



Profit and Loss Glossary

Terms

Number of guestrooms: Total number of guestrooms available each day (i.e. 100 rooms)

Total room nights AVAILABLE for year: Total number of guestrooms available for the year. This should exclude any days a room was out of inventory. (i.e. 100 rooms * 365 days = 36,500)

Total room nights SOLD for year: Total number of guestrooms sold for the year, excluding complimentary rooms. (i.e. 36,500 available room nights * 70% occupancy = 25,550)

Full-time equivalent employees: The number of full-time employees calculated to include part-time employees. A full-time equivalent employee works 2,080 hours in one year, so the number of employee hours worked divided by 2,080 hours is the full-time equivalent employees. (i.e. 21,840 employee hours / 2,080 hours per FTE = 10.5 FTEs)

Type of Hotel

Full-Service Hotel: Hotels reporting food and beverage revenues and expenses, where food and beverage revenues are greater than 5% of total revenues.

Limited-Service Hotel: Hotels with rooms-only operations (i.e. without food and beverage service). These hotels are often in the budget or economy group and do not report food and beverage revenue. Hotels may be included that offer food and beverage, but do not collect the revenues from operation.

Revenues

Rooms: Revenues derived from the rental of sleeping rooms at the hotel, net of any rebates and discounts.

Rooms -Transient Revenue: Revenues derived from rental of rooms and suites by individuals or groups occupying less than 10 rooms per night.

Rooms -Group Revenue: Revenues derived from renting blocks of 10 or more rooms or suites per night to a group.

Rooms -Service Charges: Automatic charges added to the rental of rooms in respect of a service or use of an amenity.

Rooms -Other: Miscellaneous revenue associated with an occupied room; no shows and late checkout fees.

Food: Revenues derived from the sale of food, including coffee, milk, tea and soft drinks. Includes food revenues from venues, banquet/catering, in-room dining, mini bar and other food.

Venue Food Revenue: Sales of food in specific dining areas in the property.

Banquet/Catering Food Revenue: Sales of food in a property's banquet rooms and for group functions outside the property.

In-Room Dining Food Revenue: Sales of food that require delivery to customers in the guest room.

Mini Bar Food Revenue: Sales of packaged food placed in a guest room; candy, snacks, soft drinks.

Other Food Revenue: Sales of consumable food items not designated as venues, in-room dining, banquet/catering, or mini bar revenues.

Beverage: Revenues derived from the sale of beverages, including beer, wine and liquors. Includes beverage revenues from venues, banquet/catering, in-room dining, mini bar and other beverage.

Venue Beverage Revenue: Beverage sales in specific dining areas in the property.

Banquet/Catering Beverage Revenue: Beverage sales in the property's banquet rooms and for group functions outside the hotel.

In-Room Dining Beverage Revenue: Beverage sales that require delivery to customers in their guest room.

Mini Bar Beverage Revenue: Sales of packaged beverages (bottles and cans) placed in a guest room.

Other Beverage Revenue: Sales of consumable beverage items not designated as venues, in-room dining, banquet/catering or mini bar revenues.

Audio/Visual: Revenues and commissions derived from supplying audio/visual equipment and services to customers, whether the equipment is owned by the property or rented from a third party.

Room Rental: Revenue derived from the rental of public meeting rooms to customers.

Service Charges: Automatic charges added to any food sale to help cover the cost of staff service to the customer.

Telecommunications: Revenues derived from guest-use of telephones in the hotel, including local and long distance calls, service charges, high speed or wireless internet and commissions received from pay phones.

Other Operated Departments: Revenues generated from garage and parking, guest laundry, golf and tennis, health club, spa, swimming pool, barber/beauty shop, gift shop, newsstand, etc., when operated by the hotel.

Excludes casinos.

Golf Cart Rentals: Revenue generated from the rental of golf carts on the golf course.

Golf-Green Fees: Revenue derived from charges to customers for playing golf on the golf course.

