

OFFICIAL PROCEEDINGS
KEWEENAW MOUNTAIN LODGE BOARD
July 18, 2018

The regular monthly meeting of the Keweenaw Mountain Lodge Board was held on July 18, 2018, 6:15 p.m. at the Courthouse, Eagle River, MI and began with the Pledge of Allegiance.

Commissioners present: Bob DeMarois, Sandy Gayk, Jim Vivian, Del Rajala, Don Piche.

The meeting was posted in the Courthouse on the bulletin board and the agenda for the meeting was posted on the door of the Courthouse.

Motion by Gayk supported by DeMarois and unanimously carried to approve the agenda as presented.

Motion by Vivian supported by Gayk and unanimously carried to approve the minutes as written from the June 20, 2018 regular monthly meeting.

Motion by DeMarois supported by Rajala to pay the bills in the following amounts: Vendors: \$37,281.46 Payroll: \$69,131.90. Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried.

Coordinator Desnick went over the financials which are attached and gave the following updates:

- Things were slow in June but July is off to a great start
- There were no major events in June

Public comment was allowed.

Motion by Gayk to adjourn at 6:25 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk

Keweenaw Mountain Lodge
Balance Sheet
 As of June 30, 2018

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	4,179.19
002-a · Depository Account 0299	35,045.49
002-b · General Fund-Maint by Geri-0232	-114,000.00
002-d · Payroll Checking Account 0281	21,295.41
002i · In-House Purchases Acct 165	914.88
004 · Cash in Drawer	800.00
005 · Petty Cash	813.33
Total Checking/Savings	-50,951.70
Accounts Receivable	
028 · Accounts Receivable	27.78
Total Accounts Receivable	27.78
Other Current Assets	
Accounts receivable - Other	105.00
035 · Prepaid Expenses	587.88
040 · Due from others	0.06
100 · Inventories	
101 · Golf Inventory	1,287.87
104 · Liquor Inventory	2,911.42
105 · Food Inventory	-2,022.86
Total 100 · Inventories	2,176.43
106 · Fuel Inventory	10,447.88
99 · Prepaid Insurance	11,984.98
Total Other Current Assets	25,302.23
Total Current Assets	-25,621.69
Fixed Assets	
130 · Capital Assets-Land	201,400.00
132 · Capital Assets- Land Imp.	521,004.90
134 · Infrastructure	553,318.37
136 · Capital Assets-Bld. & Fixture	4,785,657.17
146 · Capital Assets- Equipment	294,659.44
148 · Capital Assets-Vehicles	22,607.66
149 · Less Accum. Depreciation	-3,239,295.57
Total Fixed Assets	3,139,351.97
TOTAL ASSETS	3,113,730.28
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 · Accounts Payable	23,482.15
Total Accounts Payable	23,482.15
Other Current Liabilities	
203 · Advanced Deposits Payable	7,800.00
228-a · Sales Tax Payable	615.50
228-b · Use Tax Payable	1,497.60
230 · Room Assessment Tax Payable	748.80
231 · Payroll Liabilities	
Michigan Withholding	2,701.52
Payroll Liabilities-Child suppo	-162.42
SUIMI-Company	8,225.99
231 · Payroll Liabilities - Other	89.19
Total 231 · Payroll Liabilities	10,854.28

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07/15/18
Accrual Basis

Keweenaw Mountain Lodge
Balance Sheet
As of June 30, 2018

	<u>Jun 30, 18</u>
232 · Tips-Not Yet Paid (Gratuity)	-96.27
233 · Accrued Payroll	2,000.00
251 · Accrued Interest Payable	492,199.87
Total Other Current Liabilities	<u>515,619.78</u>
Total Current Liabilities	539,101.93
Long Term Liabilities	
300 · Bonds Payable-Long Term	1,766,000.00
Total Long Term Liabilities	<u>1,766,000.00</u>
Total Liabilities	2,305,101.93
Equity	
30000 · Ask Accountant/Auditor	614.47
3001 · Over & Under	41.37
3100 · Retained Earnings	-826,724.18
399 · Net Assets Over Related Debt	1,759,066.15
Net Income	-124,369.46
Total Equity	<u>808,628.35</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,113,730.28</u></u>

