

# Classified Income Statement

For Year Ended December 31, 2023

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## Sales Revenue

|           |           |
|-----------|-----------|
| Net Sales | \$500,000 |
|-----------|-----------|

## Cost of Goods Sold

|                    |         |
|--------------------|---------|
| Cost of Goods Sold | 300,000 |
|--------------------|---------|

|                     |                |
|---------------------|----------------|
| <b>Gross Profit</b> | <b>200,000</b> |
|---------------------|----------------|

## Operating Expenses

|                  |        |
|------------------|--------|
| Selling Expenses | 40,000 |
|------------------|--------|

|                         |        |
|-------------------------|--------|
| Administrative Expenses | 30,000 |
|-------------------------|--------|

|                          |        |
|--------------------------|--------|
| Total Operating Expenses | 70,000 |
|--------------------------|--------|

|                         |                |
|-------------------------|----------------|
| <b>Operating Income</b> | <b>130,000</b> |
|-------------------------|----------------|

## 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> |
|--------------------------|----------------|

|                    |        |
|--------------------|--------|
| Income Tax Expense | 33,250 |
|--------------------|--------|

|                   |                 |
|-------------------|-----------------|
| <b>Net Income</b> | <b>\$99,750</b> |
|-------------------|-----------------|

## 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.