

OFFICIAL PROCEEDINGS
KEWEENAW MOUNTAIN LODGE BOARD
October 19, 2016

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on October 19, 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 Rajala supported by Chase and unanimously carried to approve the agenda as presented.

Motion by DeMarois supported by Eckloff and unanimously carried to approve the minutes as written from the September 21, 2016 regular monthly meeting.

Motion by Chase supported by Rajala to pay the bills in the following amounts: Vendors: \$89,611.48 Payroll: \$137,066.22. Board polled. Ayes: Eckloff, DeMarois, Chase, Rajala, Piche. Nays: None. Motion carried.

Carl Johnson presented the financials to the Board. See attached financials.

Debra Britz-Maier, GM, gave some updates:

- There has been no money set aside for renovations which are in extreme need
- Closing is going well, inventory is done
- Planning on a 2 night minimum stay on weekends for next year, breakfast to be provided
- Buffet will be back but on Friday nights
- Discounts will be given for Thursday, Friday and Sunday weddings
- Plans to attend two bridal shows
- An outside playground would be helpful in place of the tennis court
- Going to work with Transform to work on the POS system etc
- The exercise equipment should be put out for bids
- Charlie spoke and said that the heat should be left on in the room in the basement where the water pumps etc are. This was the recommendation of Dick Supina of Traverse Engineering who has dealt with the KML water system since day one.

Public comment was allowed.

Motion by Rajala to adjourn at 7:02 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk

Keweenaw Mountain Lodge
Balance Sheet
 As of September 30, 2016

	Sep 30, 16
ASSETS	
Current Assets	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	29,156.24
002-a · Credit Card Bank Account 0299	42,936.29
002-b · General Fund-Maint by Geri-0232	9,281.31
002-d · Payroll Checking Account 0281	11,189.12
002-e · Checks/Cash Bank Account 5673	1,466.01
002-f · Wedding-deposits 0074	4,000.00
002-j · PayPal Funds Available	6,900.75
002i · In-House Purchases Acct	1,128.07
Total Checking/Savings	106,057.79
Other Current Assets	
034 · Food Charged to Lodging	573.78
100 · Inventories	
101 · Golf Inventory	7,997.62
102 · Beer Inventory	1,441.95
103 · Wine Inventory	1,639.23
104 · Liquor Inventory	4,602.37
105 · Food Inventory	14,963.27
Total 100 · Inventories	30,644.44
106 · Fuel Inventory	12,041.20
99 · Prepaid Insurance	8,138.25
Total Other Current Assets	51,397.67
Total Current Assets	157,455.46
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	3,678,973.31
TOTAL ASSETS	3,836,428.77
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 · Accounts Payable	88,710.55
Total Accounts Payable	88,710.55
Other Current Liabilities	
203 · Advanced Deposits Payable	6,832.15
204 · Wedding deposits Payable	3,639.57
205 · Gift Certificates Payable	1,907.31
206 · Gift Card Payable	6,253.74
228-a · Sales Tax Payable	3,600.00
228-b · Use Tax Payable	5,504.36
230 · Room Assessment Tax Payable	2,752.18
231 · Payroll Liabilities	
Federal (941)	8,966.36
Michigan Withholding	4,276.98
SUIMI-Company	29,917.07
231 · Payroll Liabilities - Other	89.19
Total 231 · Payroll Liabilities	43,249.60

11:19 AM
10/19/16
Accrual Basis

Keweenaw Mountain Lodge
Balance Sheet
As of September 30, 2016

	<u>Sep 30, 16</u>
251 · Accrued Interest Payable	270,582.37
Total Other Current Liabilities	344,321.28
Total Current Liabilities	433,031.83
Long Term Liabilities	
300 · Bonds Payable-Long Term	1,766,000.00
Total Long Term Liabilities	1,766,000.00
Total Liabilities	2,199,031.83
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	-123,866.56
Total Equity	1,637,396.94
TOTAL LIABILITIES & EQUITY	3,836,428.77

