

# **UPS Audit Report**

## **June 2016**

for Account # 000071EY05

created 7/13/2016

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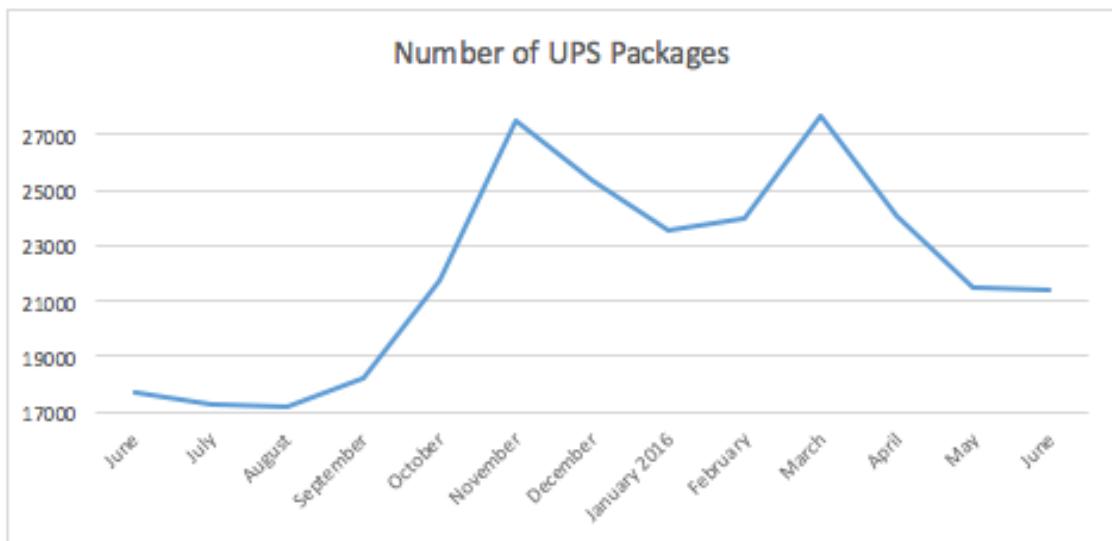
## Bullet Points

Total UPS Shipping Charge	\$	292,871.24
Total Adafruit Shipping Charge	\$	293,178.95
Shipping Profit	\$	307.71
Shipping Profit Margin		0.10%

- Please see the workbook for more great charts and numbers.
- We see a general slow down because we are coming into the summer, but everything is moving smoothly and all charges are under control.
- Year over year numbers for the count of packages and for shipping revenue are up by 21 and 20 percent, respectively. Average shipping revenue is down 1 percent.
- For the number of orders, ground conquers all other services used, while in second place is 2nd day air alongside 3 Day Select.
- For shipping revenue, ground and worldwide express are the top two contenders, just ahead of 2nd day air.
- For average shipping revenue, express saver and worldwide express are pretty much tied, with next day air in third.
- No significant drops or jumps in the month to month number of charges or dollar amount charged by UPS.
- Of the orders which received free shipping, order values greatly exceed the cost of shipping and result in profit.

## Overview

Month	Number of UPS Packages	Percent Change
June	17,752	
July	17,238	-3%
August	17,190	0%
September	18,193	6%
October	21,756	20%
November	27,482	26%
December	25,319	-8%
January 2016	23,517	-7%
February	24,002	2%
March	27,622	15%
April	24,033	-13%
May	21,466	-11%
June	21,432	0%
year over year		21%



<b>Month</b>	<b>Shipping Revenue</b>	<b>Percent Change</b>
June	\$ 247,963.83	
July	\$ 237,805.33	-4%
August	\$ 240,208.33	1%
September	\$ 251,494.95	5%
October	\$ 298,228.19	19%
November	\$ 374,445.63	26%
December	\$ 350,690.49	-6%
January 2016	\$ 335,669.12	-4%
February	\$ 333,905.38	-1%
March	\$ 369,901.02	11%
April	\$ 331,933.64	-10%
May	\$ 305,516.71	-8%
June	\$ 297,380.95	-3%
<b>year over year</b>		<b>20%</b>