8:04 AM

07/15/18

Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
June 2018

	Jun 18	Jun 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 · Lodging Income	24,960.00	45,196.00	-20,236.00	-44.8%
642 · Dining Room Income				
645 · Banquet Income	2,232.00	7,348.00	-5,116.00	-69.6%
642 · Dining Room Income - Other	9,310.48	13,411.73	-4,101.25	-30.6%
Total 642 · Dining Room Income	11,542.48	20,759.73	-9,217.25	-44.4%
643 · Bar Income	6,833.00	8,575.13	-1,742.13	-20.3%
644 · Golf Income	9,551.00	13,059.43	-3,508.43	-26.9%
664 · Interest Income	0.00	2.51	-2.51	-100.0%
Total Income	52,886.48	87,592.80	-34,706.32	-39.6%
Cost of Goods Sold				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	3,201.48	4,847.38	-1,645.90	-34.0%
701-02 · Liquor	822.95	1,476.94	-653.99	-44.3%
701-03 · Soft Drinks	611.95	515.45	96.50	18.7%
701 · BAR COST OF SALES - Other	133.30	0.00	133.30	100.0%
Total 701 · BAR COST OF SALES	4,769.68	6,839.77	-2,070.09	-30.3%
702 · DINING COST OF SALES	8,904.41	6,275.14	2,629.27	41.9%
703 · GOLF COST OF SALES	0.00	187.36	-187.36	-100.0%
Total COGS	13,674.09	13,302.27	371.82	2.8%
Gross Profit	39,212.39	74,290.53	-35,078.14	-47.2%
Expense				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	54,465.00	47,223.31	7,241.69	15.3%
705-02 · Salary Wages	4,000.00	4,000.00	0.00	0.0%
705-03 · Overtime Wages	3,547.88	4,493.05	-945.17	-21.0%
705-05 · Payroll Taxes	12,451.08	11,209.36	1,241.72	11.1%
705-10 · Mileage Reimbursement	0.00	251.88	-251.88	-100.0%
705-12 · Uniforms	0.00	419.59	-419.59	-100.0%
705-25 · Workmans Comp.	195.96	0.00	195.96	100.0%
705-99 · PY Payroll Tax Adj	0.00	173.26	-173.26	-100.0%
Total 705 · EMPLOYEE COSTS	74,659.92	67,770.45	6,889.47	10.2%
726 · SUPPLIES				
726-02 · Firewood	921.50	0.00	921.50	100.0%
726-03 · Guest Complimentary	307.33	0.00	307.33	100.0%
726-04 · Office Supplies	21.20	1,035.65	-1,014.45	-98.0%
726-06 · Paper & Disposable	0.00	1,711.28	-1,711.28	-100.0%
726 · SUPPLIES - Other	0.00	14.28	-14.28	-100.0%
Total 726 · SUPPLIES	1,250.03	2,761.21	-1,511.18	-54.7%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	40.00	40.00	0.00	0.0%
801-02 · Audit Fees	0.00	5,300.00	-5,300.00	-100.0%
801-03 · Bank/Credit Card Fees	0.00	98.86	-98.86	-100.0%
801-04 · Dues and Subscriptions	0.00	669.94	-669.94	-100.0%
801-05 · Equipment Maint/Repairs	1,627.85	2,299.71	-671.86	-29.2%
801-06 · Equipment Rental	2,625.00	2,831.71	-206.71	-7.3%
801-07 · Facilities Maintenance	3,346.20	1,811.05	1,535.15	84.8%
801-08 · General Insurance	1,377.00	0.00	1,377.00	100.0%
801-09 · Grounds Maintenance	0.00	1,500.40	-1,500.40	-100.0%
801-10 · Laundry Expense	2,726.50	3,967.88	-1,241.38	-31.3%
801-11 · Licenses and Permits	250.00	0.00	250.00	100.0%
801-12 · Consulting Fees/Contract Fees	1,520.00	1,540.00	-20.00	-1.3%
801-13 · Telephone	262.21	727.92	-465.71	-64.0%
801-15 · Utilities	3,959.51	7,247.20	-3,287.69	-45.4%
801-16 · Van & Truck Exp - Gas & Repairs	569.00	611.56	-42.56	-7.0%
801-20 · Satellite TV	509.22	506.68	2.54	0.5%
Total 801 · OPERATING COSTS	18,812.49	29,152.91	-10,340.42	-35.5%
880 · MARKETING EXP				
880-01 · Advertisements	452.00	465.00	-13.00	-2.8%
880-04 · Internet/Web Site	100.00	100.00	0.00	0.0%
Total 880 · MARKETING EXP	552.00	565.00	-13.00	-2.3%

