

OFFICIAL PROCEEDINGS
KEWEENAW MOUNTAIN LODGE BOARD
September 21, 2016

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on September 21, 2016, 6:15 p.m. at the Courthouse, Eagle River, MI, opened with the Pledge of Allegiance.

Commissioners present: Randy Eckloff, Bob DeMarois, Ray Chase, Don Piche, Del Rajala.

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 Chase supported by Eckloff and unanimously carried to approve the agenda as presented.

Motion by Chase supported by Rajala and unanimously carried to approve the minutes as written from the August 17, 2016 regular monthly meeting.

Motion by Chase supported by DeMarois to pay the bills in the following amounts: Vendors: \$66,176.08 Payroll: \$101,978.02. Board polled. Ayes: Eckloff, DeMarois, Chase, Piche. Nays: None. Abstain: Rajala. Motion carried.

Carl Johnson presented the financials to the Board. Overall, the numbers do not look good. See attached financials.

Debra Britz-Maier, GM, gave some updates:

- Three more weekends and they are sold out
- Buffet for the public on October 7th
- Working with United Works & Travels and Michigan Works for staff for next year
- Meeting on Friday in Marquette for Pure Michigan
- New office door, fixed roof on cabin #22, fixed wall on cabin #1
- Regrouping for kitchen staff for next year

Public comment was allowed.

Motion by Chase to adjourn at 6:48 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk

Keweenaw Mountain Lodge
Profit & Loss
January through August 2016

	Jan - Aug 16	Jan - Aug 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
841 · Lodging Income	251,307.80	288,143.20	-46,835.40	-15.7%
642 · Dining Room Income				
645 · Banquet Income	47,345.28	63,320.97	-15,975.69	-25.2%
642 · Dining Room Income - Other	89,375.81	125,402.04	-36,026.43	-28.7%
Total 642 · Dining Room Income	136,720.89	188,723.01	-52,002.12	-27.6%
643 · Bar Income	43,120.07	79,105.41	-35,985.34	-45.5%
644 · Golf Income				
Golf Fees	85,664.55	64,909.73	20,754.82	32.0%
Golf Sales	26,362.52	12,240.60	14,121.92	115.4%
644 · Golf Income - Other	0.00	7,746.75	-7,746.75	-100.0%
Total 644 · Golf Income	112,027.07	84,897.08	27,129.99	32.0%
664 · Interest Income	127.93	171.83	-43.90	-25.6%
680 · Less Allowances/Discounts	-389.85	-4,237.61	3,847.76	90.8%
698 · Other Miscellaneous Revenue	-1,868.44	115.00	-1,983.44	-1,724.7%
Total Income	541,045.47	646,917.92	-105,872.45	-16.4%
Cost of Goods Sold				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	8,380.30	14,740.66	-6,360.36	-43.2%
