

CRD 4.6: Profit and Loss Analysis and Proposal - School A and School B

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Income	Expenses
YTD Total Breakfast ADP* School A: 176 School B: 32 Δ: 144 % School B of School A: 18.1%	YTD Total Salaries & Wages School A: \$30,192.74 School B: \$24,355.65 % School B of School A: 80.6%
YTD Total Lunch ADP School A: 561 School B: 185 Δ: 376 % School B of School A: 32.9%	YTD Total Fringe Benefits School A: \$14,542.09 School B: \$12,769.99 % School B of School A: 87.8%
YTD Total ADP- Breakfast & Lunch Combined School A: 737 School B: 217 Δ: 520 % School B of School A: 29.4%	YTD Total Supplies & Materials - Food School A: \$41,143.64 School B: \$18,666.95 % School B of School A: 45.4%

*ADP = Average Daily Participation

Proposed Action 1

School A and School B's Salaries & Wages and Fringe Benefits expenses are close in value. Using YTD values, School B's Salaries & Wages are 80.6% of that for School A; and, School B's Fringe Benefits are 87.8% of that for School A. Therefore, we can conclude that the number of food service staff at each school is identical, if not very close.

School B's YTD ADP count for breakfast and lunch was 520 less than that of School A.

Given the similarity in food service staffing and the variance in YTD ADP, we propose that School B evaluate staffing requirements as we feel that School B may be overstaffed.

If it is determined that School B is overstaffed, School B will experience a cost savings in both Salaries & Wages and Fringe Benefits expense categories.

Proposed Action 2

As previously stated, School B's YTD ADP count for breakfast and lunch was 520 less than that of School A; a value equivalent to 29.4% of School A's activity. However, School B's YTD Total Food expenses were 45.4% of School A's expenses.

School B's food expenses are too high; supporting this conclusion is School B's Total Food (expense) % of Revenue, which is 46.3%.

Therefore, we propose School B purchase less food. Perhaps forecast training can assist School B's food service Manager with more accurate forecasting skills which would result in improved, and realistic, procurement.

Our proposals are based entirely on financial analysis. Additional proposals may be submitted following on-site observations of daily operations and procedures.