

# What the month actually did

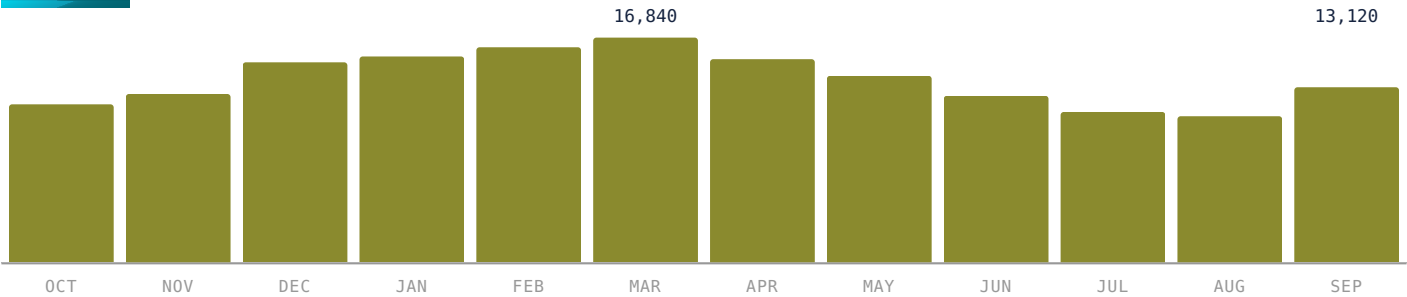
Two rooms, one set of books. Every figure below is derived from the closed income-tax-basis ledger — not a separate management file that can drift away from the return.

ILLUSTRATIVE SAMPLE · NOT A CLIENT FILE

| COVERS                        | AVERAGE CHECK               | REVENUE   | PRIME COST                  | LABOR                   | NET INCOME                  |
|-------------------------------|-----------------------------|-----------|-----------------------------|-------------------------|-----------------------------|
| 13,120<br>vs 10,940 in August | \$62.50<br>revenue ÷ covers | \$820,000 | 60.5%<br>house target 60.0% | 32.1%<br>peer set 32.2% | \$42,640<br>5.2% of revenue |

TWELVE MONTHS

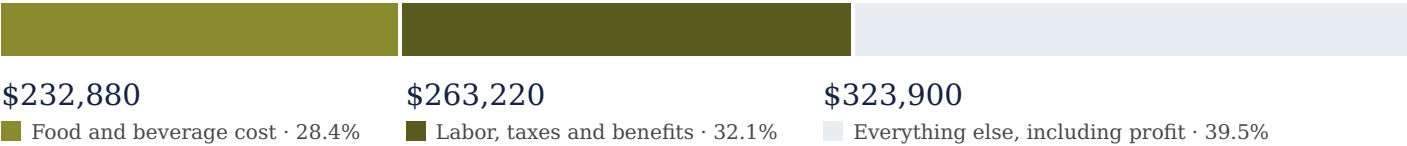
## Covers, by month



Season runs December through April and peaks in March. August is the floor and always has been — it is not a problem to solve, it is a month to staff for. September is the first month back and it came back 20 percent above August.

WHERE THE REVENUE GOES

## Prime cost against everything else



Prime cost is \$496,100, or 60.5% of revenue. The house target is 60.0%. That half a point is \$4,100 this month.

AGAINST THE PEER SET

## Full-service independent, two units



Food and beverage cost 28.4%

lower is better

peer set 29.6%

Labor as % of revenue 32.1%

lower is better

peer set 32.2%

Rent and occupancy 10.0%

lower is better

peer set 8.4%

Net income 5.2%

higher is better

peer set 4.1%

Rent is the whole gap, and it is the one line you cannot cook your way out of. You are beating the peer set on food, on labor and on prime cost, and then handing 1.6 points of revenue back in occupancy. At this month's revenue that is \$13,120 — call it \$157,440 a year. Nothing on the menu moves that. The lease does.

