

OFFICIAL PROCEEDINGS  
KEWEENAW MOUNTAIN LODGE BOARD  
March 15, 2017

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on March 15, 2017, 6:15 p.m. at the Courthouse, Eagle River, MI began with the Pledge of Allegiance.

Commissioners present: Bob DeMarois, Sandy Gayk, Don Piche, Jim Vivian, 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 Gayk supported by DeMarois and unanimously carried to approve the agenda as presented.

Motion by Gayk supported by Vivian and unanimously carried to approve the minutes as written from the February 15, 2017 regular monthly meeting and the minutes from February 22, 2017 and the March 3, 2017 special meetings.

Tess Ahlborn was a guest and spoke to the Board about some of the research she had done on lease options vs professional management companies. Ms. Ahlborn is in favor of a short term lease. She spoke to three different leaseholders of other facilities and she said all were willing to help out. Maintenance is a key with leases and there are things to look out for.

Motion by Gayk supported by DeMarois to pay the bills in the following amounts: Vendors: \$8,234.51 Payroll: \$3,231.25. Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried.

Eric Hermanson went over the financials very quickly pointing out that the majority of bills being paid this month were actually refunds to people who have cancelled events or rooms at KML. The net income for the end of February is (-\$11,221.06).

Motion by DeMarois supported by Rajala and unanimously carried to stick to the original agreement from the March 3, 2017 special meeting allowing the General Manager two weeks of severance pay. No vacation time will be paid.

Golfers had brought up that food would not be available for them like in the past and Gayk thought that perhaps cold sandwiches and such could be made available. The Board decided to wait for a coordinator to be hired and to continue the discussion at that time.

Vivian and DeMarois will conduct interviews for the coordinator position.

Public comment was allowed.

Motion by Rajala to adjourn at 6:45 p.m. Meeting adjourned sine die.

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Donald Piche, Chairman

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Julie A. Carlson, Clerk

11:29 AM

**Keweenaw Mountain Lodge**  
**Profit & Loss**  
**February 2017**

03/13/17

Accrual Basis

	Feb 17	Feb 16	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>644 · Golf Income</b>				
<b>Golf Fees</b>	625.00	0.00	625.00	100.0%
<b>Total 644 · Golf Income</b>	625.00	0.00	625.00	100.0%
<b>664 · Interest Income</b>	0.75	1.39	-0.64	-46.0%
<b>Total Income</b>	625.75	1.39	624.36	44,918.0%
<b>Gross Profit</b>	625.75	1.39	624.36	44,918.0%
<b>Expense</b>				
<b>705 · EMPLOYEE COSTS</b>				
705-02 · Salary Wages	4,000.00	2,200.00	1,800.00	81.8%
705-05 · Payroll Taxes	826.70	456.48	370.22	81.1%
705-25 · Workmans Comp.	608.25	645.00	-36.75	-5.7%
<b>Total 705 · EMPLOYEE COSTS</b>	5,434.95	3,301.48	2,133.47	64.6%
<b>801 · OPERATING COSTS</b>				
801-03 · Bank/Credit Card Fees	286.78	27.25	259.53	952.4%
801-05 · Equipment Maint/Repairs	0.00	805.56	-805.56	-100.0%
801-08 · General Insurance	1,422.75	1,422.75	0.00	0.0%
801-11 · Licenses and Permits	200.00	200.00	0.00	0.0%
801-12 · Consulting Fees/Contract Fees	1,580.00	1,056.78	523.22	49.5%
801-13 · Telephone	79.54	309.97	-230.43	-74.3%
801-15 · Utilities	2,767.79	1,855.34	912.45	49.2%
<b>Total 801 · OPERATING COSTS</b>	6,336.86	5,677.65	659.21	11.6%
<b>880 · MARKETING EXP</b>				
880-01 · Advertisements	0.00	1,378.84	-1,378.84	-100.0%
880-04 · Internet/Web Site	75.00	75.00	0.00	0.0%
880-05 · Sales & Marketing Expense	0.00	100.00	-100.00	-100.0%
<b>Total 880 · MARKETING EXP</b>	75.00	1,553.84	-1,478.84	-95.2%
<b>Total Expense</b>	11,846.81	10,532.97	1,313.84	12.5%
<b>Net Ordinary Income</b>	-11,221.06	-10,531.58	-689.48	-6.6%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
<b>970 · CAPITAL EXPENDITURES</b>				
970-01 · Lodge Improvements	0.00	2,466.75	-2,466.75	-100.0%
<b>Total 970 · CAPITAL EXPENDITURES</b>	0.00	2,466.75	-2,466.75	-100.0%
<b>Total Other Expense</b>	0.00	2,466.75	-2,466.75	-100.0%
<b>Net Other Income</b>	0.00	-2,466.75	2,466.75	100.0%
<b>Net Income</b>	<b>-11,221.06</b>	<b>-12,998.33</b>	<b>1,777.27</b>	<b>13.7%</b>

