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**INTRODUCTION**

Budget is the primary tool that is used in a business for planning, tracking, and controlling the spending of the company. It is a plan for the outgoing expenses and incoming revenues for a time period.

The purpose of a budget is to be able to plan, track, and control the company’s spending, in a way that it would follow the objectives of the company, and shall not exceed with the funds of the company.

A budget analysis entails an assessment of the company’s income and expenditures.

This budget analysis covers the period between 20 [ ] to 20 [ ], and the method used is vertical analysis.

**STATEMENT OF FINANCIAL POSITION**

A statement of financial position is a financial statement that reports the assets, liabilities, and equity of the company.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 20\_ | | | 20\_ | | |
|  | Budgeted | Actual | Variance | Budgeted | Actual | Variance |
| **ASSETS** | | | | | | |
| **Current Assets** | | | | | | |
| Cash and cash equivalents | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Trade and other receivables | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Real estate inventories |  |  |  |  |  |  |
| Prepayments and other current assets |  |  |  |  |  |  |
| Due from related parties |  |  |  |  |  |  |
| **Total Current Assets** |  |  |  |  |  |  |
| **Noncurrent Assets** | | | | | | |
| Trade receivables - net of current portion | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Available for sale investments | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Land and improvements | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Investments in and advances to subsidiaries and joint ventures |  |  |  |  |  |  |
| Investment properties |  |  |  |  |  |  |
| Property and equipment |  |  |  |  |  |  |
| Deferred income tax assets |  |  |  |  |  |  |
| Pension asset |  |  |  |  |  |  |
| Other noncurrent assets |  |  |  |  |  |  |
| **Total Noncurrent Assets** |  |  |  |  |  |  |
| **TOTAL ASSETS** |  |  |  |  |  |  |
|  | | | | | | |
| **LIABILITIES AND EQUITY** | | | | | | |
| **Current Liabilities** | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Current portion of long- term loans and notes payable | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Short-term loans |  |  |  |  |  |  |
| Trade and other payables |  |  |  |  |  |  |
| **Total Current Liabilities** |  |  |  |  |  |  |
| **Noncurrent Liabilities** |  |  |  |  |  |  |
| Long-term loans and notes payable - net of current portion |  |  |  |  |  |  |
| Trade payables - net of current portion |  |  |  |  |  |  |
| Deposits and other liabilities |  |  |  |  |  |  |
| Pension liability |  |  |  |  |  |  |
| Deferred income tax liabilities |  |  |  |  |  |  |
| **Total Noncurrent Liabilities** |  |  |  |  |  |  |
| **Total Liabilities** |  |  |  |  |  |  |
| **Equity** | | | | | | |
| Capital stock | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Additional paid-in capital | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Unrealized valuation gain on company investments |  |  |  |  |  |  |
| Deposits for future stock subscriptions |  |  |  |  |  |  |
| Remeasurement loss on employee benefits |  |  |  |  |  |  |
| **Retained Earnings:** | | | | | | |
| Appropriated for future business expansion | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| Unappropriated | $00,000.00 | $00,000.00 | 00.00% | $00,000.00 | $00,000.00 | 00.00% |
| **Total Equity** |  |  |  |  |  |  |
| **TOTAL LIABILITIES AND EQUITY** |  |  |  |  |  |  |

**STATEMENT OF FINANCIAL PERFORMANCE**

The statement of financial performance indicates the revenues of the company, as well as its expenses.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 20\_\_ | | | 20\_\_ | | |
|  | Budgeted | Actual | Variance | Budgeted | Actual | Variance |
| Revenues | $000,000.00 | $000,000.00 | 100.00% | $000,000.00 | $000,000.00 | 100.00% |
| Cost of Real Estate Inventories Sold | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Cost of Investment Property Sold |  |  |  |  |  |  |
| Cost of Services |  |  |  |  |  |  |
| Gross Profit |  |  |  |  |  |  |
| General and Administrative Expenses |  |  |  |  |  |  |
| Other Income |  |  |  |  |  |  |
| Interest Income |  |  |  |  |  |  |
| Interest Expense and other financing charges |  |  |  |  |  |  |
| Others |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |
| Income Before Income Tax |  |  |  |  |  |  |
| Provision for Income Tax |  |  |  |  |  |  |
| Net Income |  |  |  |  |  |  |