701-02 · Liquor	5,390.40	8,395.29	-3,004.89	-35.8%
701-03 · Soft Drinks	2,417.95	3,330.67	-912.72	-27.4%
701-04 · Entertainment/Music	100.00	300.00	-200.00	-66.7%
Total 701 · BAR COST OF SALES	16,288.65	26,766.62	-10,477.97	-39.2%
702 · DINING COST OF SALES	56,884.94	81,776.10	-24,893.16	-30.4%
703 · GOLF COST OF SALES	12,153.17	5,738.67	6,414.50	111.8%
703.01 · Cost of Sales - Other	387.00	0.00	387.00	100.0%
704 · LODGING COST OF SALES	889.26	0.00	889.26	100.0%
Total COGS	86,603.02	114,283.39	-27,680.37	-24.2%
Gross Profit	454,442.45	532,634.53	-78,192.08	-14.7%
Expense				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	199,269.83	147,828.95	51,440.88	34.8%
705-02 · Salary Wages	54,841.54	63,084.31	-8,242.77	-13.1%
705-03 · Overtime Wages	6,288.42	3,044.14	3,244.28	106.6%
705-05 · Payroll Taxes	56,217.88	48,560.16	7,657.72	15.8%
705-10 · Mileage Reimbursement	1,022.18	613.00	409.18	66.8%
705-11 · Reimb Travel Expenses	0.00	126.24	-126.24	-100.0%
705-12 · Uniforms	2,928.38	1,672.47	1,255.91	75.1%
705-20 · Medical Premiums	0.00	720.84	-720.84	-100.0%
705-25 · Workmans Comp.	5,793.00	5,249.00	544.00	10.4%
705-40 · Deferred Comp	0.00	80.00	-80.00	-100.0%
705-50 · Other Employee Costs	554.36	0.00	554.36	100.0%
705-99 · PY Payroll Tax Adj	-3,505.40	0.00	-3,505.40	-100.0%
705 · EMPLOYEE COSTS - Other	0.00	61.50	-61.50	-100.0%
Total 705 · EMPLOYEE COSTS	323,410.19	271,040.61	52,369.58	19.3%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	4,995.77	5,215.20	-219.43	-4.2%
726-02 · Firewood	922.00	1,744.00	-822.00	-47.1%
726-03 · Guest Complimentary	1,183.62	6,228.18	-5,044.56	-81.0%
726-04 · Office Supplies	5,211.64	2,678.94	2,532.70	94.5%
726-05 · Operating	4,035.94	3,784.72	251.22	6.6%
726-06 · Paper & Disposable	5,576.94	6,068.67	-491.73	-8.1%
726-07 · Small Tools & Supplies	3,113.71	238.45	2,875.26	1,205.8%
726-08 · Computer Eq't-Under \$2,000	3,417.33	594.14	2,823.19	475.2%
726-09 · Decorations	767.32	243.00	524.32	215.8%
726 · SUPPLIES - Other	1,358.19	0.00	1,358.19	100.0%
Total 726 · SUPPLIES	30,582.46	26,795.30	3,787.16	14.1%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	120.00	125.00	-5.00	-4.0%
801-02 · Audit Fees	0.00	5,000.00	-5,000.00	-100.0%
801-03 · Bank/Credit Card Fees	7,336.78	10,684.05	-3,347.27	-31.3%
801-04 · Dues and Subscriptions	1,761.88	1,367.95	373.93	26.9%
801-05 · Equipment Maint/Repairs	15,304.69	6,765.42	8,539.27	126.2%
801-06 · Equipment Rental	9,758.53	7,541.00	2,217.53	29.4%

