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DeFranco started her academic career as an adjunct professor while she was still in the hospitality industry. She joined the University of Houston fulltime in 1989, and has been a faculty member, Graduate Program Director, Associate Dean, Interim Dean at the Conrad N. Hilton College of Hotel and Restaurant Management, Associate Vice President for Undergraduate Studies for the University of Houston, and now Professor and the Conrad N. Hilton Distinguished Chair.

In addition to her 100 plus refereed articles, DeFranco also has another 50 plus non-refereed publications in the hospitality area. She has co-authored five texts: Hospitality Financial Management, Hospitality Financial Accounting, Cost Control in the Hospitality Industry (translated in Chinese also), Catering Management (published in Chinese), and Conventions and Meeting Management (published in Chinese). Some of her grants in hospitality include a Department of State USIA research grant on Curriculum Development in International Convention and Conference Management at Meio University in Okinawa, Japan, three USDA Cochran Programs on Restaurant Management, and two research grants on mobile technology used in the lodging and club industries. Her other educational grants include a grant with the Houston Endowment on transfer student success, and over ten other grants on topics such as on online course development, diversity, curriculum development, web based experiential learning model, empirical analysis of the relationship between financial ratios and profitability, financial forecasting, use of financial information, and purchasing decision of produce distributors.

Agnes is a past global president of the Hospitality Financial and Technology Professionals (HFTP), past treasurer of the International Council on Hotel, Restaurant, and Institutional Education (I-CHRIE), and past presidents for Phi Kappa Phi and Phi Beta Delta, both honor societies at the University of Houston. She has presented at conventions and conferences across the United States and in Canada, the Caribbean, China, Thailand, Hong Kong, Peru, Taiwan, and France.

Her work with the Texas Higher Education Coordinating Board (THECB) consisted of both committee work and grants including co-chairing the Undergraduate Education Advisory Committee in designing a new general education curriculum for all undergraduate students in Texas. She also served as a principal investigator of the Comprehensive Student Services Program Technical Support Grant, Gates Foundation Grant, and College and Career Readiness Standards for both the University of Houston and the University of Houston System, to name a few. She was a member of the State Transfer Strategy Committee of the Council of Public University Presidents and Chancellors and a board member of the Texas Women in Higher Education. Currently she chairs the Global Hospitality Accounting Common Practices Council of HFTP and is a member of the Financial Management Committee of the American Hotel & Lodging Association.

**“Accounting 101”**  
**74<sup>th</sup> Annual THLA Short Course**  
**January 10, 2019**  
**8:45am – 10:15am**  
**Outline/Summary**

**Dr. Agnes DeFranco**  
**University of Houston**

- I. Purpose of Accounting
  - a. What is accounting
  - b. Accounting professionals
  - c. Why need accounting
- II. Hotel Organization
  - a. Revenue centers
  - b. Support centers
  - c. Examples of each
  - d. Departmental statements versus consolidated statement
- III. The Profit and Loss Statement (P&L)
  - a. Mechanics
  - b. Sales
  - c. Gross profits
  - d. Gross profit margin
  - e. Undistributed expenses
  - f. Fixed and other expenses
  - g. Net Income
- IV. Turn Revenues into Profits
  - a. Train, Respect, and Trust
  - b. Use accounting to measure success
- V. Practice and Sharing Time (Group Discussions and Reports)
- VI. Common Size Analysis
  - a. Mechanics
  - b. Individual \$/Net Sales \$
  - c. Purpose – meaningful comparison, both \$ and %
- VII. Review



# Hotel Accounting 101

EVERYONE CONTRIBUTES TO THE PROFITS  
74<sup>TH</sup> ANNUAL THLA SHORT COURSE 2019  
JANUARY 10, 8:45-10:15 AM

**Dr. Agnes DeFranco**  
**Professor and Conrad N. Hilton Distinguished Chair**

# This Morning's Agenda



- **Purpose of Accounting**
- **Hotel Organization**
- **The P&L Statement**
- **Turning Revenues into Profits**
- **Common-size Analysis**

# Our Time Together

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- Share ideas
- Keep an open mind
- No wrong answers
- Interruption is welcome anytime 😊
- Enjoy, discover, learn



# Purpose of Accounting

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**What is  
accounting?**

# Accounting Professionals



- Serious
- Not fun
- Wear glasses
- Factual
- Not personable
- Quiet
- Smart

# Purpose of Accounting

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**Why spend  
time on  
accounting?**