Keweenaw Mountain Lodge
Profit & Loss
September 2016

	Sep 16	Sep 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 • Lodging Income	120,855.02	105,311.79	15,543.23	14.8%
642 • Dining Room Income				
645 • Banquet Income	21,853.50	14,848.03	7,005.47	47.2%
642 • Dining Room Income - Other	26,656.72	33,680.06	-7,023.34	-20.9%
Total 642 • Dining Room Income	48,510.22	48,528.09	-17.87	0.0%
643 • Bar Income	21,175.03	18,146.75	3,028.28	16.7%
644 • Golf Income				
Golf Fees	11,384.00	12,428.50	-1,044.50	-8.4%
Golf Sales	3,642.19	2,934.49	707.70	24.1%
Total 644 • Golf Income	15,026.19	15,362.99	-336.80	-2.2%
664 • Interest Income	8.05	63.82	-55.77	-87.4%
680 • Less Allowances/Discounts	-607.04	0.00	-607.04	-100.0%
698 • Other Miscellaneous Revenue	0.00	45.00	-45.00	-100.0%
Total Income	204,967.47	187,458.44	17,509.03	9.3%
Cost of Goods Sold				
701 • BAR COST OF SALES				
701-01 • Beer/Wine etc	4,202.63	4,421.66	-219.03	-5.0%
701-02 • Liquor	1,349.94	2,330.99	-981.05	-42.1%
701-03 • Soft Drinks	692.00	415.80	276.20	66.4%
Total 701 • BAR COST OF SALES	6,244.57	7,168.45	-923.88	-12.9%
702 • DINING COST OF SALES	14,595.54	26,279.22	-11,683.68	-44.5%
703 • GOLF COST OF SALES	10,623.99	2,087.85	8,536.14	408.9%
703.01 • Cost of Sales - Other	498.00	0.00	498.00	100.0%
704 • LODGING COST OF SALES	400.00	0.00	400.00	100.0%
Total COGS	32,362.10	35,535.52	-3,173.42	-8.9%
Gross Profit	172,605.37	151,922.92	20,682.45	13.6%
Expense				
705 • EMPLOYEE COSTS				
705-01 • Hourly Wages	80,556.33	45,262.51	35,293.82	78.0%
705-02 • Salary Wages	16,005.00	9,475.00	6,530.00	68.9%
705-03 • Overtime Wages	3,386.33	2,290.80	1,095.53	47.8%
705-05 • Payroll Taxes	18,789.93	11,568.05	7,221.88	62.4%
705-26 • Workmans Comp.	645.00	384.75	260.25	67.6%
705-50 • Other Employee Costs	-4,888.68	0.00	-4,888.68	-100.0%
Total 705 • EMPLOYEE COSTS	114,493.91	68,981.11	45,512.80	66.0%
726 • SUPPLIES				
726-01 • Cleaning/Janitorial	701.11	636.34	64.77	10.2%
726-02 • Firewood	1,037.50	975.00	62.50	6.4%
726-03 • Guest Complimentary	123.60	1,203.22	-1,079.62	-89.7%
726-04 • Office Supplies	912.52	1,944.44	-1,031.92	-53.1%
726-05 • Operating	251.67	194.80	56.87	29.2%
726-06 • Paper & Disposable	1,420.40	1,032.84	387.56	37.5%
726-07 • Small Tools & Supplies	141.15	177.93	-36.78	-20.7%
Total 726 • SUPPLIES	4,587.95	6,164.57	-1,576.62	-25.6%
801 • OPERATING COSTS				
801-01 • Accounting/Bookkeeping Fees	40.00	40.00	0.00	0.0%
801-03 • Bank/Credit Card Fees	5,362.79	6,130.66	-767.87	-12.5%
801-05 • Equipment Maint/Repairs	960.35	-4,300.50	5,260.85	122.3%
801-06 • Equipment Rental	4,432.00	0.00	4,432.00	100.0%
801-07 • Facilities Maintenance	2,164.37	437.01	1,727.36	395.3%
801-08 • General Insurance	1,422.75	1,466.33	-43.58	-3.0%
801-09 • Grounds Maintenance	2,008.91	2,127.97	-119.06	-5.6%
801-10 • Laundry Expense	7,943.02	7,856.92	86.10	1.1%
801-12 • Consulting Fees/Contract Fees	2,088.00	2,273.20	-185.20	-8.2%
801-13 • Telephone	315.61	260.59	55.02	21.1%
801-15 • Utilities	7,808.71	14,804.09	-6,995.38	-47.3%
801-16 • Van & Truck Exp - Gas & Repairs	518.64	377.47	141.17	37.4%
801-17 • Waste Removal	5,045.40	1,719.52	3,325.88	193.4%
801-18 • Other Expenses	500.00	0.00	500.00	100.0%
Total 801 • OPERATING COSTS	40,610.55	33,193.26	7,417.29	22.4%

