

Statement of Operations

Last Modified on 03/04/2024 3:30 pm CST

A statement of operations summarizes an organization's financial operations during a specified period. This report shows income and expenses as well as payment of earnings and additions to reserves. The Statement of Operations in Agvance is found at *Accounting Reports / General Ledger / Financial Reports*. Setup must be completed prior to running the report.

The screenshot shows the 'Financial Reports' dialog box with the 'Statement of Operations' report selected. The 'Report Criteria' section includes a 'Fiscal Month' dropdown set to '4', a 'Last Years Dataset' dropdown set to '(None)', and checkboxes for 'Show Detail', 'Exclude Account Name', and 'G/L Sales Account and Cost of Sales'. A 'Group/Subtotal' section contains a row of ten checkboxes. The 'Profit Centers' section has a dropdown set to 'All' and a 'Select' button, along with checkboxes for 'Profit Center Breakdown', 'New page per Profit Center', and 'Include Consolidated'. There are text input fields for 'Top of Page Message' and 'Bottom of Page Message'. On the left, there are radio buttons for 'Print' and 'Preview', and buttons for 'Load Set', 'Save Set', 'OK', and 'Cancel'.

Each section of the report has a **Setup** button. This allows General Ledger Account Classifications to be selected for the particular area.

This screenshot shows the 'Financial Reports' dialog box with the 'Classifications' dialog box open. The 'Classifications' dialog box has a table with the following content:

	<Classification>
1	Overhead Expenses
2	Payroll and Benefits

The 'Classifications' dialog box also has a 'Done' button. In the background, the 'Financial Reports' dialog box is visible, with the 'Setup' buttons for 'Operating Expenses', 'Gain (Loss) on Sale of Assets', 'Other Income (Expense)', 'Additional Inc/Exp After Local Net Loss', 'Provision (Credit) for Income Taxes', and 'G/L Sales Account and Cost of Sales' highlighted with a red box.

- **Operating Expenses** – This includes the operating expenses of the business. One or more Account

Classifications may be selected. The Classification name displays as a subheading with a total of all the accounts in that Classification.

- **Gain (Loss) on Sale of Assets** – This shows the total gain or loss of all accounts from the Classifications selected.
- **Other Income (Expense)** – This includes the other income and expenses of the business. One or more Account Classifications may be selected. The Classification name displays as a subheading with a total for all the accounts in that Classification.
- **Additional Inc/Exp After Local Net Loss** – The selected Classifications display with a total for the accounts that are included.
- **Provision (Credit) for Income Taxes** – This totals all accounts in the single Account Classification selected.
- **GL Sales Account and Cost of Sales Account** – This is optionally used to include subdivisions for the Sales and Cost of Sales totals displayed.

About the Statement of Operations

1. Sales, at the top of the report, is a total of all Direct Income accounts. Cost of Sales is the total of all Direct Expense accounts. These totals may include subdivisions if the *GL Sales Account* and *Cost of Sales* option is selected.
2. When the *GL Sales Account* and *Cost of Sales* option is selected, optionally choose specific Profit Centers, include a Profit Center breakdown, print a new page per Profit Center, and include a Consolidated report.
3. The *Show Detail* option may be used to display the General Ledger Accounts included in the Classifications selected for the *Operating Expenses* and *Other Income (Expense)* sections of the report. The *Group/Subtotal* checkboxes may be used to subtotal those accounts listed.
4. The *Top of Page Message* and *Bottom of Page Message* display on each page of the report.
5. The **Load Set** and **Save Set** buttons are used to retain the setup of the classifications.
6. Formulas:
 - $\text{Gross Margin} = \text{Sales} - \text{Cost of Sales}$
 - $\text{Income (Loss) from Operations} = \text{Gross Margin} - \text{Total Operating Expenses} - \text{Gain (Loss) on Sale of Assets}$
 - $\text{Local Net Gain (Loss)} = \text{Income (Loss) from Operations} + \text{Net debit and credits for the Other Income (Expense) classifications}$. This amount should be equal to the Net Income on the Income Statement.
 - $\text{Net Savings (Loss) Before Income Taxes} = \text{Local Net Gain (Loss)} + \text{Additional Inc/Exp After Local Net Loss}$
 - $\text{Net Savings (Loss)} = \text{Net Savings (Loss) Before Income Taxes} + \text{Provision (Credit) for Income Taxes}$

Example

AKRK Company
213 S Pine
Pana, IL 62557
Statement of Operations

This is the top of page message for the statement of operations.

	Current YTD	%
Sales	6,575,667.67	100
Cost of Sales	<u>5,573,279.52</u>	84.76
Gross Margin	1,002,388.15	15.24
Operating Expenses		
Overhead Expenses		
Total Overhead Expenses	<u>375,114.51</u>	5.67
Payroll and Benefits		
Total Payroll and Benefits	<u>570,217.83</u>	8.67
Gain(Loss) on Sale of Assets	<u>0.00</u>	0.00
Income(Loss) from Operations	<u>59,055.76</u>	0.90
Other Income(Expense)		
Other Income		
Total Other Income	<u>15,173.75</u>	0.23
Other Expense		
Total Other Expense	<u>55,520.85</u>	0.85
Local Net Gain (Loss)	22,308.66	0.34
Common Stock	4,354,309.05	66.22
Debenture	0.00	0.00
Patronage	398,010.00	6.05
Net Savings(Loss) Before Income Taxes	4,774,627.71	72.61
Provision (Credit) For Income Taxes	<u>5,860.00</u>	0.09
Net Savings(Loss)	<u>4,780,487.71</u>	72.70

Troubleshooting Tips

If comparing to a prior year and some of the information is not displaying, review the Classification name in both datasets to verify they match. The Classification names must match exactly for the report to pull the correct information.