# PROFITS



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**Strong Company**



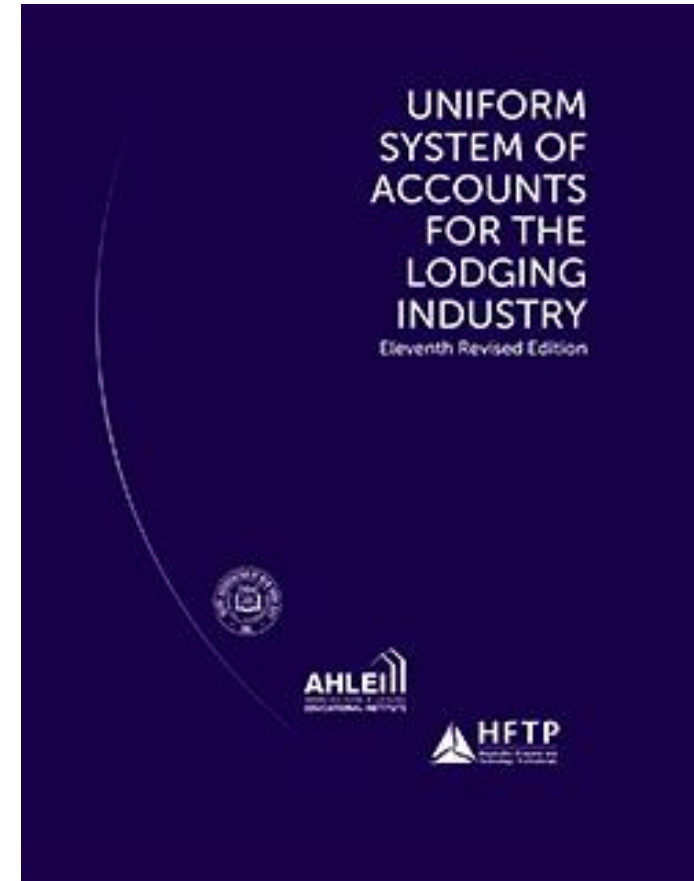


# Organization of a Typical Hotel

# The Uniform System of Accounts for the Lodging Industry

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- Yes! This is Important!!
- USALI/ U-SA-LI
- 1<sup>st</sup> edition – 1926!!
- 11<sup>th</sup> edition – 2014, effective January 1, 2015



# Revenue Centers

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- **Generate revenues through sales of products and/or services to guests**
- **They are also called operated departments**

# Revenue Centers Cont'd

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**Rooms**

**Food & Beverage**

**Golf Course and Pro Shop**

**Health Club and Spa**

**Retail Store**

**Marina**

**Business Center...others**

# Support Centers

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- Provide services to revenue centers
- They contribute to the bottom line indirectly



# Categories of Support Centers

- Administrative and General
- Information & Telecommunication Systems
- Sales & Marketing
- Property Operations and Maintenance





# The Profit and Loss Statement (P&L)

$$\begin{aligned} & \text{Sales} \\ - & \quad \underline{\text{Cost of Good Sold}} \\ = & \quad \text{Gross Profit} \\ - & \quad \text{Other Operating Expenses} \\ - & \quad \underline{\text{Depreciation and Amortization}} \\ = & \quad \text{Earnings before Interest and Tax} \end{aligned}$$

# The Profit and Loss Statement (P&L)

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Earnings before Interest and Tax

- Interest

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= Earnings before Tax

- Tax

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= Net Income



**\*\*\* Gross Profit is not the same as Net Income \*\*\***

## Some Numbers (F&B)

Sales	\$ 100,000
- <u>Cost of Food Sold</u>	<u>(40,000)</u>
= Gross Profits	60,000
- Other Operating Exp	(35,000)
- <u>Depreciation</u>	<u>(5,000)</u>
= Earnings B4 Interest & Tax	20,000
- Interest	(10,000)
- Tax	<u>(2,500)</u>
= Net Income	\$ 7,500

## Some Calculations

Cost of Food Sold = \$40,000

Food Cost % =  $40,000 / 100,000 = 40\%$

Gross Profits = \$60,000

Gross Profits Margin %

- =  $60,000 / 100,000$

- =  $60\%$

Net Income = \$7,500

Net Income % =  $7,500 / 100,000 = 7.5\%$



TEAM =  
\$MILE\$



- Trust versus Control
- Major shift in managers' thinking (**TRT**): **T**rain, **R**espect, **T**rust
- Give them the **AUTHORITY** to make everyday decisions without prior approval
- ***Use accounting to measure results!***



# Housekeeping

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Can notify front desk to change status of completed rooms to “ready for occupancy” without prior inspection by a housekeeping manager



# Front Office

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- Front office clerk may make adjustments to a guest's disputed bill
- Up to a certain level



# Waitstaff

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**Can comp meals  
without having the  
customers talk to  
the manager**

# Engineering

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- Can make adjustments on the spot
- Including comping the room



# Waitstaff

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*Set price of the daily special*



Let's see  
how we can  
help our  
hotels to  
make more  
profits!!