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## Keweenaw Mountain Lodge

## Balance Sheet

As of February 28, 2017

03/13/17

Accrual Basis

	Feb 28, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
001 · Vendor Payment Bank Acct 0273	-921.77
002-a · Credit Card Bank Account 0299	3,337.71
002-b · General Fund-Maint by Geri-0232	-137,837.27
002-d · Payroll Checking Account 0281	8,511.64
002-f · Advanced Deposits 0074	62,175.00
002-j · PayPal Funds Available	5,515.08
002i · In-House Purchases Acct	1,405.25
<b>Total Checking/Savings</b>	-57,814.36
<b>Accounts Receivable</b>	
028 · Accounts Receivable	27.78
<b>Total Accounts Receivable</b>	27.78
<b>Other Current Assets</b>	
Accounts receivable - Other	105.00
100 · Inventories	
101 · Golf Inventory	3,687.70
104 · Liquor Inventory	4,559.42
105 · Food Inventory	6,023.75
<b>Total 100 · Inventories</b>	14,270.87
106 · Fuel Inventory	10,447.30
99 · Prepaid Insurance	16,733.99
<b>Total Other Current Assets</b>	41,557.16
<b>Total Current Assets</b>	-16,229.42
<b>Fixed Assets</b>	
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
<b>Total Fixed Assets</b>	3,678,973.31
<b>TOTAL ASSETS</b>	<b>3,662,743.89</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
202 · Accounts Payable	1,677.11
<b>Total Accounts Payable</b>	1,677.11
<b>Other Current Liabilities</b>	
203 · Advanced Deposits Payable	53,510.00
204 · Wedding deposits Payable	17,000.00
206 · Gift Card Payable	1,000.00
228-a · Sales Tax Payable	13.40
231 · Payroll Liabilities	
Michigan Withholding	170.00
SUIMI-Company	1,034.82
231 · Payroll Liabilities - Other	89.19
<b>Total 231 · Payroll Liabilities</b>	1,294.01
251 · Accrued Interest Payable	270,582.37
<b>Total Other Current Liabilities</b>	343,399.78

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03/13/17

Accrual Basis

**Keweenaw Mountain Lodge**  
**Balance Sheet**  
As of February 28, 2017

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	<u>Feb 28, 17</u>
<b>Total Current Liabilities</b>	345,076.89
<b>Long Term Liabilities</b>	
300 · Bonds Payable-Long Term	1,766,000.00
<b>Total Long Term Liabilities</b>	1,766,000.00
<b>Total Liabilities</b>	2,111,076.89
<b>Equity</b>	
3100 · Retained Earnings	-680,301.96
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	-24,112.50
<b>Total Equity</b>	1,551,667.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,662,743.89</u></u>

