

Contribution Margin Income Statement: Service Business

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The contribution margin format provides insights on a company's profitability. However, the format does not meet the accounting standards for external financial statements.

Company Name: Web Optimizing Co.

Contribution Margin Format Income Statement

For the Six Months * Ended June 30, 2022 **

* Insert the time period such as month, year, 5 weeks, etc.

** Insert the ending date of the period covered such as June 30, 2022; December 31, 2022; etc.

	<u>Total Company</u>	<u>Services Type 1</u>	<u>Services Type 2</u>	<u>Services Type 3</u>	
Revenues	\$ 75,000.00	\$ 50,000.00	\$ 15,000.00	\$ 10,000.00	R
Less: Variable expenses	13,000.00	10,000.00	2,000.00	1,000.00	V
Total contribution margin in dollars	62,000.00	40,000.00	13,000.00	9,000.00	CM\$ (R - V)
Less: Fixed expenses traceable to service type	32,000.00	20,000.00	10,000.00	2,000.00	F
Income before common expenses	30,000.00	\$ 20,000.00	\$ 3,000.00	\$ 7,000.00	E (CM\$ - F)
Less: Expenses common to all service types	27,000.00	Not allocated			C
Net income	\$ 3,000.00	Not computed			NI (E - C)

For a blank form see **Form B6**.

Learn more about financial ratios at www.AccountingCoach.com.