# Revenue & Support Centers

## An Exercise

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### *Revenue Centers*

1. Rooms
2. F&B
3. Golf Course and Pro Shop
4. Health Club and Spa
5. Parking

### *Support Centers*

1. Administrative and General
2. Information and Telecommunications Systems
3. Sales and Marketing
4. Property Operation and Maintenance

**Rooms—Schedule 1****Revenue**

Transient Rooms Revenue

Retail

Discount

Negotiated

Qualified

Wholesale

Total Transient Rooms Revenue

Group Rooms Revenue

Corporate

Association/Convention

Government

Tour/Wholesalers

SMERF

Total Group Rooms Revenue

Contract Rooms Revenue

Other Rooms Revenue

Less: Allowances

**Total Rooms Revenue****Expenses**

Labor Costs and Related Expenses

Salaries, Wages, Service Charges, Contracted Labor and Bonuses

Salaries and Wages

Management

Non-Management

Complimentary F&amp;B

Front Office

Guest Services

Housekeeping

Laundry

Reservations

Transportation

Sub-Total: Salaries and Wages

Service Charge Distribution

Contracted, Leased and Outsourced Labor

Bonuses and Incentives

Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses

Payroll-Related Expenses

Payroll Taxes

Supplemental Pay

Employee Benefits

Total Payroll-Related Expenses

Total Labor Costs and Related Expenses

**Other Expenses**

Cleaning Supplies

Cluster Services

Commissions

Commissions and Fees--Group

Complimentary Food and Beverage

Complimentary In-Room/Media Entertainment

Complimentary Services and Gifts

Contract Services

Corporate Office Reimbursables

Decorations

Dues and Subscriptions

Entertainment—In-House

Equipment Rental

Guest Relocation

Guest Supplies

Guest Transportation

Laundry and Dry Cleaning

Licenses and Permits

Linen

Miscellaneous

Operating Supplies

Postage and Overnight Delivery Charges

Printing and Stationery

Reservations

Royalty Fees

Training

Travel—Meals and Entertainment

Travel—Other

Uniform Costs

Uniform Laundry

**Total Other Expenses****Total Expenses**

**Food and Beverage—Schedule 2****Revenue**

## Food Revenue

Venue Food Revenue

In-Room Dining Food Revenue

Banquet/Conference/Catering Food Revenue

Mini Bar Food Revenue

Other Food Revenue

Total Food Revenue

## Beverage Revenue

Venue Beverage Revenue

In-Room Dining Beverage Revenue

Banquet/Conference/Catering Beverage Revenue

Mini Bar Beverage Revenue

Other Beverage Revenue

Total Beverage Revenue

Less: Allowances

Total Food and Beverage Revenue

## Other Revenue

Audiovisual

Function Room Rental and Setup Charges

Cover Charges

Surcharges and Service Charges

Miscellaneous Other Revenue

Less: Allowances

Total Other Revenue

**Total Revenue****Cost of Sales and Other Revenue**

Cost of Food and Beverage Sales

Cost of Food Sales

Cost of Beverage Sales

Total Cost of Food and Beverage Sales

Cost of Other Revenue

Audiovisual Cost

Miscellaneous Cost

Total Cost of Other Revenue

**Expenses**

## Labor Costs and Related Expenses

Salaries, Wages, Service Charges, Contracted Labor and Bonuses

Salaries and Wages

Management

Service

Kitchen

Non-Management

Banquet/Conference/Catering Service

Kitchen

Venues

Sub-Total: Salaries and Wages

Service Charge Distribution

Contracted, Leased and Outsourced Labor

Bonuses and Incentives

Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses

Payroll-Related Expenses

Payroll Taxes

Supplemental Pay

Employee Benefits

Total Payroll-Related Expenses

**Total Labor Costs and Related Expenses****Other Expenses**

Banquet Expenses

China

Cleaning Supplies

Cluster Services

Commissions

Complimentary Services and Gifts

Contract Services

Corporate Office Reimbursables

Decorations

Dishwashing Supplies

Dues and Subscriptions

Entertainment—In-House

Equipment Rental

Flatware

Glassware

Ice

Kitchen Fuel

Kitchen Smallwares

### Golf Course and Pro Shop—Sub-schedule 3-1

<b>Revenue</b>					
	Greens Fee Revenue				
	Tournament Fee Revenue				
	Golf Cart Rental Revenue				
	Golf Equipment Rental Revenue				
	Practice Range Fee Revenue				
	Lesson Fee Revenue				
	Golf Club Maintenance Revenue				
	Storage Fee Revenue				
	Membership Fee Revenue				
	Merchandise Revenue				
	Clothing Revenue				
	Other Revenue				
	Less: Allowances				
<b>Total Golf Course and Pro Shop Revenue</b>					
<b>Cost of Sales</b>					
	Cost of Merchandise Sales				
	Cost of Clothing Sales				
<b>Total Cost of Sales</b>					
<b>Gross Profit</b>					
<b>Expenses</b>					
	Labor Costs and Related Expenses				
	Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
	Salaries and Wages				