Keweenaw Mountain Lodge
Profit & Loss
January through August 2016

	Jan - Aug 16	Jan - Aug 15	\$ Change	% Change
801-07 · Facilities Maintenance	23,518.70	10,426.94	13,091.76	125.6%
801-08 · General Insurance	11,382.00	11,730.64	-348.64	-3.0%
801-09 · Grounds Maintenance	6,129.44	334.61	5,794.83	1,731.8%
801-10 · Laundry Expense	20,059.40	26,162.28	-6,102.88	-23.3%
801-11 · Licenses and Permits	3,731.50	3,828.50	-97.00	-2.5%
801-12 · Consulting Fees/Contract Fees	15,782.83	10,751.20	5,031.63	46.8%
801-13 · Telephone	3,077.19	2,080.14	997.05	47.9%
801-15 · Utilities	46,154.87	50,591.41	-4,436.54	-8.8%
801-16 · Van & Truck Exp - Gas & Repairs	2,973.80	-379.41	3,353.21	883.6%
801-17 · Waste Removal	1,253.25	4,318.29	-3,065.04	-71.0%
801-18 · Other Expenses	371.58	337.02	34.56	10.3%
801-19 · Security Systems	1,052.20	210.00	842.20	401.1%
801 · OPERATING COSTS - Other	48.80	0.00	48.80	100.0%
Total 801 · OPERATING COSTS	169,817.44	151,895.04	17,922.40	11.8%
880 · MARKETING EXP				
880-01 · Advertisements	8,573.09	4,849.55	3,723.54	76.8%
880-02 · Brochures/Print Materials	80.00	552.40	-472.40	-85.5%
880-04 · Internet/Web Site	600.00	660.00	-60.00	-9.1%
880-05 · Sales & Marketing Expense	362.10	194.03	168.07	86.6%
880-07 · Entertainment	0.00	525.00	-525.00	-100.0%
880-08 · Donations	425.00	0.00	425.00	100.0%
880-90 · PY Adj For Events	0.00	0.00	0.00	0.0%
Total 880 · MARKETING EXP	10,040.19	6,780.98	3,259.21	48.1%
999 · Reconciliation Discrepancies	0.09	0.00	0.09	100.0%
Total Expense	533,850.37	456,511.93	77,338.44	16.9%
Net Ordinary Income	-79,407.92	76,122.60	-155,530.52	-204.3%
Other Income/Expense				
Other Income				
12000 · Discounts Earned	0.00	60.72	-60.72	-100.0%
13000 · Over/Short	1,341.60	287.98	1,053.62	365.9%
14000 · Unclassified Income	0.00	125.09	-125.09	-100.0%
Total Other Income	1,341.60	473.79	867.81	183.2%
Other Expense				
21000 · Other Expenses	189.72	0.00	189.72	100.0%
22000 · Less Payouts	0.00	85.00	-85.00	-100.0%
23000 · Tips Wash Account	3,192.26	0.00	3,192.26	100.0%
970 · CAPITAL EXPENDITURES				
970-01 · Lodge Improvements	30,636.60	1,347.25	29,289.35	2,174.0%
970-02 · Computer Eqt & Software	6,428.00	0.00	6,428.00	100.0%
970-03 · Furniture/Fixtures	0.00	309.00	-309.00	-100.0%
970-05 · Kitchen Equipment	5,326.76	552.71	4,774.05	863.8%
Total 970 · CAPITAL EXPENDITURES	42,391.36	2,208.96	40,182.40	1,819.1%
Total Other Expense	45,773.34	2,293.96	43,479.38	1,895.4%
Net Other Income	-44,431.74	-1,820.17	-42,611.57	-2,341.1%
Net Income	-123,839.66	74,302.43	-198,142.09	-266.7%