In a live engagement the peer figures carry their source and the date we pulled them. Here they are illustrative. A benchmark with no source is a number you cannot check and a landlord can dispute.

## STATEMENT

### Revenues and expenses

|                                   | AMOUNT         | % REV         |
|-----------------------------------|----------------|---------------|
| REVENUE                           |                |               |
| Food — dining room                | 468,500        | 57.1%         |
| Food — delivery and takeout       | 89,100         | 10.9%         |
| Beverage — bar                    | 198,700        | 24.2%         |
| Beverage — wine by the bottle     | 63,700         | 7.8%          |
| <b>Total revenue</b>              | <b>820,000</b> | <b>100.0%</b> |
| PRIME COST                        |                |               |
| Food and beverage cost            | 232,880        | 28.4%         |
| Wages, payroll taxes and benefits | 263,220        | 32.1%         |
| <b>Total prime cost</b>           | <b>496,100</b> | <b>60.5%</b>  |
| OPERATING EXPENSES                |                |               |

|                                      |                |              |
|--------------------------------------|----------------|--------------|
| Rent and occupancy                   | 82,000         | 10.0%        |
| Direct operating expense             | 36,900         | 4.5%         |
| General and administrative           | 32,800         | 4.0%         |
| Utilities                            | 24,600         | 3.0%         |
| Depreciation and amortization        | 24,600         | 3.0%         |
| Merchant processing fees             | 20,500         | 2.5%         |
| Marketing and promotion              | 16,400         | 2.0%         |
| Insurance                            | 12,300         | 1.5%         |
| Repairs and maintenance              | 12,300         | 1.5%         |
| Delivery and third-party commissions | 10,660         | 1.3%         |
| Music, entertainment and licenses    | 8,200          | 1.0%         |
| <b>Total operating expenses</b>      | <b>281,260</b> | <b>34.3%</b> |
| <b>Net income</b>                    | <b>42,640</b>  | <b>5.2%</b>  |

#### WHAT WE WOULD DO ABOUT IT

### Three moves, in the order they pay

#### 1 Open the lease file before the option date

Occupancy is 1.6 points above the peer set and it is the only line on this page a menu change cannot reach. We want the renewal option date, the CAM reconciliation for the last two years, and whether the percentage-rent clause has ever actually triggered. That is a document question, not an opinion.

worth \$157,440 a year

#### 2 Hold prime cost at 60.0, do not chase 58

You are already inside the peer set on food and on labor. The half point between 60.5 and the house target is \$4,100 a month and it is a scheduling problem, not a purchasing one — August ran 63.0 on 10,940 covers. Staff September and October to the covers you now know are coming.

worth \$4,100 a month

#### 3 Price the delivery channel separately

Delivery is 10.9% of revenue and carries \$10,660 of third-party commission against it. On this page those two sit in different sections, so nobody sees them together. Next month they get their own margin line and we find out whether the channel is paying for itself.

unknown until measured

## So nothing here has to be taken on trust

|   |                         |                                                         |                                  |
|---|-------------------------|---------------------------------------------------------|----------------------------------|
| ✓ | Revenue foots           | Four revenue lines against total revenue                | 820,000                          |
| ✓ | Prime cost foots        | Food and beverage plus payroll against total prime cost | 496,100                          |
| ✓ | Operating expenses foot | Eleven lines against the total                          | 281,260                          |
| ✓ | Statement closes        | Revenue less prime cost less operating expenses         | 42,640                           |
| ✓ | Average check derives   | Revenue divided by covers, not keyed                    | \$62.50                          |
| — | Peer set is sourced     | Source and pull date carried with each benchmark        | illustrative only in this sample |

Five of the six checks above are arithmetic and they run every month. The sixth is shown unmet on purpose: in a sample there is no peer source to cite, and a report where every light is green is a report that cannot see anything.

Palacio, Palacio & Zimmerman, LLC · Management report, not a compilation · Drawn from the closed income-tax-basis books · September 2026