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.