

Monthly Variance Analysis Report

Report Summary

Month: June 2024
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Variance Summary Table

Account	Budget	Actual	Variance	% Variance	Remarks
Sales Revenue	\$160,000	\$153,500	-\$6,500	-4.06%	Lower-than-expected customer orders
Cost of Goods Sold	\$85,000	\$83,200	-\$1,800	-2.12%	Improved supplier rates
Operating Expenses	\$27,000	\$31,400	+\$4,400	+16.30%	Increased marketing spend
Net Profit	\$48,000	\$38,900	-\$9,100	-18.96%	Combined effect of revenue and costs

Key Variance Explanations

Sales Revenue

Sales revenue was 4.06% below budget due to delayed product shipments and weaker market demand in the Northern region.

Operating Expenses

Operating expenses exceeded budget by 16.3%. This was primarily due to a targeted marketing campaign rollout ahead of schedule and higher professional fees.

Action Plan

- Review customer feedback to improve sales pipeline.
- Negotiate further discounts with suppliers.
- Monitor and control discretionary spending for the upcoming months.

Important Notes

- Variance analysis helps identify budget deviations and enables timely corrective actions.
- Consistent formatting improves report clarity and comparison across months.
- All explanations for significant variances should be documented to improve transparency and accountability.
- This report should be reviewed regularly by management for informed decision making.