**STATEMENT OF CASH FLOWS**

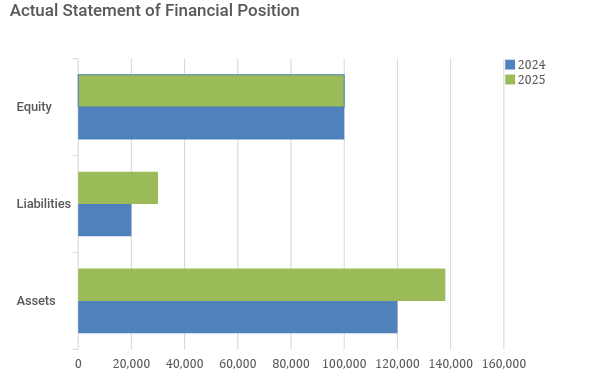
The statement of cash flows is a financial statement which provides for the inflow and outflow of cash in the company. It is essentially divided into three: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 20\_\_ | | | 20\_\_ | | |
|  | Budgeted | Actual | Variance | Budgeted | Actual | Variance |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Income before income tax | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Adjustments to reconcile income before income tax to net cash flows: | | | | | | |
| Dividend income | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Depreciation and amortization | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Gain on sale of investment property | | | | | | |
| Interest expense | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Interest income | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Net unrealized foreign exchange gain | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Pension expense | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Loss (Gain) on sale of property and equipment | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Operating income before working capital adjustments | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Decrease (Increase) in: | | | | | | |
| Trade and other receivables | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Real estate inventories | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Prepayments and other current assets | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Increase (Decrease) in: | | | | | | |
| Trade and other payables | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Pension liability | | | | | | |
| Deposits and other liabilities | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Net cash generated from operations | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Income tax paid | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Contributions to retirement fund | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Net cash flows from operating activities | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Additions to: | | | | | | |
| Land and improvements | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Investments and advances to subsidiaries | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Property and equipment | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Investment properties | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Dividends received | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Interest received | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Proceeds from sale of investment property | | | | | | |
| Decrease (Increase) in: | | | | | | |
| Other noncurrent assets | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Advances to subsidiaries | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Due from related parties | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Increase (Decrease) in: | | | | | | |
| Trade payables net of current portion | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Retention Payables | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Proceeds from sale of property and equipment | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Net cash flows used in investing activities | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Payments of: | | | | | | |
| Long-term loans | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Short-term loans | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Cash dividends | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Interest | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Proceeds from short-term loans | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Proceeds from additional stock subscription | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| Net cash flows used in financing activities | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $000,000.00 | $000,000.00 | 00.00% | $000,000.00 | $000,000.00 | 00.00% |

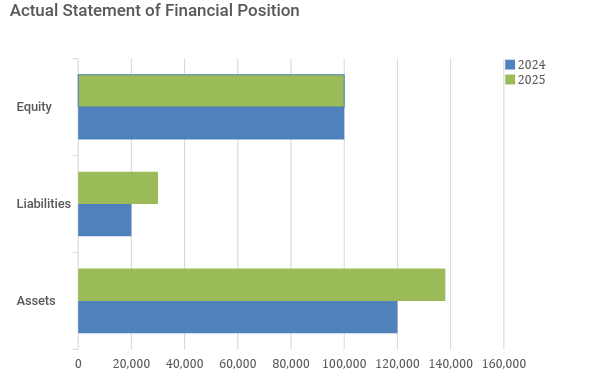
**BUDGET ANALYSIS**

1. Statement of Financial Position

First Year:

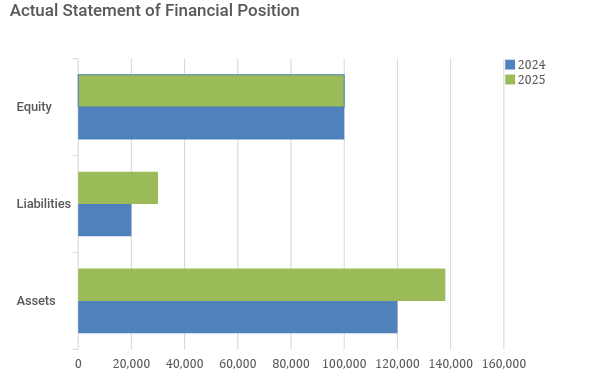


Second Year:

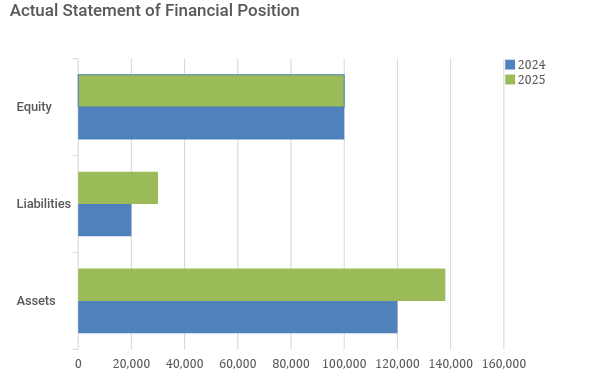


With respect to the difference between the 2 periods:

Budgeted:



Actual:



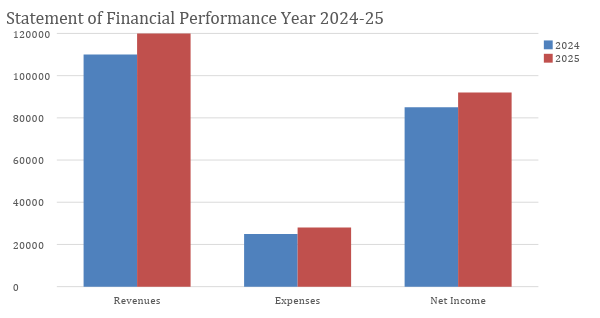
As provided above, the budget is [SPECIFY PERCENTAGE OF ACCURACY] accurate.

Interpretation: [SPECIFY INTERPRETATION]

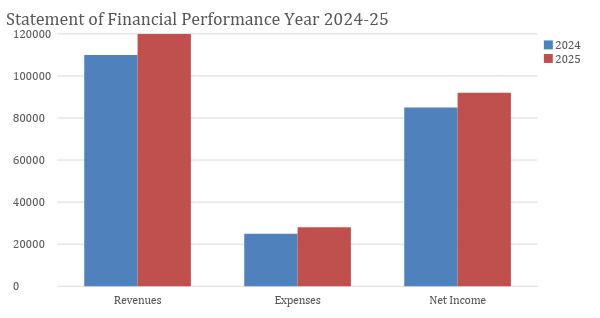
Areas for improvement in budget preparation: [SPECIFY AREAS FOR IMPROVEMENT]

1. Statement of Financial Performance

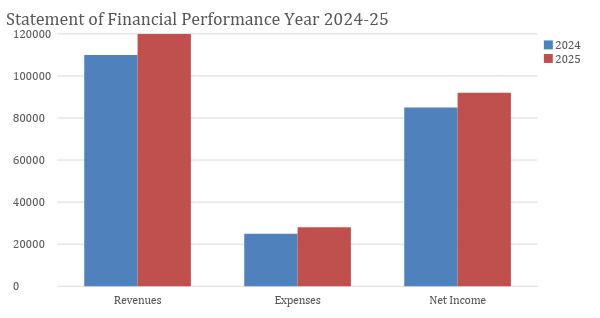
First Year:



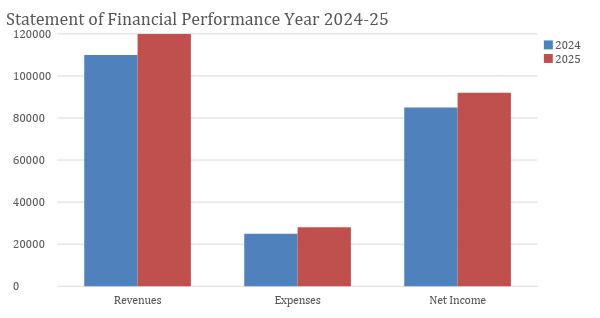
Second Year:



Budgeted:



Actual:



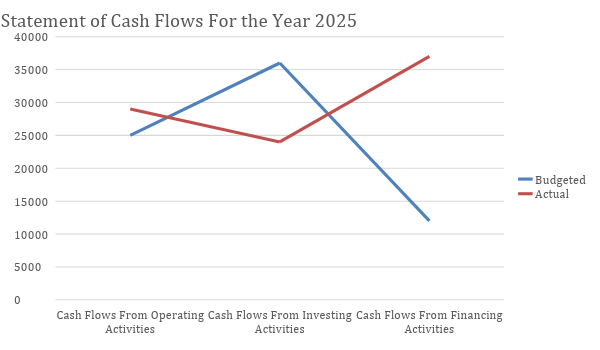
As provided above, the budget is [SPECIFY PERCENTAGE OF ACCURACY] accurate.

Interpretation: [SPECIFY INTERPRETATION]

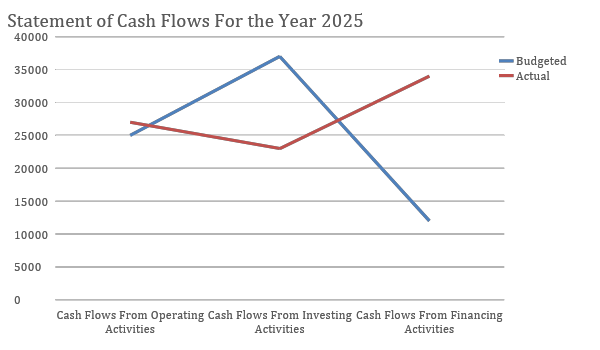
Areas for improvement in budget preparation: [SPECIFY AREAS OF IMPROVEMENT]

1. Statement of Cash Flows

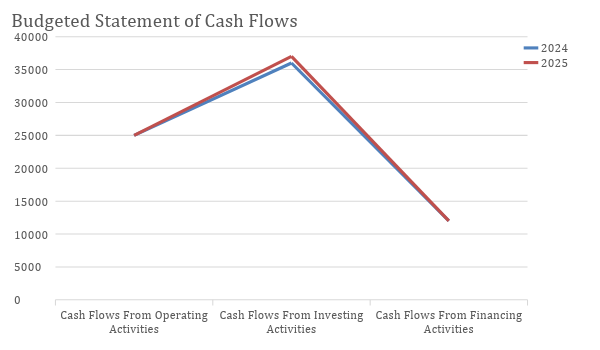
First Year:



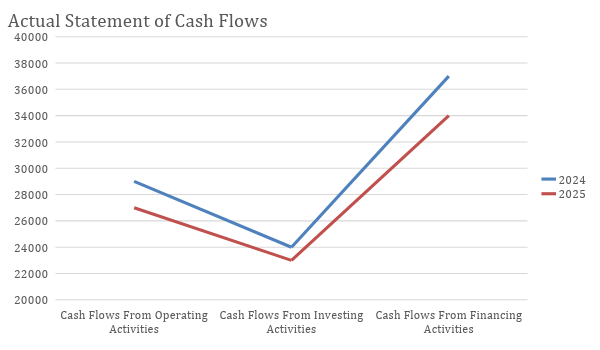
Second Year:



Budgeted:



Actual:



As provided above, the budget is [SPECIFY PERCENTAGE OF ACCURACY] accurate.

Interpretation: [SPECIFY INTERPRETATION]

Areas for improvement in budget preparation: [SPECIFY AREAS OF IMPROVEMENT]