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09/20/16

Accrual Basis

Keweenaw Mountain Lodge

Profit & Loss

August 2016

	Aug 16	Aug 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 • Lodging Income	108,057.19	140,687.29	-32,630.10	-23.2%
642 • Dining Room Income				
645 • Banquet Income	7,185.58	32,216.55	-25,030.97	-77.7%
642 • Dining Room Income - Other	40,584.98	48,169.58	-7,584.60	-15.8%
Total 642 • Dining Room Income	47,770.56	80,386.13	-32,615.57	-40.6%
643 • Bar Income	16,079.89	30,896.96	-14,817.07	-48.0%
644 • Golf Income				
Golf Fees	23,390.50	21,157.50	2,233.00	10.6%
Golf Sales	21,824.87	5,421.94	16,402.93	302.5%
Total 644 • Golf Income	45,215.37	26,579.44	18,635.93	70.1%
664 • Interest Income	7.96	42.61	-34.65	-81.3%
680 • Less Allowances/Discounts	0.00	-435.56	435.56	100.0%
698 • Other Miscellaneous Revenue	0.00	100.00	-100.00	-100.0%
Total Income	217,130.97	278,256.87	-61,125.90	-22.0%
Cost of Goods Sold				
701 • BAR COST OF SALES				
701-01 • Beer/Wine etc	839.32	4,967.45	-4,128.13	-83.1%
701-02 • Liquor	1,693.05	2,701.31	-1,008.26	-37.3%
701-03 • Soft Drinks	632.75	523.25	109.50	20.9%
701-04 • Entertainment/Music	0.00	300.00	-300.00	-100.0%
Total 701 • BAR COST OF SALES	3,165.12	8,492.01	-5,326.89	-62.7%
702 • DINING COST OF SALES	21,575.66	29,969.19	-8,393.53	-28.0%
703 • GOLF COST OF SALES	4,511.27	1,864.19	2,647.08	142.0%
703.01 • Cost of Sales - Other	387.00	0.00	387.00	100.0%
Total COGS	29,639.05	40,325.39	-10,686.34	-26.5%
Gross Profit	187,491.92	237,931.48	-50,439.56	-21.2%
Expense				
705 • EMPLOYEE COSTS				
705-01 • Hourly Wages	63,715.31	45,494.73	18,220.58	40.1%
705-02 • Salary Wages	10,680.00	9,900.00	780.00	7.9%
705-03 • Overtime Wages	3,233.54	2,804.14	429.40	15.3%
705-05 • Payroll Taxes	16,445.20	13,810.04	2,635.16	19.1%
705-10 • Mileage Reimbursement	0.00	130.00	-130.00	-100.0%
705-12 • Uniforms	0.00	-15.00	15.00	100.0%
705-25 • Workmans Comp.	645.00	769.50	-124.50	-16.2%
705-50 • Other Employee Costs	66.32	0.00	66.32	100.0%
705 • EMPLOYEE COSTS - Other	0.00	61.50	-61.50	-100.0%
Total 705 • EMPLOYEE COSTS	94,785.37	72,954.91	21,830.46	29.9%
726 • SUPPLIES				
726-01 • Cleaning/Janitorial	1,303.68	1,284.93	18.75	1.5%
726-02 • Firewood	0.00	650.00	-650.00	-100.0%
726-03 • Guest Complimentary	1,183.82	2,440.89	-1,257.27	-51.5%
726-04 • Office Supplies	1,076.86	60.08	1,016.78	1,692.4%
726-05 • Operating	286.20	586.37	-300.17	-51.2%
726-06 • Paper & Disposable	2,204.65	1,903.23	301.42	15.8%
726-07 • Small Tools & Supplies	828.21	37.76	790.45	2,093.4%
726-08 • Computer Eq-Under \$2,000	249.99	0.00	249.99	100.0%
726 • SUPPLIES - Other	1,358.19	0.00	1,358.19	100.0%
Total 726 • SUPPLIES	8,491.40	6,963.26	1,528.14	22.0%
801 • OPERATING COSTS				
801-01 • Accounting/Bookkeeping Fees	40.00	125.00	-85.00	-68.0%
801-03 • Bank/Credit Card Fees	5,318.62	5,356.32	-37.70	-0.7%
801-05 • Equipment Maint/Repairs	1,075.41	2,388.52	-1,313.11	-55.0%
801-06 • Equipment Rental	125.00	1,625.00	-1,500.00	-92.3%
801-07 • Facilities Maintenance	1,574.23	623.55	950.68	152.5%
801-08 • General Insurance	1,422.75	1,466.33	-43.58	-3.0%
801-09 • Grounds Maintenance	159.42	0.00	159.42	100.0%
801-10 • Laundry Expense	7,357.95	7,885.68	-527.73	-6.7%
801-12 • Consulting Fees/Contract Fees	2,555.70	2,803.20	-247.50	-8.8%
801-13 • Telephone	156.38	445.82	-289.44	-64.9%
801-15 • Utilities	21,217.82	8,994.16	12,223.46	135.9%
801-16 • Van & Truck Exp - Gas & Repairs	502.90	-52.65	555.55	1,055.2%
801-17 • Waste Removal	26.84	1,594.52	-1,567.68	-98.3%