## Health Club/Spa—Sub-schedule 3-2

Revenue					
	Massage and Body Treatment Revenue				
	Skin Care Revenue				
	Hair Care Revenue				
	Nail Care Revenue				
	Fitness Revenue				
	Health and Wellness Revenue				
	Membership Fee Revenue				
	Retail Revenue				
	Other Revenue				
	Less: Allowances				
Total Health Club/Spa Revenue					
Cost of Sales					
Gross Profit					
Expenses					
	Labor Costs and Related Expenses				
	Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
	Salaries and Wages				
	Management				
	Non-Management				
	Attendant/Housekeeping				
	Fitness				
	Reception/Retail				
	Therapists/Technicians				
	Sub-Total: Salaries and Wages				
	Service Charge Distribution				

**Parking—Sub-schedule 3-3****Revenue**

Self-Parking Revenue  
Valet Parking Revenue  
Other Revenue  
Less: Allowances

**Total Parking Revenue****Cost of Sales****Gross Profit****Expenses****Labor Costs and Related Expenses**

Salaries, Wages, Service Charges, Contracted Labor and Bonuses  
Salaries and Wages  
Management  
Non-Management  
Sub-Total: Salaries and Wages  
Service Charge Distribution  
Contracted, Leased and Outsourced Labor  
Bonuses and Incentives

**Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses****Payroll-Related Expenses**

Payroll Taxes  
Supplemental Pay  
Employee Benefits

**Total Payroll-Related Expenses****Total Labor Costs and Related Expenses****Other Expenses**

Cleaning Supplies  
Cluster Services  
Complimentary Services and Gifts  
Contract Services  
Corporate Office Reimbursables  
Decorations  
Dues and Subscriptions  
Entertainment—In-House  
Equipment Rental  
Laundry and Dry Cleaning  
Licenses and Permits  
Management Fees  
Miscellaneous  
Operating Supplies  
Printing and Stationery  
Rent



Expenses				
	Labor Costs and Related Expenses			
	Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
	Salaries and Wages			
		Management		
		Non-Management		
			Accounting	
			General Support	
			Human Resources	
			Purchasing/Receiving	
			Security	
	Sub-Total: Salaries and Wages			
	Service Charge Distribution			
	Contracted, Leased and Outsourced Labor			
	Bonuses and Incentives			
	Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
	Payroll-Related Expenses			
		Payroll Taxes		
		Supplemental Pay		
		Employee Benefits		
	Total Payroll-Related Expenses			
	Total Labor Costs and Related Expenses			

	Audit Charges	
	Bank Charges	
	Cash Overages and Shortages	
	Centralized Accounting Charges	
	Cluster Services	
	Complimentary Services and Gifts	
	Contract Services	
	Corporate Office Reimbursables	
	Credit and Collection	
	Credit Card Commissions	
	Decorations	
	Donations	
	Dues and Subscriptions	
	Entertainment—In-House	
	Equipment Rental	
	Human Resources	
	Legal Services	
	Licenses and Permits	
	Loss and Damage	
	Miscellaneous	
	Non-Guest-Related Foreign Currency Exchange Gains (Losses)	
	Operating Supplies	
	Payroll Processing	
	Postage and Overnight Delivery Charges	
	Professional Fees	
	Provision for Doubtful Accounts	
	Security	
	Settlement Costs	
	Staff Transportation	
	Training	
	Travel—Meals and Entertainment	
	Travel—Other	
	Uniform Costs	
	Uniform Laundry	
	Total Other Expenses	

<b>Total Expenses</b>					

## Information and Telecommunications Systems—Schedule 6

Cost of Services			
Cost of Cell Phones			
Cost of Internet Services			
Cost of Local Calls			
Cost of Long Distance Calls			
Other Cost of Services			
Total Cost of Services			
System Expenses			
Administrative and General			
Centralized Information System Charges			
Energy Management			
Food and Beverage			
Golf			
Hardware			
Health Club/Spa			
Human Resources			
Information Security			
Information Systems			
Other			
Parking			
Property Operation and Maintenance			
Rooms			
Sales and Marketing			
Telecommunications			
Total System Expenses			

Other Expenses			
Cluster Services			
Contract Services			
Corporate Office Reimbursables			
Dues and Subscriptions			
Entertainment—In-House			
Equipment Rental			
Miscellaneous			
Operating Supplies			
Other Equipment			
System Storage and Optimization			
Training			
Travel—Meals and Entertainment			
Travel—Other			
Uniform Costs			
Uniform Laundry			
Total Other Expenses			
Total Expenses			

