

OFFICIAL PROCEEDINGS
KEWEENAW MOUNTAIN LODGE BOARD
October 18, 2017

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on October 18, 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 Vivian supported by DeMarois and unanimously carried to approve the agenda as presented.

Motion by DeMarois supported by Gayk and unanimously carried to approve the minutes as written from the September 20, 2017 regular monthly meeting.

Motion by Rajala supported by Vivian to pay the bills in the following amounts: Vendors: \$68,123.54 Payroll: \$62,000. Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried. There were four checks that did not have supporting documentation and those checks will be released once the appropriate documentation is received.

Financials were reviewed by the Coordinator. See attached.

Coordinator Desnick said that things are winding down for the season and shutdown will begin on Sunday as occupants vacate the cabins. He thanked the Board for the opportunity and also thanked his staff for the wonderful job that they did throughout the season. Desnick stated that KML should show a profit for the year and he is convinced that the next owner can make KML profitable also.

Chairman Piche stated that any information requested by a commissioner from an employee should be given unless it from the Sheriff Department, the Courts or medical information.

There was some confusion about the wedding coming up but all of the details have been worked out and everything should be smooth.

Public comment was allowed.

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

Donald Piche, Chairman

Julie A. Carlson, Clerk

10:43 AM

10/07/17

Accrual Basis

Keweenaw Mountain Lodge Profit & Loss Prev Year Comparison September 2017

| | Sep 17 | Sep 16 | \$ Change | % Change |
|--|-------------------|-------------------|-------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 641 · Lodging Income | 101,648.18 | 120,782.06 | -19,133.88 | -15.8% |
| 642 · Dining Room Income | | | | |
| 645 · Banquet Income | 15,689.24 | 21,853.50 | -6,164.26 | -28.2% |
| 642 · Dining Room Income - Other | 27,734.20 | 26,656.72 | 1,077.48 | 4.0% |
| Total 642 · Dining Room Income | 43,423.44 | 48,510.22 | -5,086.78 | -10.5% |
| 643 · Bar Income | 12,521.28 | 21,175.03 | -8,653.75 | -40.9% |
| 644 · Golf Income | | | | |
| Golf Fees | 0.00 | 11,384.00 | -11,384.00 | -100.0% |
| Golf Sales | 0.00 | 3,642.19 | -3,642.19 | -100.0% |
| 644 · Golf Income - Other | 16,172.90 | 0.00 | 16,172.90 | 100.0% |
| Total 644 · Golf Income | 16,172.90 | 15,026.19 | 1,146.71 | 7.6% |
| 664 · Interest Income | 28.54 | 8.05 | 20.49 | 254.5% |
| 680 · Less Allowances/Discounts | 0.00 | -607.04 | 607.04 | 100.0% |
| Total Income | 173,794.34 | 204,894.51 | -31,100.17 | -15.2% |
| Cost of Goods Sold | | | | |
| 701 · BAR COST OF SALES | | | | |
| 701-01 · Beer/Wine etc | 1,508.97 | 4,728.29 | -3,219.32 | -68.1% |
| 701-02 · Liquor | 436.84 | 1,349.94 | -913.10 | -67.6% |
| 701-03 · Soft Drinks | 264.53 | 692.00 | -427.47 | -61.8% |
| Total 701 · BAR COST OF SALES | 2,210.34 | 6,770.23 | -4,559.89 | -67.4% |
| 702 · DINING COST OF SALES | 9,569.12 | 15,610.71 | -6,041.59 | -38.7% |
| 703 · GOLF COST OF SALES | 722.62 | 10,623.99 | -9,901.37 | -93.2% |
| 703.01 · Cost of Sales - Other | 210.00 | 498.00 | -288.00 | -57.8% |
| 704 · LODGING COST OF SALES | 0.00 | 400.00 | -400.00 | -100.0% |
| Total COGS | 12,712.08 | 33,902.93 | -21,190.85 | -62.5% |
| Gross Profit | 161,082.26 | 170,991.58 | -9,909.32 | -5.8% |