11:16 AM

Keweenaw Mountain Lodge
Profit & Loss
September 2016

10/19/16

Accrual Basis

	Sep 16	Sep 15	\$ Change	% Change
880 · MARKETING EXP				
880-01 · Advertisements	1,399.42	30.00	1,369.42	4,564.7%
880-03 · Events	0.00	975.00	-975.00	-100.0%
880-04 · Internet/Web Site	75.00	75.00	0.00	0.0%
880-05 · Sales & Marketing Expense	147.15	1,155.62	-1,008.47	-87.3%
Total 880 · MARKETING EXP	1,621.57	2,235.62	-614.05	-27.5%
999 · Reconciliation Discrepancies	0.00	0.10	-0.10	-100.0%
Total Expense	161,313.98	110,574.66	50,739.32	45.9%
Net Ordinary Income	11,291.39	41,348.26	-30,056.87	-72.7%
Other Income/Expense				
Other Income				
12000 · Discounts Earned	0.00	44.24	-44.24	-100.0%
13000 · Over/Short	-95.17	1,999.79	-2,094.96	-104.8%
14000 · Unclassified Income	0.00	242.55	-242.55	-100.0%
Total Other Income	-95.17	2,286.58	-2,381.75	-104.2%
Other Expense				
970 · CAPITAL EXPENDITURES				
970-01 · Lodge Improvements	0.00	316.15	-316.15	-100.0%
970-05 · Kitchen Equipment	0.00	2,672.00	-2,672.00	-100.0%
Total 970 · CAPITAL EXPENDITURES	0.00	2,988.15	-2,988.15	-100.0%
Total Other Expense	0.00	2,988.15	-2,988.15	-100.0%
Net Other Income	-95.17	-701.57	606.40	86.4%
Net Income	11,196.22	40,646.69	-29,450.47	-72.5%

Keweenaw Mountain Lodge
Profit & Loss
January through September 2016

	Jan - Sep 16	Jan - Sep 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 • Lodging Income	372,162.82	403,454.99	-31,292.17	-7.8%
642 • Dining Room Income				
645 • Banquet Income	69,198.78	78,169.00	-8,970.22	-11.5%
642 • Dining Room Income - Other	112,790.57	159,082.10	-46,291.53	-29.1%
Total 642 • Dining Room Income	181,989.35	237,251.10	-55,261.75	-23.3%
643 • Bar Income	64,295.10	97,252.16	-32,957.06	-33.9%
644 • Golf Income				
Golf Fees	96,798.55	77,338.23	19,460.32	25.2%
Golf Sales	30,004.71	15,175.09	14,829.62	97.7%
644 • Golf Income - Other	0.00	7,746.75	-7,746.75	-100.0%
Total 644 • Golf Income	126,803.26	100,260.07	26,543.19	26.5%
664 • Interest Income	135.98	235.65	-99.67	-42.3%
680 • Less Allowances/Discounts	-996.89	-4,237.61	3,240.72	76.5%
698 • Other Miscellaneous Revenue	-1,868.44	160.00	-2,028.44	-1,267.8%
Total Income	742,521.18	834,376.36	-91,855.18	-11.0%
Cost of Goods Sold				
701 • BAR COST OF SALES				
701-01 • Beer/Wine etc	12,773.83	19,162.32	-6,388.49	-33.3%
701-02 • Liquor	6,740.34	10,726.28	-3,985.94	-37.2%
701-03 • Soft Drinks	3,109.95	3,746.47	-636.52	-17.0%
701-04 • Entertainment/Music	100.00	300.00	-200.00	-66.7%
Total 701 • BAR COST OF SALES	22,724.12	33,935.07	-11,210.95	-33.0%
702 • DINING COST OF SALES	75,394.36	108,057.32	-32,662.96	-30.2%
703 • GOLF COST OF SALES	23,341.29	7,826.52	15,514.77	198.2%
703.01 • Cost of Sales - Other	885.00	0.00	885.00	100.0%
704 • LODGING COST OF SALES	2,054.41	0.00	2,054.41	100.0%
Total COGS	124,399.18	149,818.91	-25,419.73	-17.0%
Gross Profit	618,122.00	684,557.45	-66,435.45	-9.7%
Expense				
705 • EMPLOYEE COSTS				
705-01 • Hourly Wages	279,826.16	193,091.46	86,734.70	44.9%
705-02 • Salary Wages	70,846.54	72,559.31	-1,712.77	-2.4%
705-03 • Overtime Wages	9,674.75	5,334.94	4,339.81	81.4%
705-05 • Payroll Taxes	75,007.81	60,128.21	14,879.60	24.8%
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.	6,438.00	5,633.75	804.25	14.3%
705-40 • Deferred Comp	0.00	80.00	-80.00	-100.0%
705-50 • Other Employee Costs	-952.34	0.00	-952.34	-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	441,286.08	340,021.72	101,264.36	29.8%
726 • SUPPLIES				
726-01 • Cleaning/Janitorial	5,870.57	5,651.54	19.03	0.3%
726-02 • Firwood	1,959.50	2,719.00	-759.50	-27.9%
726-03 • Guest Complimentary	1,837.20	7,431.40	-5,594.20	-75.3%
726-04 • Office Supplies	6,124.16	4,623.38	1,500.78	32.5%
726-05 • Operating	4,287.61	3,979.52	308.09	7.7%
726-06 • Paper & Disposable	7,290.08	7,101.51	188.57	2.7%
726-07 • Small Tools & Supplies	3,518.46	416.38	3,102.08	745.0%
726-08 • Computer Eqt-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	36,430.42	32,959.87	3,470.55	10.5%