## Sales and Marketing—Schedule 7

Other Expenses			
Agency Fees			
Cluster Services			
Collateral Material			
Complimentary Services and Gifts			
Contract Services			
Corporate Office Reimbursables			
Decorations			
Direct Mail			
Dues and Subscriptions			
Entertainment—In-House			
Equipment Rental			
Familiarization Trips			
Franchise and Affiliation Marketing			
Franchise and Affiliation Fees—Royalties			
In-House Graphics			
Loyalty Programs			
Media			
Miscellaneous			
Operating Supplies			
Outside Sales Representation			
Outside Services Market Research			
Outside Signage			
Photography			
Postage and Overnight Delivery Charges			
Promotion			
Trade Shows			
Training			
Travel—Meals and Entertainment			
Travel—Other			
Uniform Laundry			
Website			
Total Other Expenses			
Total Expenses			

## Property Operation and Maintenance—Schedule 8

Other Expenses		
Building		
Cluster Services		
Contract Services		
Corporate Office Reimbursables		
Dues and Subscriptions		
Electrical and Mechanical Equipment		
Elevators and Escalators		
Engineering Supplies		
Entertainment—In-House		
Equipment Rental		
Floor Covering		
Furniture and Equipment		
Grounds Maintenance and Landscaping		
Heating, Ventilation, and Air Conditioning Equipment		
Kitchen Equipment		
Laundry Equipment		
Licenses and Permits		
Life/Safety		
Light Bulbs		
Miscellaneous		
Operating Supplies		
Painting and Wallcovering		
Plumbing		
Swimming Pool		
Training		
Travel—Meals and Entertainment		
Travel—Other		
Uniform Costs		
Uniform Laundry		
Vehicle Repair		
Waste Removal		
Total Other Expenses		

# Some Ideas ...

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**Check hot water temperature: 128F down to 120F**

**Not to serve iced water, bread automatically**

**Bundle attractive F&B options with rooms**

**Pay all invoices on time to avoid late charges or interest**

**Free mini bar items**

**Stationary exchange day - \$2,000 savings**

**Print documents on both sides of paper**

**Do away with cash rebates but offer upgrades on next visit**

**Provide guaranteed early arrivals at \$X rate – over \$100K new revenue**

Let's start making some  
PROFITS

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# What is Common-size?

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$$\frac{\text{is}}{\text{of}} = \frac{\%}{100} \text{ or } \frac{\text{part}}{\text{whole}} = \frac{\%}{100}$$

- Analysis of every item on a financial statement using a common base
- P & L, common base = Revenues (Sales)
- ***Common-size % =***  
***Individual \$***  
***Revenues \$***

## Some Calculations

Cost of Food Sold = \$40,000

Food Cost % = **40,000**/100,000 = 40%

Gross Profits = \$60,000

Gross Profits Margin %

- = **60,000**/100,000

- = **60%**

Net Income = \$7,500

Net Income % = **7,500**/100,000 = **7.5%**



# Why Common-size?

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Percentages enable more meaningful comparisons within and between companies



# An Example:

## Which hotel will you invest in?

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- Hotel A:

Net Sales: \$1,000,000

Net income: \$50,000

Net income % =  $50,000 / 1,000,000 = 5\%$



- Hotel B:

Net Sales: \$10,000,000

Net income: \$100,000

Net income % =  $100,000 / 10,000,000 = 1\%$



# Let's Review

- USALI
- Revenue centers (operated departments), examples
- Support centers, examples
- Mechanics of a P & L
- Gross profits and net income
- Individual versus consolidated P & L
- Common-size, what and why





**COMMENTS??**  
**THANK YOU!!**  
**QUESTIONS??**

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## Rooms—Schedule 1

<b>Revenue</b>				
Transient Rooms Revenue				
Retail				
Discount				
Negotiated				
Qualified				
Wholesale				
Total Transient Rooms Revenue				
Group Rooms Revenue				
Corporate				
Association/Convention				
Government				
Tour/Wholesalers				
SMERF				
Total Group Rooms Revenue				
Contract Rooms Revenue				
Other Rooms Revenue				
Less: Allowances				
<b>Total Rooms Revenue</b>				
<b>Expenses</b>				
Labor Costs and Related Expenses				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Salaries and Wages				
Management				
Non-Management				
Complimentary F&B				
Front Office				
Guest Services				
Housekeeping				
Laundry				
Reservations				
Transportation				
Sub-Total: Salaries and Wages				
Service Charge Distribution				
Contracted, Leased and Outsourced Labor				
Bonuses and Incentives				
Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Payroll-Related Expenses				
Payroll Taxes				
Supplemental Pay				
Employee Benefits				
Total Payroll-Related Expenses				
<b>Total Labor Costs and Related Expenses</b>				

Other Expenses			
Cleaning Supplies			
Cluster Services			
Commissions			
Commissions and Fees--Group			
Complimentary Food and Beverage			
Complimentary In-Room/Media Entertainment			
Complimentary Services and Gifts			
Contract Services			
Corporate Office Reimbursables			
Decorations			
Dues and Subscriptions			
Entertainment—In-House			
Equipment Rental			
Guest Relocation			
Guest Supplies			
Guest Transportation			
Laundry and Dry Cleaning			
Licenses and Permits			
Linen			
Miscellaneous			
Operating Supplies			
Postage and Overnight Delivery Charges			
Printing and Stationery			
Reservations			
Royalty Fees			
Training			
Travel—Meals and Entertainment			
Travel—Other			
Uniform Costs			
Uniform Laundry			
Total Other Expenses			
<b>Total Expenses</b>			
<b>Departmental Profit</b>			

