

# 2022 FOOD + BEVERAGE ANALYSIS

February 2023 Board Meeting



TAHOE DONNER<sup>SM</sup>



## PURPOSE

- Review F+B operations and financial performance in 2022
- Provide operating initiatives to better financial performance and efficiencies
- Looking ahead to 2023





# BACKGROUND

- The 2022 Budget was set in October 2021. Significant unforeseen changes in the economy and supply chain had a direct impact on labor and costs after the budget was adopted
- During this time Pizza on the Hill was newly reopened and staff needed to test the waters to see how the community returned to the business and how to effectively run the operation
- The Lodge's long-time Chef, Lew Orlady, retired (as did his #2 chef) leaving the team in a rebuilding phase and incurring double salary during the overlapping transition of a new chef
- Staff introduced live music and other programming to drive business and saw success in that business model
- Staff learned a lot in 2022 and have made adjustments since, causing a significant increase in NOR from January 2022 versus January 2023

# TAHOE DONNER F+B OPERATIONS

- The Lodge Restaurant & Pub
- Pizza on the Hill
- Alder Creek Cafe

## Seasonal F+B

- Downhill Ski Bar + Grill
- Marina Bar + Grill
- Marco Polo Grill
- T-9 Grill/The Lodge Pavilion
- TD Eats Food Truck





# FINANCIALS – CONSOLIDATED F+B 2022

	Actual	Budget	Variance \$	Variance %	Prior Year	Variance \$	Variance %
<b>Revenue</b>							
Food / NA Beverage	\$2,715,636	\$2,821,673	-\$106,037	-4%	\$1,805,099	\$910,537	50%
Beer	\$316,777	\$299,031	\$17,746	6%	\$193,795	\$122,982	63%
Liquor	\$359,249	\$225,604	\$133,645	59%	\$294,589	\$64,660	22%
Wine	\$334,333	\$367,586	-\$33,253	-9%	\$204,504	\$129,829	63%
Other F&B	\$28,594	\$34,850	-\$6,256	-18%	\$17,034	\$11,560	68%
<b>Total Revenue</b>	<b>\$3,754,589</b>	<b>\$3,748,744</b>	<b>\$5,845</b>	<b>0%</b>	<b>\$2,515,021</b>	<b>\$1,239,568</b>	<b>49%</b>
<b>Cost of Goods Sold</b>	<b>\$1,266,717</b>	<b>\$1,120,132</b>	<b>-\$146,585</b>	<b>-13%</b>	<b>\$816,787</b>	<b>-\$449,930</b>	<b>-55%</b>
<b>Gross Margin</b>	<b>\$2,487,872</b>	<b>\$2,628,612</b>	<b>-\$140,740</b>	<b>-5%</b>	<b>\$1,698,234</b>	<b>\$1,689,498</b>	<b>99%</b>
Payroll (incl burden)	\$2,791,837	\$2,244,926	-\$546,911	-24%	\$1,945,352	-\$846,485	-44%
Other Operating Expenses	\$784,973	\$656,146	-\$128,827	-20%	\$582,068	-\$202,905	-35%
<b>Total Operating Cost</b>	<b>\$3,576,810</b>	<b>\$2,901,072</b>	<b>-\$675,738</b>	<b>-23%</b>	<b>\$2,527,420</b>	<b>-\$1,049,390</b>	<b>-42%</b>
<b>Operating Result</b>	<b>-\$1,088,939</b>	<b>-\$272,460</b>	<b>-\$816,479</b>	<b>300%</b>	<b>-\$829,186</b>	<b>-\$259,753</b>	<b>31%</b>
<b>COGS % to Revenue</b>	<b>33.74%</b>	<b>29.88%</b>		<b>-3.86%</b>	<b>32.48%</b>		<b>-1.26%</b>
<b>Labor % to Revenue</b>	<b>74.36%</b>	<b>59.88%</b>		<b>-14.47%</b>	<b>77.35%</b>		<b>2.99%</b>

# FINANCIALS – CONSOLIDATED F+B JANUARY 2023

	Actual	Budget	Variance \$	Variance %	Prior Year	Variance \$	Variance %
<b>Revenue</b>							
Food and N/A Beverage	\$305,683	\$286,360	\$19,323	6.75%	\$253,228	\$52,455	20.71%
Beer	\$32,147	\$33,790	-\$1,643	-4.86%	\$31,295	\$852	2.72%
Liquor	\$32,949	\$23,380	\$9,569	40.93%	\$25,818	\$7,131	27.62%
Wine	\$24,337	\$29,385	-\$5,048	-17.18%	\$24,376	-\$39	-0.16%
Other Revenue	\$543	\$850	-\$307	-36.10%	\$0	\$543	#DIV/0!
<b>Total Revenue</b>	<b>\$395,659</b>	<b>\$373,765</b>	<b>\$21,894</b>	<b>5.86%</b>	<b>\$334,717</b>	<b>\$60,942</b>	<b>18.21%</b>
<b>Cost of Goods Sold</b>	<b>\$134,724</b>	<b>\$124,955</b>	<b>-\$9,769</b>	<b>-7.82%</b>	<b>\$109,962</b>	<b>-\$24,762</b>	<b>-22.52%</b>
<b>Gross Margin</b>	<b>\$260,934</b>	<b>\$248,810</b>	<b>\$12,124</b>	<b>4.87%</b>	<b>\$224,755</b>	<b>\$85,704</b>	<b>38.13%</b>
Payroll (incl burden)	\$267,759	\$263,033	-\$4,726	-1.80%	\$281,943	\$14,184	5.03%
Other Operating Expenses	\$73,209	\$71,545	-\$1,664	-2.33%	\$65,034	-\$8,175	-12.57%
<b>Total Operating Cost</b>	<b>\$340,968</b>	<b>\$334,578</b>	<b>-\$6,390</b>	<b>-1.91%</b>	<b>\$346,977</b>	<b>\$6,009</b>	<b>1.73%</b>
<b>Operating Result</b>	<b>-\$80,034</b>	<b>-\$85,768</b>	<b>\$5,734</b>	<b>-6.69%</b>	<b>-\$122,222</b>	<b>\$42,188</b>	<b>-34.52%</b>
<b>COGS % to Revenue</b>	<b>34.05%</b>	<b>33.43%</b>	<b>-0.62%</b>	<b>32.85%</b>	<b>-1.20%</b>		
<b>Labor % to Revenue</b>	<b>67.67%</b>	<b>70.37%</b>	<b>2.70%</b>	<b>84.23%</b>	<b>16.56%</b>		

