

# Classified Income Statement

For Year Ended December 31, 2023

## Sales Revenue

Net Sales	\$500,000
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## Cost of Goods Sold

Cost of Goods Sold	300,000
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<b>Gross Profit</b>	<b>200,000</b>
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## Operating Expenses

Selling Expenses	40,000
Administrative Expenses	30,000
Total Operating Expenses	70,000

<b>Operating Income</b>	<b>130,000</b>
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## Other Income and Expenses

Interest Income	5,000
Interest Expense	(2,000)
Total Other Income (Expense)	3,000

<b>Income Before Tax</b>	<b>133,000</b>
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Income Tax Expense	33,250
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<b>Net Income</b>	<b>\$99,750</b>
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## Important Notes:

- A classified income statement separates revenues, expenses, and profits into clearly defined sections for better analysis.
- Gross profit, operating income, and net income are highlighted as key profit components.
- This format provides greater transparency to stakeholders on how profits are generated and costs are managed.
- Figures should be based on accurate accounting records and comply with relevant financial reporting standards.