

## Income Statement for a Small Business

Use this worksheet to prepare your Income Statement if you are already in business, and as a format for pro forma (projected) income statements.

For period from \_\_\_\_\_ to \_\_\_\_\_

### Sales

Less cost of goods sold	_____
Opening inventory	_____
Purchases (direct materials)	_____
Factory wages	_____
<b>Total</b>	_____
Less closing inventory	_____
<b>Equals cost of goods sold</b>	_____

**Gross profit (or income)** \_\_\_\_\_

### Expenses

Salary (owner)	_____
Wages	_____
Rent or mortgage interest	_____
Utilities (electricity, heat, etc.)	_____
Insurance	_____
Advertising and promotion	_____
Automobile	_____
Other travel	_____
Office expenses	_____
Storage	_____
Maintenance	_____
Depreciation	_____
Bad debts	_____
Interest	_____
Other expenses	_____
<b>Total expenses</b>	_____

**Earnings (or loss) Before Taxes** \_\_\_\_\_  
Income taxes \_\_\_\_\_

**Net Earnings (or loss)** \_\_\_\_\_

*Gross profit (or income) is obtained by deducting the cost of goods sold from sales.*

*Net earnings (or profit) or loss is obtained by deducting all expenses from the gross profit.*

*Net earnings is the amount to be transferred to the retained earnings section of the balance sheet.*