

Example Company

Dated March 1, 2023

Income Statement	prior year 2022	current year 2023
Revenue		
Sales	830,000	1,200,000
Sales return	39,000	54,000
Discounts and allowances	10,020	13,000
<i>Net sales</i>	<i>780,980</i>	<i>1,133,000</i>
Cost of goods sold		
Materials	78,000	83,000
Labor	15,000	17,000
Overhead	5,000	6,000
<i>Total cost of goods sold</i>	<i>98,000</i>	<i>106,000</i>
<i>Gross profit</i>	<i>682,980</i>	<i>1,027,000</i>
Operating expenses		
Wages	16,500	19,000
Advertising	3,000	6,000
Repairs and maintenance	1,300	1,000
Travel	5,600	7,000
Rent	70,000	75,000
Delivery expenses	1,500	1,800
Utilities	4,000	4,500
Insurance	1,000	1,200
Mileage	5,000	6,700
Office supplies	1,200	1,400
Depreciation	2,000	2,000
Interest	2,300	2,300
Other expenses	1,200	2,400
<i>Total operating expenses</i>	<i>114,600</i>	<i>130,300</i>
Operating profit (loss)	568,380	896,700
Interest income	4,300	4,500
Other income	1,200	1,500
Profit (loss) before taxes	573,880	902,700
Tax expense	5,600	6,000
Net profit	568,280	896,700