

Sample Company
Income Statement (Service)
For the Year Ended September 30, 2021

Service revenue		\$2,750
Operating Expenses:		
Depreciation expense	100	
Wages expenses	1,200	
Supplies expenses	<u>60</u>	
Total operating expenses		<u>1,360</u>
Operating Income		1,390
Other Item:		
Interest expense	<u>40</u>	
Pretax income		<u>1,350</u>
Income tax expense	<u>405</u>	
Net income		<u>\$945</u>

Sample Company
Statement of Retained Earnings
For the Year Ended September 30, 2021

	<u>Retained Earnings</u>
— Balance, October 1, 2020	\$ 820
Net income	945
Dividends declared	<u>(500)</u>
Balance, September 30, 2021	<u>\$1,265</u>