

Example: Projected Income Statement

	<i>Year One</i>	<i>Year Two</i>	<i>Year Three</i>
Sales Forecast	\$128,242	\$145,293	\$175,725
Minus: Cost of Goods Sold	22,917	27,500	35,750
Gross Profit Margin	105,326	117,793	139,975
Gross Profit Margin Percentage	82.13%	81.07%	79.66%
Other Cash Received (Grants)	0.00	0.00	0.00
Operating Expenses			
Advertising	7,200	7,200	7,200
Auto	6,648	6,648	6,648
Interest and Bank Charges	996	996	996
Insurance/Licenses/Fees	1,700	1,700	1,700
Professional (Accounting, Legal)	1,500	1,500	1,500
Rent (Premises)	2,400	2,400	2,400
Office Supplies and Expenses	2,400	2,400	2,400
Business Licenses and Permits	130	130	130
Telephone	1,800	1,800	1,800
Utilities			
Repairs and Maintenance			
Travel and Promotion	4,400	4,400	4,400
Processing, Legal, Broker Fees	850	850	850
Auto (Gas, Oil)	3,000	3,000	3,000
Management Salaries	43,200	43,200	43,200
Wages and Subcontractor Fees	7,200	7,200	7,200
Employer Wage Burden	5,040	5,040	5,040
Workers' Compensation	161	161	161
Interest on Long-Term Debt	639	285	3
Supplies and Small Tools	0	1,000	1,000
Total Operating Expenses	\$89,264	\$89,910	\$89,629
Summary			
Gross Profit and Other Income	105,326	117,793	139,975
Total Operating Expenses	89,264	89,910	89,629
Subtract: Depreciation	4,000	4,800	5,600
Net Income Before Tax	12,061	23,083	44,746
Income Tax	2,125	4,067	7,884
Net Income After Tax	\$9,936	\$19,015	\$36,862