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## Keweenaw Mountain Lodge

## Profit &amp; Loss

03/13/17

January through February 2017

Accrual Basis

	Jan - Feb 17	Jan - Feb 16	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
644 · Golf Income				
Golf Fees	625.00	0.00	625.00	100.0%
<b>Total 644 · Golf Income</b>	625.00	0.00	625.00	100.0%
664 · Interest Income	2.75	30.24	-27.49	-90.9%
<b>Total Income</b>	627.75	30.24	597.51	1,975.9%
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-03 · Soft Drinks	-342.50	-109.50	-233.00	-212.8%
<b>Total 701 · BAR COST OF SALES</b>	-342.50	-109.50	-233.00	-212.8%
702 · DINING COST OF SALES	0.00	321.60	-321.60	-100.0%
<b>Total COGS</b>	-342.50	212.10	-554.60	-261.5%
<b>Gross Profit</b>	970.25	-181.86	1,152.11	633.5%
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-02 · Salary Wages	8,000.00	4,400.00	3,600.00	81.8%
705-05 · Payroll Taxes	1,649.90	915.89	734.01	80.1%
705-25 · Workmans Comp.	1,253.25	1,290.00	-36.75	-2.9%
705-50 · Other Employee Costs	49.98	0.00	49.98	100.0%
<b>Total 705 · EMPLOYEE COSTS</b>	10,953.13	6,605.89	4,347.24	65.8%
726 · SUPPLIES				
726-04 · Office Supplies	116.88	166.00	-49.12	-29.6%
726-05 · Operating	0.00	15.75	-15.75	-100.0%
<b>Total 726 · SUPPLIES</b>	116.88	181.75	-64.87	-35.7%
801 · OPERATING COSTS				
801-03 · Bank/Credit Card Fees	774.85	88.70	686.15	773.6%
801-04 · Dues and Subscriptions	325.00	200.00	125.00	62.5%
801-05 · Equipment Maint/Repairs	0.00	805.56	-805.56	-100.0%
801-07 · Facilities Maintenance	1,475.00	0.00	1,475.00	100.0%
801-08 · General Insurance	2,845.50	2,845.50	0.00	0.0%
801-11 · Licenses and Permits	200.00	200.00	0.00	0.0%
801-12 · Consulting Fees/Contract Fees	3,650.00	2,656.78	993.22	37.4%
801-13 · Telephone	193.73	613.10	-419.37	-68.4%
801-15 · Utilities	2,798.09	4,134.44	-1,336.35	-32.3%
<b>Total 801 · OPERATING COSTS</b>	12,262.17	11,544.08	718.09	6.2%
880 · MARKETING EXP				
880-01 · Advertisements	441.16	1,378.84	-937.68	-68.0%
880-02 · Brochures/Print Materials	59.41	0.00	59.41	100.0%
880-04 · Internet/Web Site	1,250.00	150.00	1,100.00	733.3%
880-05 · Sales & Marketing Expense	0.00	100.00	-100.00	-100.0%
<b>Total 880 · MARKETING EXP</b>	1,750.57	1,628.84	121.73	7.5%
999 · Reconciliation Discrepancies	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	25,082.75	19,960.56	5,122.19	25.7%
<b>Net Ordinary Income</b>	-24,112.50	-20,142.42	-3,970.08	-19.7%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
970 · CAPITAL EXPENDITURES				
970-01 · Lodge Improvements	0.00	2,466.75	-2,466.75	-100.0%
<b>Total 970 · CAPITAL EXPENDITURES</b>	0.00	2,466.75	-2,466.75	-100.0%

11:31 AM

03/13/17

Accrual Basis

**Keweenaw Mountain Lodge**  
**Profit & Loss**  
January through February 2017

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	<u>Jan - Feb 17</u>	<u>Jan - Feb 16</u>	<u>\$ Change</u>	<u>% Change</u>
Total Other Expense	0.00	2,466.75	-2,466.75	-100.0%
Net Other Income	0.00	-2,466.75	2,466.75	100.0%
Net Income	<u>-24,112.50</u>	<u>-22,609.17</u>	<u>-1,503.33</u>	<u>-6.7%</u>