## KEY TAKEAWAYS

- F+B's operating performance (NOR) was \$42,188 better in Jan. 2023 versus Jan. 2022 (with worse weather)
- F+B finished better to budget by \$5,734 in January 2023
- Labor to Revenue % decreased from 84% in Jan. 2022 to 68% in Jan. 2023

# BUDGET VS. ACTUAL BREAKDOWN

Consistent with our budget and monthly financial presentations, the detail in the variance of 2022 consolidated Food + Beverage actual results to budget (from the previous slides) are broken down into the following for review:

- Revenues
- Cost of Goods Sold (COGS)
- Payroll
- Operating Expenses



  
*alder creek*  
cafe

Healthy food for a healthy lifestyle

# 2022 CONSOLIDATED F+B BUDGET VARIANCES

## REVENUE **+\$6,000 BETTER TO BUDGET**

- Banquet revenue **-\$68,000** to budget at The Lodge
- Pizza on the Hill operated during times when it was budgeted to be closed, this enabled the revenue to fare better than budget by **+\$66,000** during that period
- Loss of revenue at The Lodge closures due to hazardous weather and power outages, approximately **-\$60,000** in 2022

## COST OF GOODS SOLD **-\$147,000 WORSE TO BUDGET**

- Significant food cost increases in 2022, inflation after the adoption of the budget, supply chain issues
- Budgeted COGS 29.90%, Actual 33.74%
- Menu pricing remained flat during summer while the additional food cost was being absorbed by the association

The Lodge F





# 2022 CONSOLIDATED F+B BUDGET VARIANCES

## PAYROLL **-\$547,000 WORSE TO BUDGET**

- Actual hours worked significantly higher than budget

	Act Hrs	Bud Hrs	Var Hrs	Var %	Avg ROP	Total
The Lodge	35345	30185	-5160	-17%	\$18.99	<b>-\$97,988.40</b>
ACAC	9150	5500	-3650	-66%	\$18.67	<b>-\$68,145.50</b>
POTH	12248	8425	-3823	-45%	\$18.60	<b>-\$71,107.80</b>
Winter F&B	7145	5621	-1524	-27%	\$18.79	<b>-\$28,635.96</b>
Summer F&B	3838	4432	594	13%	\$18.91	<b>\$11,232.54</b>
						<b>-\$254,645.12</b>

## OTHER EXAMPLES OF PAYROLL DRIVERS

- Seasonal retention incentives **-\$36,000**
- 5-week transition of Executive Chef saw two salaries absorbed for that period - not budgeted
- Average rate of pay (ROP) higher than budgeted due to the limited employees within the region **-\$59,000**
- F+B amenities incurring additional overtime due to being short-staffed **-\$54,000**



# 2022 CONSOLIDATED F+B BUDGET VARIANCES CONTINUED

## OPERATING EXPENSES **-\$129,000 WORSE TO BUDGET**

- Linen expense **-\$30,000** unfavorable to budget. Currently reviewing contracts with vendors for better pricing and service
- Cleaning Supplies **-\$10,000** due to increasing costs
- Paper Products **-\$23,000** unfavorable to budget. TDA saw paper-related costs increase significantly after the onset of COVID, paper shortages in 2022 led to increasing costs
- Increased cost in employee housing to budget due to the higher rental rates **-\$11,000**
- Utilities unfavorable to budget by **-\$18,000**





# LOOKING AHEAD

## LESSONS LEARNED + BUSINESS MODEL ADJUSTMENTS

- As we understand the ebbs and flows of Pizza on the Hill since reopening, staff hours are being managed more effectively
- Eliminated full-time salaried Pizza manager, a restructured position overseeing both Pizza and Alder Creek Cafe – savings of approximately \$55,000, including burden
- Live music and special programming are very successful in driving higher net operating results, approximately 65% better NOR compared to similar days without entertainment
- Limiting shoulder season hours at Alder Creek Cafe
- Continue to improve employee benefits to retain and stabilize workforce

# SUCCESSSES IN 2023 TO DATE

WITH THESE ADJUSMENTS, WE SAW POSITIVE RESULTS IN JANUARY 2023 AND ANTICIPATE CONTINUING THIS THROUGH THE YEAR

## JANUARY NOR BY DEPARTMENT – 2022 VERSUS 2023

	Jan-23	Jan-22	Variance
The Lodge	-\$80,482	-\$86,624	\$6,142
Winter F&B	\$26,695	\$11,562	\$15,133
POTH	-\$12,909	-\$39,607	\$26,698
ACC	-\$13,338	-\$7,553	-\$5,785
	-\$80,034	-\$122,222	\$42,188

\*of the weekends in January, 3 of them saw rain and/or snow, which impacted operations



**THANK YOU**