | Adjusted Net : -\$ 600** | Adjusted Net: \$3,100 |

HK monthly income calculations:

| | | |
|---------------------|--------------------------------------|---|
| Net Profits: | January 2009 | \$3,200 |
| | February 2009** | \$ 0 |
| | March 2009 | \$3,100 |
| | Divide Total Net Profit by 3: | \$6,300 |
| | | <hr style="width: 50%; margin: 0 auto;"/> |
| | | ÷ 3 |
| | Monthly Net Profit: | \$2,100 |