## Food and Beverage—Schedule 2

<b>Revenue</b>			
Food Revenue			
Venue Food Revenue			
In-Room Dining Food Revenue			
Banquet/Conference/Catering Food Revenue			
Mini Bar Food Revenue			
Other Food Revenue			
Total Food Revenue			
Beverage Revenue			
Venue Beverage Revenue			
In-Room Dining Beverage Revenue			
Banquet/Conference/Catering Beverage Revenue			
Mini Bar Beverage Revenue			
Other Beverage Revenue			
Total Beverage Revenue			
Less: Allowances			
Total Food and Beverage Revenue			
Other Revenue			
Audiovisual			
Function Room Rental and Setup Charges			
Cover Charges			
Surcharges and Service Charges			
Miscellaneous Other Revenue			
Less: Allowances			
Total Other Revenue			
<b>Total Revenue</b>			
<b>Cost of Sales and Other Revenue</b>			
Cost of Food and Beverage Sales			
Cost of Food Sales			
Cost of Beverage Sales			
Total Cost of Food and Beverage Sales			
Cost of Other Revenue			
Audiovisual Cost			
Miscellaneous Cost			
Total Cost of Other Revenue			
<b>Total Cost of Sales and Other Revenue</b>			
<b>Gross Profit</b>			
<b>Expenses</b>			
Labor Costs and Related Expenses			
Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
Salaries and Wages			
Management			
Service			
Kitchen			
Non-Management			
Banquet/Conference/Catering Service			
Kitchen			
Venues			
Sub-Total: Salaries and Wages			
Service Charge Distribution			
Contracted, Leased and Outsourced Labor			
Bonuses and Incentives			
Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
Payroll-Related Expenses			
Payroll Taxes			
Supplemental Pay			
Employee Benefits			
Total Payroll-Related Expenses			
Total Labor Costs and Related Expenses			

Other Expenses			
Banquet Expenses			
China			
Cleaning Supplies			
Cluster Services			
Commissions			
Complimentary Services and Gifts			
Contract Services			
Corporate Office Reimbursables			
Decorations			
Dishwashing Supplies			
Dues and Subscriptions			
Entertainment—In-House			
Equipment Rental			
Flatware			
Glassware			
Ice			
Kitchen Fuel			
Kitchen Smallwares			
Laundry and Dry Cleaning			
Licenses and Permits			
Linen			
Management Fees			
Menus and Beverage Lists			
Miscellaneous			
Music and Entertainment			
Operating Supplies			
Paper and Plastics			
Postage and Overnight Delivery Charges			
Printing and Stationery			
Reservations			
Royalty Fees			
Training			
Travel—Meals and Entertainment			
Travel—Other			
Uniform Costs			
Uniform Laundry			
Utensils			
Total Other Expenses			
Total Expenses			
Departmental Profit			

## Golf Course and Pro Shop—Sub-schedule 3-1

<b>Revenue</b>					
	Greens Fee Revenue				
	Tournament Fee Revenue				
	Golf Cart Rental Revenue				
	Golf Equipment Rental Revenue				
	Practice Range Fee Revenue				
	Lesson Fee Revenue				
	Golf Club Maintenance Revenue				
	Storage Fee Revenue				
	Membership Fee Revenue				
	Merchandise Revenue				
	Clothing Revenue				
	Other Revenue				
	Less: Allowances				
<b>Total Golf Course and Pro Shop Revenue</b>					
<b>Cost of Sales</b>					
	Cost of Merchandise Sales				
	Cost of Clothing Sales				
<b>Total Cost of Sales</b>					
<b>Gross Profit</b>					
<b>Expenses</b>					
	Labor Costs and Related Expenses				
	Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
	Salaries and Wages				
	Management				
	Non-Management				
	Golf Pros/Operations				
	Greens/Maintenance				
	Pro Shop				
	Sub-Total: Salaries and Wages				
	Service Charge Distribution				
	Contracted, Leased and Outsourced Labor				
	Bonuses and Incentives				
	Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
	Payroll-Related Expenses				
	Payroll Taxes				
	Supplemental Pay				
	Employee Benefits				
	Total Payroll-Related Expenses				
	Total Labor Costs and Related Expenses				

