

Donovan Lumber Corporation - Kyle Cattell  
Income Statement  
For Year Ended December 31, 20--

**% of sales**

**Operating Revenue:**

Sales	\$	983,837.20	
Less: Sales Discount	\$	1,894.50	
Sales Returns and Allowances	\$	4,583.50	\$ 6,478.00
Net Sales			\$ 977,359.20      100.0%

**Cost of Merch. Sold:**

Merch. Inventory, Jan. 1		\$	78,858.00	
Purchases	\$	697,318.50		
Less: Purchases Discount	\$	4,215.50		
Purchase Returns and Allow.	\$	1,848.47	\$ 6,063.97	
Net Purchases			\$ 691,254.53	
Total Cost of Merch. Avail. For Sale			\$ 770,112.53	
Less Merch. Inventory, Dec. 31			\$ 81,284.50	
Cost of Merch. Sold			\$ 688,828.03	70.5%
Gross Profit on Operations			\$ 288,531.17	29.5%

**Operating Expenses:**

Advertising Expense		\$	9,483.80	
Cash Short and Over		\$	10.20	
Credit Card Fee Expense		\$	8,482.90	
Depr. Expense Office Equip.		\$	3,128.00	
Depr. Expense Store Equip.		\$	3,389.00	
Insurance Expense		\$	4,768.00	
Miscellaneous Expense		\$	9,184.80	
Payroll Taxes Expense		\$	12,848.00	
Rent Expense		\$	15,000.00	
Repair Expense		\$	4,104.80	
Salary Expense		\$	125,483.20	
Supplies Expense		\$	3,140.20	
Uncollectible Accounts Expense		\$	6,850.00	
Utilities Expense		\$	7,158.90	
Total Operating Expenses			\$ 213,031.80	21.8%
Income From Operations			\$ 75,499.37	7.7%

**Other Revenue:**

Gain On Plant Assets	\$	715.00	
Interest Income	\$	542.00	
Total Other Revenue			\$ 1,257.00

**Other Expenses:**

Interest Expense	\$	3,458.40	
Loss On Plant Assets	\$	184.00	
Total Other Expenses			\$ 3,642.40

Net Deduction			\$ 2,385.40	0.2%
<b>Net Income Before Fed. Income Tax</b>			\$ 73,113.97	7.5%
Less Fed. Income Tax Expense			\$ 13,278.49	
<b>Net Income After Fed. Income Tax</b>			<u>\$ 59,835.48</u>	