| Expense | | | | |
| 705 · EMPLOYEE COSTS | | | | |
| 705-01 · Hourly Wages | 71,783.13 | 80,556.33 | -8,773.20 | -10.9% |
| 705-02 · Salary Wages | 4,000.00 | 16,005.00 | -12,005.00 | -75.0% |
| 705-03 · Overtime Wages | 7,708.92 | 3,386.33 | 4,322.59 | 127.7% |
| 705-05 · Payroll Taxes | 14,372.45 | 18,789.93 | -4,417.48 | -23.5% |
| 705-10 · Mileage Reimbursement | 463.84 | 0.00 | 463.84 | 100.0% |
| 705-25 · Workmans Comp. | 0.00 | 645.00 | -645.00 | -100.0% |
| 705-50 · Other Employee Costs | 0.00 | -1,506.70 | 1,506.70 | 100.0% |
| Total 705 · EMPLOYEE COSTS | 98,328.34 | 117,875.89 | -19,547.55 | -16.6% |
| 726 · SUPPLIES | | | | |
| 726-01 · Cleaning/Janitorial | 0.00 | 701.11 | -701.11 | -100.0% |
| 726-02 · Firewood | 0.00 | 1,037.50 | -1,037.50 | -100.0% |
| 726-03 · Guest Complimentary | 124.33 | 123.60 | 0.73 | 0.6% |
| 726-04 · Office Supplies | 35.10 | 866.02 | -830.92 | -96.0% |
| 726-05 · Operating | 0.00 | 251.67 | -251.67 | -100.0% |
| 726-06 · Paper & Disposable | 6.00 | 1,420.40 | -1,414.40 | -99.6% |
| 726-07 · Small Tools & Supplies | 0.00 | 141.15 | -141.15 | -100.0% |
| Total 726 · SUPPLIES | 165.43 | 4,541.45 | -4,376.02 | -96.4% |
| 801 · OPERATING COSTS | | | | |
| 801-01 · Accounting/Bookkeeping Fees | 40.00 | 40.00 | 0.00 | 0.0% |
| 801-03 · Bank/Credit Card Fees | 4,823.96 | 5,509.94 | -685.98 | -12.5% |
| 801-05 · Equipment Maint/Repairs | 1,574.53 | 960.35 | 614.18 | 64.0% |
| 801-06 · Equipment Rental | 2,625.00 | 4,432.00 | -1,807.00 | -40.8% |
| 801-07 · Facilities Maintenance | 762.45 | 2,464.37 | -1,701.92 | -69.1% |
| 801-08 · General Insurance | 0.00 | 1,422.75 | -1,422.75 | -100.0% |
| 801-09 · Grounds Maintenance | 543.07 | 2,008.91 | -1,465.84 | -73.0% |
| 801-10 · Laundry Expense | 7,215.10 | 7,943.02 | -727.92 | -9.2% |
| 801-12 · Consulting Fees/Contract Fees | 1,780.00 | 2,088.00 | -308.00 | -14.8% |
| 801-13 · Telephone | 197.55 | 315.61 | -118.06 | -37.4% |
| 801-15 · Utilities | 6,752.88 | 7,808.71 | -1,055.83 | -13.5% |
| 801-16 · Van & Truck Exp - Gas & Repairs | 19.46 | 518.64 | -499.18 | -96.3% |
| 801-17 · Waste Removal | 12.00 | 5,045.40 | -5,033.40 | -99.8% |

10:43 AM

10/07/17

Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
September 2017

| | Sep 17 | Sep 16 | \$ Change | % Change |
|------------------------------------|-------------------|-------------------|-------------------|----------------|
| 801-18 · Other Expenses | 0.00 | 500.00 | -500.00 | -100.0% |
| 801-20 · Satellite TV | 502.43 | 0.00 | 502.43 | 100.0% |
| Total 801 · OPERATING COSTS | 26,848.43 | 41,057.70 | -14,209.27 | -34.6% |
| 880 · MARKETING EXP | | | | |
| 880-01 · Advertisements | 0.00 | 1,399.42 | -1,399.42 | -100.0% |
| 880-04 · Internet/Web Site | 100.00 | 75.00 | 25.00 | 33.3% |
| 880-05 · Sales & Marketing Expense | 0.00 | 147.15 | -147.15 | -100.0% |
| Total 880 · MARKETING EXP | 100.00 | 1,621.57 | -1,521.57 | -93.8% |
| Total Expense | 125,442.20 | 165,096.61 | -39,654.41 | -24.0% |
| Net Ordinary Income | 35,640.06 | 5,894.97 | 29,745.09 | 504.6% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 13000 · Over/Short | 0.00 | -95.17 | 95.17 | 100.0% |
| Total Other Income | 0.00 | -95.17 | 95.17 | 100.0% |
| Other Expense | | | | |
| 21000 · Other Expenses | 0.00 | -189.72 | 189.72 | 100.0% |
| 23000 · Tips Wash Account | 0.00 | -3,192.26 | 3,192.26 | 100.0% |
| Total Other Expense | 0.00 | -3,381.98 | 3,381.98 | 100.0% |
| Net Other Income | 0.00 | 3,286.81 | -3,286.81 | -100.0% |
| Net Income | 35,640.06 | 9,181.78 | 26,458.28 | 288.2% |

