BUDGETS

Master Budget

Operating Budgets
- Sales Budget
- Production Budget
- Direct Materials Purchases Budget
- Direct Labor Budget
- Overhead Budget
- Selling & Administrative Expenses Budget
- Ending Finished Goods Inventory Budget
- Cost of Goods Sold Budget

Financial Budgets
- Cash Budget
- Budgeted Balance Sheet (pro forma)

OPERATING BUDGETS:

Sales Budget
- Expected Sales in Units
  * Selling Price per Unit
  ** Total Sales in Dollars

Production Budget
- Expected Sales in Units
  + Desired Ending Inventory in Units
  ** Total Units Needed
  - Beginning Inventory (units on hand)
  ** Units to be Produced

Direct Materials Purchases Budget
- Units to be Produced
  * Materials per Unit
  ** Quantity of Direct Materials Needed for Production
  + Desired Ending Inventory of Direct Materials
  ** Total Quantity of Direct Materials Needed
  - Beginning Inventory of Direct Materials
  ** Quantity of Direct Materials to be Purchased

Direct Labor Budget
- Units to be Produced
  * Labor Hours Needed per Unit
  ** Total Labor Hours Needed
  * Labor Rate per Hour
  ** Total Direct Labor Cost

Overhead Budget
- Total Labor Hours Needed
  * Variable Manufacturing OH Rate
  ** Budgeted Variable Overhead
  + Budgeted Fixed Overhead
  ** Total Manufacturing Overhead

Selling & Admin. Expenses Budget
- Expected Sales in Units
  * Variable Selling & Admin. Rate
  ** Budgeted Variable S&A Expense
  + Budgeted Fixed S&A Expense
  ** Total Selling & Admin. Expenses

Ending Finished Goods Budget
- + Direct Materials
- + Direct Labor
- + Variable Overhead
- + Fixed Overhead
  ** Total Unit Cost
  * Ending Finished Goods Inventory
  ** Total Cost of Finished Goods Inv.

Cost of Goods Sold Budget
- Direct Materials Used
- Direct Labor Used
- Manufacturing Overhead
  ** Budgeted Manufacturing Cost
  + Beginning Finished Goods
  ** Goods Available for Sale
  - Ending Finished Goods
  ** Budgeted Cost of Goods Sold
FINANCIAL BUDGETS:

Cash Budget
Cash Balance, beginning
+ Total Cash Receipts
Total Cash Available
– Total Cash Disbursements
Cash Balance, ending

Budgeted Balance Sheet
Assets:
Cash
+ Accounts Receivable
+ Direct Materials Inventory
+ Finished Goods Inventory
+ Property, Plant, & Equipment
Total Assets

Liabilities:
Accounts Payable
+ Note Payable
Total Liabilities

Equity:
Capital Stock
+ Retained Earnings
Total Equity

* Total Assets must equal Total Liabilities and Equity *