

Budget Variance Analysis Report

Report Period	January 2024 - March 2024
Prepared by	Finance Department
Date	April 5, 2024

1. Executive Summary

This report analyzes the differences between budgeted and actual figures for the first quarter of 2024. Key variances are highlighted to support management's decision-making.

2. Variance Analysis

Account	Budgeted Amount	Actual Amount	Variance	% Variance	Remarks
Sales Revenue	\$120,000	\$110,000	-\$10,000	-8.3%	Lower sales volume
Cost of Goods Sold	\$60,000	\$58,500	-\$1,500	-2.5%	Cost savings on materials
Operating Expenses	\$30,000	\$33,000	+\$3,000	+10.0%	Unexpected maintenance
Net Profit	\$30,000	\$18,500	-\$11,500	-38.3%	Combined effect of above

3. Observations & Recommendations

- Monitor sales pipeline to address the decline in revenues.
- Review operating expenses for cost control opportunities.
- Continue cost-saving initiatives in procurement.

Important Notes:

- Budget variance analysis helps in identifying deviations and their causes.
- It supports informed decision-making for corrective actions.
- Regular reporting ensures timely response to potential financial issues.
- Consistency in report format improves clarity and comparability across periods.