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Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
June 2018

	<u>Jun 18</u>	<u>Jun 17</u>	<u>\$ Change</u>	<u>% Change</u>
Total Expense	95,274.44	100,249.57	-4,975.13	-5.0%
Net Ordinary Income	-56,062.05	-25,959.04	-30,103.01	-116.0%
Other Income/Expense				
Other Expense				
23000 - Tips Wash Account	0.00	0.00	0.00	0.0%
970 - CAPITAL EXPENDITURES				
970-02 - Computer Eq & Software	0.00	3,599.97	-3,599.97	-100.0%
Total 970 - CAPITAL EXPENDITURES	0.00	3,599.97	-3,599.97	-100.0%
Total Other Expense	0.00	3,599.97	-3,599.97	-100.0%
Net Other Income	0.00	-3,599.97	3,599.97	100.0%
Net Income	<u>-56,062.05</u>	<u>-29,559.01</u>	<u>-26,503.04</u>	<u>-89.7%</u>

8:14 AM

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Accrual Basis

Keweenaw Mountain Lodge

Profit & Loss Prev Year Comparison

January through June 2018

	Jan - Jun 18	Jan - Jun 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 · Lodging Income	29,395.00	49,786.00	-20,391.00	-41.0%
642 · Dining Room Income				
645 · Banquet Income	3,545.22	7,348.00	-3,802.78	-51.8%
642 · Dining Room Income - Other	9,377.73	15,284.57	-5,906.84	-38.7%
Total 642 · Dining Room Income	12,922.95	22,632.57	-9,709.62	-42.9%
643 · Bar Income	8,859.50	10,576.54	-1,717.04	-16.2%
644 · Golf Income				
Golf Fees	10,275.00	10,045.00	230.00	2.3%
Golf Sales	125.00	0.00	125.00	100.0%
644 · Golf Income - Other	13,996.50	16,608.23	-2,611.73	-15.7%
Total 644 · Golf Income	24,396.50	26,653.23	-2,256.73	-8.5%
664 · Interest Income	9.31	11.12	-1.81	-16.3%
698 · Other Miscellaneous Revenue	0.00	0.00	0.00	0.0%
Total Income	75,583.26	109,659.46	-34,076.20	-31.1%
Cost of Goods Sold				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	5,528.57	6,568.03	-1,039.46	-15.8%
701-02 · Liquor	2,119.70	1,646.50	473.20	28.7%
701-03 · Soft Drinks	1,225.50	760.35	465.15	61.2%
701 · BAR COST OF SALES - Other	133.30	0.00	133.30	100.0%
Total 701 · BAR COST OF SALES	9,007.07	8,974.88	32.19	0.4%
702 · DINING COST OF SALES	12,513.14	9,766.06	2,747.08	28.1%
703 · GOLF COST OF SALES	0.00	431.43	-431.43	-100.0%
703.01 · Cost of Sales - Other	455.00	360.00	95.00	26.4%
Total COGS	21,975.21	19,532.37	2,442.84	12.5%
Gross Profit	53,608.05	90,127.09	-36,519.04	-40.5%
Expense				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	67,784.50	68,379.27	-594.77	-0.9%
705-02 · Salary Wages	24,000.00	24,000.00	0.00	0.0%
705-03 · Overtime Wages	4,831.18	4,688.80	142.38	3.0%
705-05 · Payroll Taxes	18,112.37	18,731.61	-619.24	-3.3%
705-10 · Mileage Reimbursement	1,206.62	315.65	890.97	282.3%
705-12 · Uniforms	0.00	419.59	-419.59	-100.0%
705-25 · Workmans Comp.	1,175.76	3,686.24	-2,510.48	-68.1%
705-50 · Other Employee Costs	0.00	49.98	-49.98	-100.0%
705-99 · PY Payroll Tax Adj	0.00	173.26	-173.26	-100.0%
Total 705 · EMPLOYEE COSTS	117,110.43	120,444.40	-3,333.97	-2.8%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	94.06	622.79	-528.73	-84.9%
726-02 · Firewood	921.50	0.00	921.50	100.0%
726-03 · Guest Complimentary	307.33	547.69	-240.36	-43.9%
726-04 · Office Supplies	586.10	2,468.97	-1,882.87	-76.3%
726-06 · Paper & Disposable	0.00	1,711.28	-1,711.28	-100.0%
726-07 · Small Tools & Supplies	150.00	0.00	150.00	100.0%
726 · SUPPLIES - Other	0.00	14.28	-14.28	-100.0%
Total 726 · SUPPLIES	2,058.99	5,365.01	-3,306.02	-61.6%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	80.00	185.00	-105.00	-56.8%
801-02 · Audit Fees	0.00	5,300.00	-5,300.00	-100.0%
801-03 · Bank/Credit Card Fees	253.52	1,920.57	-1,667.05	-86.8%
801-04 · Dues and Subscriptions	1,020.40	1,754.94	-734.54	-41.9%
801-05 · Equipment Maint/Repairs	3,825.20	5,400.68	-1,575.48	-29.2%
801-06 · Equipment Rental	2,625.00	2,831.71	-206.71	-7.3%
801-07 · Facilities Maintenance	8,219.34	7,714.11	505.23	6.6%
801-08 · General Insurance	8,262.00	4,268.25	3,993.75	93.6%
801-09 · Grounds Maintenance	0.00	3,822.30	-3,822.30	-100.0%
801-10 · Laundry Expense	4,712.79	5,560.43	-847.64	-15.2%
801-11 · Licenses and Permits	3,876.50	4,596.92	-720.42	-15.7%
801-12 · Consulting Fees/Contract Fees	6,300.00	9,435.00	-3,135.00	-33.2%
801-13 · Telephone	1,622.33	1,407.08	215.25	15.3%