	Other Expenses			
	Cleaning Supplies			
	Cluster Services			
	Complimentary Services and Gifts			
	Contract Services			
	Corporate Office Reimbursables			
	Decorations			
	Dues and Subscriptions			
	Entertainment—In-House			
	Equipment Rental			
	Gasoline and Lubricants			
	Grounds Maintenance and Landscaping			
	Irrigation			
	Laundry and Dry Cleaning			
	Licenses and Permits			
	Linen			
	Management Fees			
	Miscellaneous			
	Operating Supplies			
	Printing and Stationery			
	Reservations			
	Royalty Fees			
	Tournament Expenses			
	Training			
	Transportation			
	Travel—Meals and Entertainment			
	Travel—Other			
	Uniform Costs			
	Uniform Laundry			
	Vehicle Repairs and Maintenance			
	Water			
	Total Other Expenses			
	<b>Total Expenses</b>			
	<b>Departmental Profit</b>			



## Health Club/Spa—Sub-schedule 3-2

### Revenue

Massage and Body Treatment Revenue
Skin Care Revenue
Hair Care Revenue
Nail Care Revenue
Fitness Revenue
Health and Wellness Revenue
Membership Fee Revenue
Retail Revenue
Other Revenue
Less: Allowances

### Total Health Club/Spa Revenue

### Cost of Sales

### Gross Profit

### Expenses

#### Labor Costs and Related Expenses

Salaries, Wages, Service Charges, Contracted Labor and Bonuses
--

Salaries and Wages
--------------------

Management
------------

Non-Management
----------------

Attendant/Housekeeping
------------------------

Fitness
---------

Reception/Retail
------------------

Therapists/Technicians
------------------------

Sub-Total: Salaries and Wages
-------------------------------

Service Charge Distribution
-----------------------------

Contracted, Leased and Outsourced Labor
---

Bonuses and Incentives
------------------------

Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses
--

Payroll-Related Expenses
--------------------------

Payroll Taxes
---------------

Supplemental Pay
------------------

Employee Benefits
-------------------

Total Payroll-Related Expenses
--------------------------------

Total Labor Costs and Related Expenses
--

Total Labor Costs and Related Expenses				
Other Expenses				
	Ambience			
	Athletic Supplies			
	Cleaning Supplies			
	Cluster Services			
	Complimentary Services and Gifts			
	Contract Services			
	Corporate Office Reimbursables			
	Decorations			
	Dues and Subscriptions			
	Entertainment—In-House			
	Equipment Rental			
	Health and Beauty Products			
	Laundry and Dry Cleaning			
	Licenses and Permits			
	Linen			
	Management Fees			
	Miscellaneous			
	Operating Supplies			
	Printing and Stationery			
	Reservations			
	Royalty Fees			
	Swimming Pool			
	Training			
	Travel—Meals and Entertainment			
	Travel—Other			
	Uniform Costs			
	Uniform Laundry			
Total Other Expenses				
Total Expenses				
Departmental Profit				

## Administrative and General—Schedule 5

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Other Expenses				
Audit Charges				
Bank Charges				
Cash Overages and Shortages				
Centralized Accounting Charges				
Cluster Services				
Complimentary Services and Gifts				
Contract Services				
Corporate Office Reimbursables				
Credit and Collection				
Credit Card Commissions				
Decorations				
Donations				
Dues and Subscriptions				
Entertainment—In-House				
Equipment Rental				
Human Resources				
Legal Services				
Licenses and Permits				
Loss and Damage				
Miscellaneous				
Non-Guest-Related Foreign Currency Exchange Gains (Losses)				
Operating Supplies				
Payroll Processing				
Postage and Overnight Delivery Charges				
Professional Fees				
Provision for Doubtful Accounts				
Security				
Settlement Costs				
Staff Transportation				
Training				
Travel—Meals and Entertainment				
Travel—Other				
Uniform Costs				
Uniform Laundry				
Total Other Expenses				
<b>Total Expenses</b>				

## Information and Telecommunications Systems—Schedule 6

<b>Expenses</b>				
Labor Costs and Related Expenses				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Salaries and Wages				
Management				
Non-Management				
Information Technology				
Telecommunications				
Sub-Total: Salaries and Wages				
Service Charge Distribution				
Contracted, Leased and Outsourced Labor				
Bonuses and Incentives				
Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Payroll-Related Expenses				
Payroll Taxes				
Supplemental Pay				
Employee Benefits				
Total Payroll-Related Expenses				
Total Labor Costs and Related Expenses				
Cost of Services				
Cost of Cell Phones				
Cost of Internet Services				
Cost of Local Calls				
Cost of Long Distance Calls				
Other Cost of Services				
Total Cost of Services				
System Expenses				
Administrative and General				
Centralized Information System Charges				
Energy Management				
Food and Beverage				
Golf				
Hardware				
Health Club/Spa				
Human Resources				
Information Security				
Information Systems				
Other				
Parking				
Property Operation and Maintenance				
Rooms				
Sales and Marketing				
Telecommunications				
Total System Expenses				
Other Expenses				
Cluster Services				
Contract Services				
Corporate Office Reimbursables				
Dues and Subscriptions				
Entertainment—In-House				
Equipment Rental				
Miscellaneous				
Operating Supplies				
Other Equipment				
System Storage and Optimization				
Training				
Travel—Meals and Entertainment				
Travel—Other				
Uniform Costs				
Uniform Laundry				
Total Other Expenses				
Total Expenses				

