Income Statement Spread ($000s)
For Period Ending Date _____, 20____, 20____, 20____

	20____	20____	20____
TOTAL SALES			
Cost of Goods Sold (-)			
GROSS PROFIT			
OPERATING EXPENSES			
Advertising			
Salaries & Wages			
Payroll Taxes			
Business Taxes			
Depreciation			
Insurance			
Telecommunications			
Rent			
Utilities			
Insurance			
Professional Services			
Miscellaneous			
TOTAL OP. EXP. (-)			
OPERATING PROFIT			
OTHER INC. (EXP.)			
Other Income (+)			
Other Expense (-)			
Interest (-)			
PRETAX PROFIT			
Income Tax (-)			
NET INCOME			

Income Statement Spread

The income statement represents the business race track that needs to be run every day/year. You want to get to the bottom line with as much profit as possible therefore it's critical to manage the cost of goods sold as well as your operating expenses.

HOW TO USE SPREADSHEET:

1. Gather three years of your latest year-end Income Statements and annotate a column for each year-end statement.

2. Using the category listings record data in their appropriate row. If a specific account is not listed, sum and record in their major subtotal account, for example miscellaneous expenses, etc.

3. Record data for three consecutive years.

4. Note any trends or significant shifts in sales, costs of goods sold or operating expenses over time. Make a note to yourself and explain why.

5. Pay particular attention to any cost category that appears to be too large, may be spending money needlessly.

6. Start the race by subtracting cost of goods sold from sales, this result is your gross profit. Then subtract operating expenses from your gross profit which represents your normal operating profit. Next add other sources of income and subtract other sources of expense to determine pretax profit. If you are not a C-Corp, this represents your net income. If you are a C-Corp determine the income tax rate and subtract to determine your net income.

Questions:

If you have questions on how to fill out the Balance Sheet Spread, contact a Hipereon professional. You may also consider attending one of our financial management programs that demonstrates how to use this tool and much more:

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