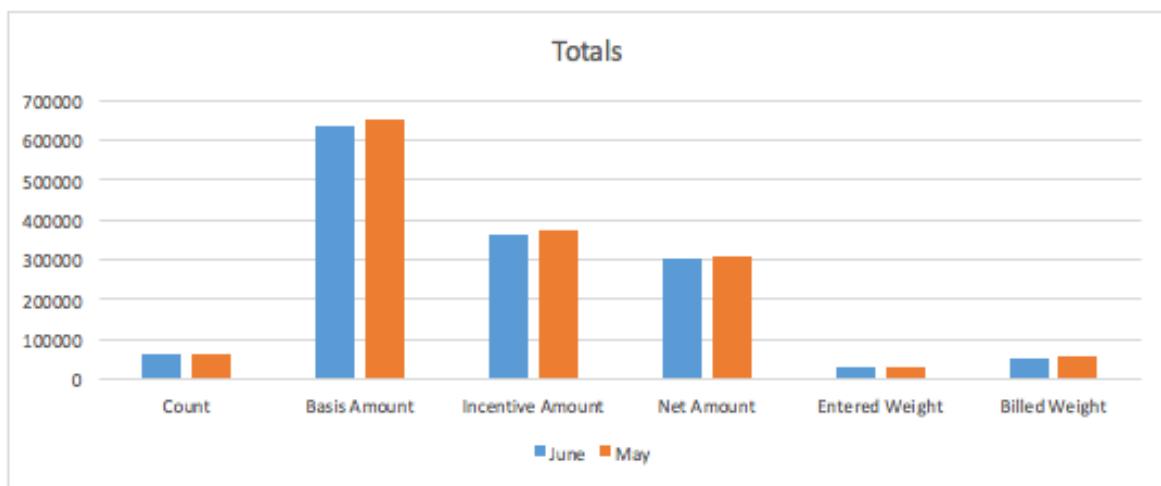
<b>Month</b>	<b>Avg Shipping Revenue</b>	<b>Percent Change</b>
June	\$ 13.97	
July	\$ 13.80	-1%
August	\$ 13.97	1%
September	\$ 13.82	-1%
October	\$ 13.71	-1%
November	\$ 13.62	-1%
December	\$ 13.85	2%
January 2016	\$ 14.27	3%
February	\$ 13.91	-3%
March	\$ 13.39	-4%
April	\$ 13.81	3%
May	\$ 14.23	3%
June	\$ 13.88	-3%
<a href="#">year over year</a>		-1%



# Charges

## Types of Charges Totals

Month	Count	Basis Amount	Incentive Amount	Net Amount	Entered Weight	Billed Weight
June	60,761	\$ 634,693.72	\$ 363,471.24	\$ 299,729.72	29,682	53,352
May	62,129	\$ 652,402.90	\$ 370,938.68	\$ 308,273.23	31,381	55,773
% change	-2%	-3%		-2%	-3%	-5%



Month to month, the number of address corrections has increased, while all other charges have decreased.

Year over year, address corrections, delivery/extended/remote area charges, and residential charges have increased along with the number of packages sent ground (up 47 percent) and worldwide expedited (up 25 percent).

Month to month, the UPS dollar charge for address corrections has increased, while all else have decreased.

Year over year, the UPS dollar charge for address corrections, delivery/extended/remote charges, and residential charges has increased, along with the total charge for packages sent using ground (up 52 percent), next day air (up 6 percent), and worldwide expedited (up 31 percent).

# Free Shipping

While ground orders see a month to month increase of one percent, the number of free shipments for Non Resellers sees a decrease of 13 percent. Total ground shipments see a year over year increase of 54 percent.

Free Shipping Count							
Year	Month	Non Resellers	% of Ground	Resellers	% of Ground	Total	Ground
2015	June	689	11%	40	1%	6,032	
2015	July	541	10%	27	1%	5,253	
2015	August	586	10%	34	1%	6,004	
2015	September	606	9%	23	0%	6,411	
2015	October	637	8%	14	0%	7,594	
2015	November	1,008	9%	35	0%	11,761	
2015	December	804	8%	42	0%	10,727	
2016	January	667	6%	43	0%	10,478	
2016	February	682	7%	53	1%	9,877	
2016	March	744	6%	65	1%	12,181	
2016	April	691	7%	61	1%	9,809	
2016	May	708	8%	49	1%	9,189	
2016	June	616	7%	46	0%	9,308	
Month to Month		-13%	-14%	-6%	-8%	1%	
Year over Year		-11%	-42%	15%	-26%	54%	



