

Colonial Heritage Food & Beverage Operations

Operations Profit & Loss Statement

Multi-Year Comparison

Category	2023	2022	2021	2020	2019
Revenue					
Food & Beverage Revenue	\$1,283,846	\$1,164,874	\$1,084,792	\$371,321	\$1,201,290
Total Revenue	\$1,283,846	\$1,164,874	\$1,084,792	\$371,321	\$1,201,290
Food and Beverage Costs	\$445,227	\$414,336	\$288,396	\$169,085	\$372,347
Gross Margin	\$838,619	\$750,538	\$796,396	\$202,236	\$828,943
Expenses					
Salaries and Benefit Reimbursements	\$902,600	\$882,219	\$731,815	\$526,346	\$594,398
Supplies and Maintenance	\$68,256	\$71,593	\$75,182	\$51,961	\$99,546
Sales and Marketing	\$46,708	\$33,609	\$38,233	\$24,042	\$40,127
Utilities	\$57,474	\$52,889	\$45,312	\$40,249	\$45,504
Management Fees	\$31,119	\$71,909	\$52,724	\$51,060	\$51,060
Insurance	\$70,431	\$27,308	\$43,652	\$35,854	\$33,258
Real Estate Taxes	\$17,375	\$15,206	\$14,992	\$15,066	\$15,108
Equipment Rentals and Leases	\$20,217	\$13,026	\$20,547	\$11,621	\$19,348
Bank Fees	\$41,471	\$30,340	\$24,069	\$11,297	\$22,249
Janitorial	\$80,513	\$74,967	\$33,057	\$14,664	\$20,497
Computer Support	\$8,513	\$12,032	\$17,854	\$17,787	\$17,764
Entertainment/Promotion	\$9,327	\$11,153	\$7,800	\$2,365	\$17,695
Miscellaneous	\$16,776	\$14,589	\$8,973	\$5,948	\$11,790
Permits and Fees	\$7,817	\$8,812	\$7,389	\$8,736	\$8,001
Office, Printing and Postage	\$13,706	\$11,418	\$13,041	\$16,315	\$14,153
Trash Removal	\$2,276	\$2,723	\$2,970	\$2,740	\$3,089
Uniforms	\$2,279	\$918	\$1,988	\$1,513	\$2,430
Member Relations	\$0	\$32	\$0	\$0	\$0
Legal Fees	\$0	\$0	\$2,304	\$69	\$67
General F&B Operations	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$1,396,858	\$1,334,743	\$1,139,902	\$837,633	\$1,016,084
Net Surplus/(Deficit)	\$(558,239)	\$(584,205)	\$(343,506)	\$(635,397)	\$(187,141)
Budgeted Dues Subsidy	\$223,711	\$137,457	\$147,428	\$211,064	\$187,074

Key Observations:

Notes:

- Consistent Operating Losses:** The F&B operation has consistently operated at a significant deficit across all years (2019-2023), requiring substantial subsidies from homeowner assessments to maintain operations.

2. **Revenue Recovery:** After the significant revenue drop in 2020 (\$371,321) due to COVID-19 pandemic restrictions, revenue has steadily increased each year, reaching \$1,283,846 in 2023, which exceeds pre-pandemic levels.
3. **Cost Structure:** Labor costs (Salaries and Benefit Reimbursements) represent the largest expense category, averaging around 40-60% of total revenue, which is typical for food service operations but creates a challenging cost structure.
4. **Operational Subsidy:** The community has structured its financial model to provide ongoing operational subsidies for the F&B operations from homeowner assessments, indicating it views these amenities as a community benefit rather than a profit center.
5. **Cost Inflation:** Several expense categories show significant increases over the 5-year period, particularly in 2022-2023, reflecting industry-wide inflation in food costs, labor, and utilities.
6. **Management Fees:** These fees fluctuated significantly over the period, decreasing from \$71,909 in 2022 to \$31,119 in 2023, suggesting possible changes in management structure or contracts.
7. **Insurance Costs:** Insurance expenses increased dramatically from \$27,308 in 2022 to \$70,431 in 2023 (+158%), significantly exceeding inflation and potentially indicating broader insurance market challenges or specific risk factors.
8. **Expense Variability:** Certain expenses show significant variability year-to-year, suggesting either classification changes, operational adjustments, or potentially one-time costs being allocated inconsistently.
9. **Subsidy Gap:** In recent years (2022-2023), there has been a growing gap between the actual deficit and the budgeted subsidy, which may require additional financial planning or operational adjustments to address.
10. **Hospitality Industry Context:** The performance should be viewed in the context of broader challenges facing the hospitality industry, including labor shortages, supply chain disruptions, and changing consumer preferences particularly affecting community association amenities.