

# Sample Multi-Step Income Statement

For the Year Ended December 31, 20XX

<b>Revenue</b>		
	Net Sales	120,000
<b>Cost of Goods Sold</b>		
	Cost of Goods Sold	65,000
<b>Gross Profit</b>		<b>55,000</b>
<b>Operating Expenses</b>		
	Selling Expenses	15,000
	Administrative Expenses	10,000
<b>Total Operating Expenses</b>		<b>25,000</b>
<b>Operating Income</b>		<b>30,000</b>
<b>Other Income and Expenses</b>		
	Interest Income	1,000
	Interest Expense	(2,500)
	Other (Expense)	(500)
<b>Income Before Income Tax</b>		<b>28,000</b>
	Income Tax Expense	6,000
<b>Net Income</b>		<b>22,000</b>

**Important Notes:**

- A multi-step income statement separates operating and non-operating activities for clarity.
- Gross profit is calculated by deducting cost of goods sold from net sales.
- Operating income results from subtracting operating expenses from gross profit.
- Non-operating items, such as interest and other income/expenses, are shown separately.
- This format enhances analysis of profitability and operating performance.