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07/15/18

Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
January through June 2018

	Jan - Jun 18	Jan - Jun 17	\$ Change	% Change
801-15 · Utilities	12,969.89	21,863.90	-8,894.01	-40.7%
801-16 · Van & Truck Exp - Gas & Repairs	2,167.53	1,247.08	920.45	73.8%
801-17 · Waste Removal	240.75	0.00	240.75	100.0%
801-20 · Satellite TV	1,317.34	1,423.76	-106.42	-7.5%
Total 801 · OPERATING COSTS	57,492.59	78,731.73	-21,239.14	-27.0%
880 · MARKETING EXP				
880-01 · Advertisements	715.50	2,016.32	-1,300.82	-64.5%
880-02 · Brochures/Print Materials	0.00	59.41	-59.41	-100.0%
880-04 · Internet/Web Site	600.00	1,600.00	-1,000.00	-62.5%
Total 880 · MARKETING EXP	1,315.50	3,675.73	-2,360.23	-64.2%
999 · Reconciliation Discrepancies	0.00	0.00	0.00	0.0%
Total Expense	177,977.51	208,216.87	-30,239.36	-14.5%
Net Ordinary Income	-124,369.46	-118,089.78	-6,279.68	-5.3%
Other Income/Expense				
Other Expense				
23000 · Tips Wash Account	0.00	0.00	0.00	0.0%
970 · CAPITAL EXPENDITURES				
970-02 · Computer Eq & Software	0.00	3,599.97	-3,599.97	-100.0%
970-03 · Furniture/Fixtures	0.00	512.00	-512.00	-100.0%
Total 970 · CAPITAL EXPENDITURES	0.00	4,111.97	-4,111.97	-100.0%
Total Other Expense	0.00	4,111.97	-4,111.97	-100.0%
Net Other Income	0.00	-4,111.97	4,111.97	100.0%
Net Income	-124,369.46	-122,201.75	-2,167.71	-1.8%