Golf-Membership: Revenue derived from charging customers for a "membership" at the golf course, which allows the "member" to exercise privileges not given to the general public.

Golf-Retail: Revenue derived from all sales of merchandise and clothing in the golf shop or anywhere on the golf course.

Golf-Other: Revenue from providing any other services not previously specified.

Salon Revenue: Revenue generated from salon services such as hair appointments and manicures and pedicures.

Spa-Other: Revenue from providing any other services not previously specified.

Spa-Retail: Revenue derived from sales of merchandise and clothing in the health club/spa.

Spa - Treatments: Revenue derived from health treatments such as facials, body wraps and mud packs.

Miscellaneous Income: Income from rentals of space for business purposes, including concessions in any of the departments mentioned under other operated departments. Also includes income generated from sources not included elsewhere such as cancellation and resort fees, but excludes investment income.

Departmental Expenses

Rooms: Rooms departmental expenses include labor costs such as salaries and wages for front desk, housekeeping, reservations, bell staff and laundry, plus employee benefits. Other operating expenses in the rooms department include linen, cleaning supplies, guest supplies, uniforms, central or franchise reservation fees and travel agent commissions.

Food and Beverage (F&B): Food and Beverage departmental expenses include the cost of goods sold (food and beverages), labor and related benefits and other operating expenses. Labor costs include departmental management, cooks and kitchen personnel, service staff, banquet staff and bartenders. Other operating expenses include china, silverware, linens, restaurant and kitchen supplies, menus and printing and special promotions.

Salaries & Wages: Earnings paid to an employee, such as regular pay, overtime pay and shift differential pay.

Benefits: Includes all other payroll-related expenses, such as employer-paid health insurance expenses, cost of meals furnished to employees, pension contributions and union fees.

Labor Expenses: Includes salaries and wages of departmental personnel and management including overtime, severance, incentive, holiday, sick, vacation and bonus pay.

Payroll Taxes: Includes FICA, FUTA and SUTA, SDI and other mandated payroll-related taxes or social insurance items.

Other Operated Departments: Other departmental expenses would comprise those expenses (labor and other) which offset the revenue generated by other operated departments such as garage, guest laundry, athletic facilities and gift shop.

Undistributed Operating Expenses

Administrative & General: Included in this category are the payroll and related expenses for the general manager, human resources and training, security, clerical staff, controller and accounting staff. Other A&G expenses include office supplies, computer services, accounting and legal fees, cash overages and shortages, bad debt expenses, travel insurance, credit card commissions, transportation (non-guest) and travel and entertainment.

Mini Bar Food Revenue: Sales of packaged food placed in a guest room; candy, snacks, soft drinks.

Marketing: Marketing expenses include payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff and civic and community projects.

Utility Costs: Utility expenses typically include electricity, fuel (oil, gas and coal), purchased steam and water.

Includes central plant and energy management systems

Property Operations and Maintenance: This category includes payroll and related expenses for maintenance personnel, cost of maintenance supplies, cost of repairs and maintenance of the building, furniture and equipment, the grounds and the removal of waste matter.

Management Fees: Fees charged by management organizations for management services or supervision. Includes both base and incentive fees.

Franchise Fee: Includes the royalty fees and advertising assessments charged by franchise companies.

Fixed Charges

Property Taxes: Typically include taxes on real estate, business and occupation, personal property, utilities and other municipal taxes.

Land and Building Rent: Includes charges for lease of land and/or building.

Equipment Rental: Includes capital leases for rental of data processing equipment, telephone equipment and other major items.

Other Terms

Market Class: Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale. An independent hotel is assigned a class based on its ADR, relative to that of the chain-affiliated hotels in its geographic proximity.

Per-Available-Room (PAR): Calculated by dividing by the number of keys in the hotel.

Per-Occupied-Room night (POR): Calculated by dividing by the room nights occupied during the financial year.

Ratio-to-Sales (RTS): Calculated by dividing by total revenue, with the exception of departmental expenses, which are based on the departmental revenue of the respective department.

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