

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	_____
Total	_____
Less closing inventory	_____
Equals cost of goods sold	_____

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	_____
Total expenses	_____

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.