Free Shipping Order Values and UPS Shipping Charges										
Year	Month	Order Value			UPS Shipping Charge			Profit Despite Free Shipping		
		Non Resellers	Resellers	Total	Non Resellers	Resellers	Total	Resellers	Non Resellers	Total
2015	June	\$ 212,348.41	\$ 35,743.80	\$ 537,219.49	\$ 4,843.84	\$ 281.90	\$ 40,247.86	\$ 207,504.57	\$ 35,461.89	\$ 496,971.62
2015	July	\$ 169,846.30	\$ 29,758.77	\$ 452,834.69	\$ 3,857.91	\$ 208.17	\$ 35,098.85	\$ 165,988.39	\$ 29,550.59	\$ 417,735.83
2015	August	\$ 188,949.35	\$ 39,590.65	\$ 525,184.62	\$ 4,090.63	\$ 272.59	\$ 40,025.05	\$ 184,858.72	\$ 39,318.06	\$ 485,159.57
2015	September	\$ 206,176.69	\$ 28,913.44	\$ 561,681.61	\$ 4,307.51	\$ 195.23	\$ 42,834.73	\$ 201,869.18	\$ 28,718.20	\$ 518,846.87
2015	October	\$ 220,794.94	\$ 17,105.25	\$ 620,942.51	\$ 4,545.03	\$ 122.25	\$ 50,705.78	\$ 216,249.91	\$ 16,982.99	\$ 570,236.72
2015	November	\$ 336,213.43	\$ 39,422.36	\$ 997,790.68	\$ 7,073.71	\$ 266.32	\$ 78,331.50	\$ 329,139.72	\$ 39,156.04	\$ 919,459.18
2015	December	\$ 256,023.94	\$ 74,376.07	\$ 870,667.87	\$ 5,624.71	\$ 366.00	\$ 72,145.29	\$ 250,399.23	\$ 74,010.07	\$ 798,522.58
2016	January	\$ 215,340.81	\$ 74,245.75	\$ 810,845.82	\$ 4,975.85	\$ 481.32	\$ 73,354.82	\$ 210,364.96	\$ 73,764.43	\$ 737,491.00
2016	February	\$ 215,697.08	\$ 92,535.43	\$ 789,128.67	\$ 4,945.43	\$ 457.18	\$ 68,958.71	\$ 210,751.65	\$ 92,078.25	\$ 720,169.96
2016	March	\$ 222,159.75	\$ 95,104.76	\$ 882,585.37	\$ 5,393.75	\$ 524.26	\$ 84,923.20	\$ 216,766.00	\$ 94,580.50	\$ 797,662.17
2016	April	\$ 218,840.88	\$ 94,504.47	\$ 780,117.24	\$ 5,011.69	\$ 506.90	\$ 68,476.43	\$ 213,829.19	\$ 93,997.57	\$ 711,640.81
2016	May	\$ 234,585.73	\$ 69,186.59	\$ 740,101.52	\$ 5,245.47	\$ 432.05	\$ 64,285.33	\$ 229,340.26	\$ 68,754.54	\$ 675,816.19
2016	June	\$ 204,538.35	\$ 58,687.03	\$ 680,862.99	\$ 4,496.46	\$ 383.58	\$ 63,826.57	\$ 200,041.89	\$ 58,303.45	\$ 617,036.42
Month to Month		-13%	-15%	-8%	-14%	-11%	-1%	-13%		
Year over Year		-4%	64%	27%	-7%	36%	59%	-4%		

Profit Despite Free Shipping

Month	Resellers (Blue)	Non Resellers (Orange)
June 2015	~210,000	~40,000
July 2015	~170,000	~30,000
August 2015	~190,000	~40,000
September 2015	~210,000	~35,000
October 2015	~220,000	~20,000
November 2015	~340,000	~45,000
December 2015	~250,000	~80,000
January 2016	~220,000	~75,000
February 2016	~220,000	~95,000
March 2016	~220,000	~100,000
April 2016	~220,000	~100,000
May 2016	~230,000	~75,000
June 2016	~210,000	~65,000

Despite offering free shipping, we still manage to make around \$617,000 off of the orders which received it. This profit shows a month to month decrease of 9 percent and a year over year increase of 24 percent.

Order value for Resellers increases 64 percent year over year despite its month to month drop of 15 percent.

# UPS Overcharges

This table excludes orders which received free shipping

## Overcharges As a Whole

		Shipping Charges		
Year	Month	Adafruit	UPS	Did We Get Overcharged?
2015	June	\$ 192,472.78	\$ 189,195.34	no
2015	July	\$ 170,119.00	\$ 166,260.62	no
2015	August	\$ 188,561.59	\$ 184,648.07	no
2015	September	\$ 200,881.82	\$ 196,788.51	no
2015	October	\$ 241,192.93	\$ 235,296.52	no
2015	November	\$ 307,676.40	\$ 298,447.29	no
2015	December	\$ 288,446.67	\$ 281,996.95	no
2016	January	\$ 273,806.12	\$ 266,317.75	no
2016	February	\$ 272,187.40	\$ 264,670.94	no
2016	March	\$ 309,463.91	\$ 301,212.18	no
2016	April	\$ 271,657.23	\$ 264,204.93	no
2016	May	\$ 246,386.96	\$ 239,732.22	no
2016	June	\$ 233,141.09	\$ 227,748.30	no

Despite suffering overcharges on some individual orders, on a month to month basis we stay well ahead the curve.