

Variance Analysis on P&L

For Period Ending January, 31 2021

	Projected	Actual	Variance	Var %	Favorability	Notes
Sales	1,373,544.00	1,306,988.67	(66,555.33)	4.85%	U	A
Sales Returns	34,995.08	30,824.3300	(4,170.75)	11.92%	F	
Net Sales	1,338,548.92	1,276,164.34	(62,384.58)	4.66%	U	
Cost of Sales	818,773.75	817,287.89	(1,485.86)	0.18%	F	B
Gross Profit	519,775.18	458,876.45	(60,898.72)	11.72%	U	
Advertisements	66,927.45	69,218.00	2,290.55	3.42%	U	C
Amortization of Inta	2,180.00	2,180.00	-	0.00%		
Bad Debt Expense	42,833.57	42,833.57	-	0.00%		Estimated amount to be realized in future periods.
Commissions	5,354.20	5,104.66	(249.54)	4.66%	F	
Computer & Softwar	387.40	387.40	-	0.00%		
Conferences	480.00	480.00	-	0.00%		
Depreciation	877.73	877.73	-	0.00%		
Entertainment	850.00	786.50	(63.50)	7.47%	F	
Freight Out	25,709.50	24,098.16	(1,611.34)	6.27%	F	
Insurance	2,091.71	1,974.46	(117.25)	5.61%	F	
Lease Expense	270.59	270.59	-	0.00%		
Office Supplies	6,692.74	6,147.03	(545.71)	8.15%	F	
Payroll Tax	5,354.20	5,169.94	(184.26)	3.44%	F	
Professional Services	1,012.45	1,845.23	832.78	82.25%	U	D
Salaries & Wages	25,140.00	24,980.77	(159.23)	0.63%	F	
Shipping Supplies	13,264.13	12,819.56	(444.57)	3.35%	F	
Telephone	4,740.00	4,528.00	(212.00)	4.47%	F	
Travel	4,508.10	4,367.29	(140.81)	3.12%	F	
Utilities	1,139.56	1,178.41	38.85	3.41%	U	E
Waste Removal	128.67	128.67	-	0.00%		
Other Operating Exp	4,015.65	3,934.16	(81.49)	2.03%	F	
Operating Expenses	213,957.63	213,310.12	(647.52)	0.30%	F	
Net Operating Income	305,817.54	245,566.33	(60,251.21)	19.70%		
Interest Income	240.31	218.72	(21.59)	8.98%	U	F
Gain/Loss on Sales o	-	-	-	0.00%		
Exchange Loss/Gain	-	-	-	0.00%		
Dividend Income	416.83	371.14	(45.69)	10.96%	U	F
Interest Expense	1,883.17	1,883.17	-	0.00%		
Tax Provision	36,550.98	29,171.20	(7,379.79)	20.19%	F	12% effective tax rate.
Net Income	268,040.53	215,101.82	(52,938.70)	19.75%	U	

Notes	
A	The primary driver of lower sales than projected is lower demand for services, particularly commercial service with 633 fewer billable hours than expected. The Dell desktop PC also undersold. Higher than expected router and Dell laptop sales helped to ameliorate the sales slump somewhat.
B	Cost of sales should have come in lower than it did, given the much lower than expected sales. Higher labor and equipment/supplies costs prevented it.

C	Advertising increased mid-way through the month to try to offset slumping sales.
D	Additional contract related concerns led to higher legal costs during the month.
E	A higher electric bill resulted from the additional heating that colder than normal temperatures necessitated.
F	Interest income from bank accounts was down due to less than expected deposits caused by slumping sales. Dividend income reflected a down market during the past few weeks.