8:44 AM

Keweenaw Mountain Lodge

Profit & Loss

09/20/16

August 2016

Accrual Basis

	Aug 16	Aug 15	\$ Change	% Change
801-19 • Security Systems	578.00	210.00	368.00	175.2%
Total 801 • OPERATING COSTS	42,110.82	33,465.45	8,645.37	25.8%
880 • MARKETING EXP				
880-01 • Advertisements	1,368.00	823.00	545.00	66.2%
880-04 • Internet/Web Site	75.00	75.00	0.00	0.0%
880-05 • Sales & Marketing Expense	202.32	90.00	112.32	124.8%
880-08 • Donations	425.00	0.00	425.00	100.0%
Total 880 • MARKETING EXP	2,070.32	988.00	1,082.32	109.6%
Total Expense	147,457.91	114,371.62	33,086.29	28.9%
Net Ordinary Income	40,034.01	123,559.86	-83,525.85	-67.6%
Other Income/Expense				
Other Income				
12000 • Discounts Earned	0.00	34.50	-34.50	-100.0%
13000 • Over/Short	-422.99	50.28	-473.27	-941.3%
14000 • Unclassified Income	0.00	61.27	-61.27	-100.0%
Total Other Income	-422.99	146.05	-569.04	-389.6%
Other Expense				
21000 • Other Expenses	189.72	0.00	189.72	100.0%
23000 • Tips Wash Account	4,286.42	0.00	4,286.42	100.0%
Total Other Expense	4,476.14	0.00	4,476.14	100.0%
Net Other Income	-4,899.13	146.05	-5,045.18	-3,454.4%
Net Income	35,134.88	123,705.91	-88,571.03	-71.6%

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09/20/16

Accrual Basis

Keweenaw Mountain Lodge

Balance Sheet

As of August 31, 2016

	<u>Aug 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	47,222.19
002-a · Credit Card Bank Account 0299	40,173.78
002-b · General Fund-Maint by Geri-0232	-82,718.69
002-d · Payroll Checking Account 0281	63,104.13
002-e · Checks/Cash Bank Account 5673	483.79
002-f · Wedding-deposits 0074	4,000.00
002-j · PayPal Funds Available	41,172.34
002I · In-House Purchases Acct	2,785.80
Total Checking/Savings	<u>116,223.34</u>
Accounts Receivable	
028 · Accounts Receivable	3,491.76
Total Accounts Receivable	<u>3,491.76</u>
Other Current Assets	
037 · Due From Vendors	250.00
100 · Inventories	
101 · Golf Inventory	19,016.25
102 · Beer Inventory	2,356.18
103 · Wine Inventory	1,639.23
104 · Liquor Inventory	5,602.08
105 · Food Inventory	15,799.38
Total 100 · Inventories	<u>44,413.12</u>
106 · Fuel Inventory	12,041.20
99 · Prepaid Insurance	8,271.00
Total Other Current Assets	<u>64,975.32</u>
Total Current Assets	<u>184,690.42</u>
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	4,781,193.77
146 · Capital Assets- Equipment	271,804.97
148 · Capital Assets-Vehicles	25,433.92
149 · Less Accum. Depreciation	-2,675,182.62
Total Fixed Assets	<u>3,678,973.31</u>
TOTAL ASSETS	<u><u>3,863,663.73</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 · Accounts Payable	86,187.69
Total Accounts Payable	<u>86,187.69</u>
Other Current Liabilities	
203 · Advanced Deposits Payable	55,399.81
204 · Wedding deposits Payable	639.57
205 · Gift Certificates Payable	1,607.31
206 · Gift Card Payable	7,298.02
228-a · Sales Tax Payable	3,489.43
228-b · Use Tax Payable	6,483.43
230 · Room Assessment Tax Payable	3,241.72
231 · Payroll Liabilities	
Federal (941)	-6.00
Michigan Withholding	3,185.76
SUIMI-Company	19,745.23

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Accrual Basis

Keweenaw Mountain Lodge
Balance Sheet
As of August 31, 2016

	<u>Aug 31, 16</u>
231 · Payroll Liabilities - Other	89.19
Total 231 · Payroll Liabilities	23,014.18
232 · Tips-Not Yet Paid	2,296.36
251 · Accrued Interest Payable	270,582.37
Total Other Current Liabilities	374,052.20
Total Current Liabilities	460,239.89
Long Term Liabilities	
300 · Bonds Payable-Long Term	1,766,000.00
Total Long Term Liabilities	1,766,000.00
Total Liabilities	2,226,239.89
Equity	
3100 · Retained Earnings	-494,817.96
384 · Reserve for Debt Service	770.12
385 · Reserve for Construction	649.50
399 · Net Assets Over Related Debt	2,254,661.84
Net Income	-123,839.66
Total Equity	1,637,423.84
TOTAL LIABILITIES & EQUITY	3,863,663.73