

**Location and Department Sample Client  
Income Statement  
12 Months Ended December 31, 2016**

	Department 1	Department 2	Total
<b>Sales</b>			
Preparation of 1040 Returns	\$ 2,396.14	\$ 18,924.36	\$ 21,320.50
Preparation of 1120 Returns	1,956.32	10,872.96	12,829.28
Tax Examinations	5,233.81	2,595.55	7,829.36
Tax Planning	2,544.34	1,246.33	3,790.67
Write-up Services	11,456.32	11,000.00	22,456.32
Management Advisory Service	<u>7,784.63</u>	<u>0.00</u>	<u>7,784.63</u>
<b>Total Sales</b>	<u>31,371.56</u>	<u>44,639.20</u>	<u>76,010.76</u>
<b>Gross Profit</b>	<u>31,371.56</u>	<u>44,639.20</u>	<u>76,010.76</u>
<b>Operating Expenses</b>			
Salaries	16,083.33	16,083.33	32,166.66
Payroll Taxes	1,230.37	1,813.53	3,043.90
Employee Benefits	1,075.74	1,075.74	2,151.48
Professional Dues	305.96	0.00	305.96
Travel and Subsistence	1,018.33	729.86	1,748.19
Break Room Supplies	125.00	256.98	381.98
Legal Expenses	300.00	450.00	750.00
Stationery & Office Supplies	95.66	0.00	95.66
Data Processing Supplies	327.88	978.14	1,306.02
Duplication Costs	125.32	278.98	404.30
Printing Costs	1,256.47	1,900.00	3,156.47
Postage and Express Charges	500.00	525.00	1,025.00
Telephone	699.87	452.96	1,152.83
Rent	1,700.00	1,700.00	3,400.00
Utilities	179.34	504.37	683.71
Janitorial	220.00	220.00	440.00
Repairs and Maintenance	56.19	0.00	56.19
Practice Development Expense	455.22	0.00	455.22
Promotional Expense	143.94	0.00	143.94
Entertainment of Clients	329.58	124.11	453.69
Depreciation Expense	793.82	793.82	1,587.64
MI SBT Expense	<u>205.36</u>	<u>381.48</u>	<u>586.84</u>
<b>Total Operating Expenses</b>	<u>27,227.38</u>	<u>28,268.30</u>	<u>55,495.68</u>
<b>Operating Income (Loss)</b>	<u>4,144.18</u>	<u>16,370.90</u>	<u>20,515.08</u>
<b>Other Income (Expenses)</b>			
A/R Service Charges	25.00	0.00	25.00
Interest Income	<u>789.86</u>	<u>374.06</u>	<u>1,163.92</u>
<b>Total Other Income (Expenses)</b>	<u>814.86</u>	<u>374.06</u>	<u>1,188.92</u>
<b>Net Income (Loss) Before Taxes</b>	<u>4,959.04</u>	<u>16,744.96</u>	<u>21,704.00</u>
Federal Income Taxes	<u>538.19</u>	<u>5,134.70</u>	<u>5,672.89</u>
<b>Net Income (Loss)</b>	<u>\$ 4,420.85</u>	<u>\$ 11,610.26</u>	<u>\$ 16,031.11</u>