Keweenaw Mountain Lodge
Profit & Loss
 January through September 2016

	Jan - Sep 16	Jan - Sep 15	\$ Change	% Change
801 - OPERATING COSTS				
801-01 - Accounting/Bookkeeping Fees	160.00	165.00	-5.00	-3.0%
801-02 - Audit Fees	0.00	5,000.00	-5,000.00	-100.0%
801-03 - Bank/Credit Card Fees	12,699.57	16,814.71	-4,115.14	-24.5%
801-04 - Dues and Subscriptions	1,761.88	1,367.95	373.93	26.9%
801-05 - Equipment Maint/Repairs	16,265.04	2,464.92	13,800.12	559.9%
801-06 - Equipment Rental	14,190.53	7,541.00	6,649.53	88.2%
801-07 - Facilities Maintenance	25,683.07	10,863.95	14,819.12	136.4%
801-08 - General Insurance	12,804.75	13,196.97	-392.22	-3.0%
801-09 - Grounds Maintenance	8,138.35	2,462.58	5,675.77	230.5%
801-10 - Laundry Expense	28,002.42	34,019.20	-6,016.78	-17.7%
801-11 - Licenses and Permits	3,731.50	3,828.50	-97.00	-2.5%
801-12 - Consulting Fees/Contract Fees	17,870.83	13,024.40	4,846.43	37.2%
801-13 - Telephone	3,392.80	2,340.73	1,052.07	45.0%
801-15 - Utilities	54,363.58	65,395.50	-11,031.92	-16.9%
801-16 - Van & Truck Exp - Gas & Repairs	3,492.44	-1.94	3,494.38	180,122.7%
801-17 - Waste Removal	6,298.65	6,037.81	260.84	4.3%
801-18 - Other Expenses	871.58	337.02	534.56	158.6%
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	210,827.99	185,088.30	25,739.69	13.9%
880 - MARKETING EXP				
880-01 - Advertisements	10,609.80	4,879.55	5,730.25	117.4%
880-02 - Brochures/Print Materials	80.00	552.40	-472.40	-85.5%
880-03 - Events	0.00	975.00	-975.00	-100.0%
880-04 - Internet/Web Site	675.00	735.00	-60.00	-8.2%
880-05 - Sales & Marketing Expense	509.25	1,349.65	-840.40	-62.3%
880-07 - Entertainment	0.00	525.00	-525.00	-100.0%
880-08 - Donations	425.00	0.00	425.00	100.0%
Total 880 - MARKETING EXP	12,299.05	9,016.60	3,282.45	36.4%
999 - Reconciliation Discrepancies	0.09	0.10	-0.01	-10.0%
Total Expense	700,843.63	567,086.59	133,757.04	23.6%
Net Ordinary Income	-82,721.63	117,470.86	-200,192.49	-170.4%
Other Income/Expense				
Other Income				
12000 - Discounts Earned	0.00	104.96	-104.96	-100.0%
13000 - Over/Short	1,246.43	2,287.77	-1,041.34	-45.5%
14000 - Unclassified Income	0.00	367.64	-367.64	-100.0%
Total Other Income	1,246.43	2,760.37	-1,513.94	-54.9%
Other Expense				
21000 - Other Expenses	0.00	0.00	0.00	0.0%
22000 - Less Payouts	0.00	85.00	-85.00	-100.0%
970 - CAPITAL EXPENDITURES				
970-01 - Lodge Improvements	30,636.60	1,663.40	28,973.20	1,741.8%
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	3,224.71	2,102.05	65.2%
Total 970 - CAPITAL EXPENDITURES	42,391.36	5,197.11	37,194.25	715.7%
Total Other Expense	42,391.36	5,282.11	37,109.25	702.6%
Net Other Income	-41,144.93	-2,521.74	-38,623.19	-1,531.6%
Net Income	-123,866.56	114,949.12	-238,815.68	-207.8%