### Parking—Sub-schedule 3-3

<b>Revenue</b>				
Self-Parking Revenue				
Valet Parking Revenue				
Other Revenue				
Less: Allowances				
<b>Total Parking Revenue</b>				
<b>Cost of Sales</b>				
<b>Gross Profit</b>				
<b>Expenses</b>				
Labor Costs and Related Expenses				
Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Salaries and Wages				
Management				
Non-Management				
Sub-Total: Salaries and Wages				
Service Charge Distribution				
Contracted, Leased and Outsourced Labor				
Bonuses and Incentives				
Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses				
Payroll-Related Expenses				
Payroll Taxes				
Supplemental Pay				
Employee Benefits				
Total Payroll-Related Expenses				
Total Labor Costs and Related Expenses				
Other Expenses				
Cleaning Supplies				
Cluster Services				
Complimentary Services and Gifts				
Contract Services				
Corporate Office Reimbursables				
Decorations				
Dues and Subscriptions				
Entertainment—In-House				
Equipment Rental				
Laundry and Dry Cleaning				
Licenses and Permits				
Management Fees				
Miscellaneous				
Operating Supplies				
Printing and Stationery				
Rent				
Royalty Fees				
Training				
Travel—Meals and Entertainment				
Travel—Other				
Uniform Costs				
Uniform Laundry				
Total Other Expenses				
<b>Total Expenses</b>				
<b>Departmental Profit</b>				



## Property Operation and Maintenance—Schedule 8

<b>Expenses</b>				
Labor	Costs and Related Expenses			
	Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
	Salaries and Wages			
	Management			
	Non-Management			
	Sub-Total: Salaries and Wages			
	Service Charge Distribution			
	Contracted, Leased and Outsourced Labor			
	Bonuses and Incentives			
	Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses			
	Payroll-Related Expenses			
	Payroll Taxes			
	Supplemental Pay			
	Employee Benefits			
	Total Payroll-Related Expenses			
	Total Labor Costs and Related Expenses			
Other	Expenses			
	Building			
	Cluster Services			
	Contract Services			
	Corporate Office Reimbursables			
	Dues and Subscriptions			
	Electrical and Mechanical Equipment			
	Elevators and Escalators			
	Engineering Supplies			
	Entertainment—In-House			
	Equipment Rental			
	Floor Covering			
	Furniture and Equipment			
	Grounds Maintenance and Landscaping			
	Heating, Ventilation, and Air Conditioning Equipment			
	Kitchen Equipment			
	Laundry Equipment			
	Licenses and Permits			
	Life/Safety			
	Light Bulbs			
	Miscellaneous			
	Operating Supplies			
	Painting and Wallcovering			
	Plumbing			
	Swimming Pool			
	Training			
	Travel—Meals and Entertainment			
	Travel—Other			
	Uniform Costs			
	Uniform Laundry			
	Vehicle Repair			
	Waste Removal			
	Total Other Expenses			
<b>Total Expenses</b>				

## Sales and Marketing—Schedule 7

### Expenses

#### Labor Costs and Related Expenses

##### Salaries, Wages, Service Charges, Contracted Labor and Bonuses

##### Salaries and Wages

##### Management

##### Non-Management

##### Sub-Total: Salaries and Wages

##### Service Charge Distribution

##### Contracted, Leased and Outsourced Labor

##### Bonuses and Incentives

##### Total Salaries, Wages, Service Charges, Contracted Labor and Bonuses

##### Payroll-Related Expenses

##### Payroll Taxes

##### Supplemental Pay

##### Employee Benefits

##### Total Payroll-Related Expenses

#### Total Labor Costs and Related Expenses

#### Other Expenses

##### Agency Fees

##### Cluster Services

##### Collateral Material

##### Complimentary Services and Gifts

##### Contract Services

##### Corporate Office Reimbursables

##### Decorations

##### Direct Mail

##### Dues and Subscriptions

##### Entertainment—In-House

##### Equipment Rental

##### Familiarization Trips

##### Franchise and Affiliation Marketing

##### Franchise and Affiliation Fees—Royalties

##### In-House Graphics

##### Loyalty Programs

##### Media

##### Miscellaneous

##### Operating Supplies

##### Outside Sales Representation

##### Outside Services Market Research

##### Outside Signage

##### Photography

##### Postage and Overnight Delivery Charges

##### Promotion

##### Trade Shows

##### Training

##### Travel—Meals and Entertainment

##### Travel—Other

##### Uniform Laundry

##### Website

#### Total Other Expenses

### Total Expenses