

## Activity 5-5 Pro Forma Income Statement

<insert your business name here>

### Pro Forma Income Statement

	YEAR 1 Year Ended December 31, 20XX	YEAR 2 Year Ended December 31, 20XX	YEAR 3 Year Ended December 31, 20XX
<b>Sales Revenue:</b>			
<b>Less: Cost of Goods Sold (COGS)</b>			
Materials			
Labor			
<b>Gross Profit</b>			
<b>Less: Operating Expenses</b>			
Operating Expenses			
Advertising Expense			
Rent Expense			
Insurance Expense			
Utilities Expense			
<b>Operating Profit</b>			
<b>Less: Income Tax</b>			
<b>Net Profit</b>			

**Directions:** Pro forma financial statements will be required when you apply for funding. Create a pro forma income statement for your business using the spreadsheet.

1. Record the amounts from your pro forma cash flow statement from Activity 5-4 to create the income statement for the year.
2. Place a copy of the statement in the appendices of the business plan.