10:43 AM

10/07/17

Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
January through September 2017

| | Jan - Sep 17 | Jan - Sep 16 | \$ Change | % Change |
|---------------------------------------|--------------|--------------|------------|----------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 641 · Lodging Income | 364,964.18 | 372,089.86 | -7,125.68 | -1.9% |
| 642 · Dining Room Income | | | | |
| 645 · Banquet Income | 34,148.57 | 69,198.78 | -35,050.21 | -50.7% |
| 642 · Dining Room Income - Other | 95,200.67 | 112,790.57 | -17,589.90 | -15.6% |
| Total 642 · Dining Room Income | 129,349.24 | 181,989.35 | -52,640.11 | -28.9% |
| 643 · Bar Income | 50,655.41 | 64,295.10 | -13,639.69 | -21.2% |
| 644 · Golf Income | | | | |
| Golf Fees | 10,045.00 | 96,798.55 | -86,753.55 | -89.6% |
| Golf Sales | 0.00 | 30,004.71 | -30,004.71 | -100.0% |
| 644 · Golf Income - Other | 88,764.49 | 0.00 | 88,764.49 | 100.0% |
| Total 644 · Golf Income | 98,809.49 | 126,803.26 | -27,993.77 | -22.1% |
| 664 · Interest Income | 65.14 | 135.98 | -70.84 | -52.1% |
| 680 · Less Allowances/Discounts | 0.00 | -996.89 | 996.89 | 100.0% |
| 698 · Other Miscellaneous Revenue | 0.00 | -1,868.44 | 1,868.44 | 100.0% |
| Total Income | 643,843.46 | 742,448.22 | -98,604.76 | -13.3% |
| Cost of Goods Sold | | | | |
| 701 · BAR COST OF SALES | | | | |
| 701-01 · Beer/Wine etc | 14,521.85 | 13,299.49 | 1,222.36 | 9.2% |
| 701-02 · Liquor | 4,429.95 | 6,740.34 | -2,310.39 | -34.3% |
| 701-03 · Soft Drinks | 1,744.20 | 3,109.95 | -1,365.75 | -43.9% |
| 701-04 · Entertainment/Music | 0.00 | 100.00 | -100.00 | -100.0% |
| Total 701 · BAR COST OF SALES | 20,696.00 | 23,249.78 | -2,553.78 | -11.0% |
| 702 · DINING COST OF SALES | 43,483.60 | 74,941.85 | -31,458.25 | -42.0% |
| 703 · GOLF COST OF SALES | 2,729.81 | 23,341.29 | -20,611.48 | -88.3% |
| 703.01 · Cost of Sales - Other | 1,302.84 | 885.00 | 417.84 | 47.2% |
| 704 · LODGING COST OF SALES | 0.00 | 2,054.41 | -2,054.41 | -100.0% |
| Total COGS | 68,212.25 | 124,472.33 | -56,260.08 | -45.2% |
| Gross Profit | 575,631.21 | 617,975.89 | -42,344.68 | -6.9% |
| Expense | | | | |
| 705 · EMPLOYEE COSTS | | | | |
| 705-01 · Hourly Wages | 234,389.42 | 279,826.16 | -45,436.74 | -16.2% |
| 705-02 · Salary Wages | 36,000.00 | 70,846.54 | -34,846.54 | -49.2% |
| 705-03 · Overtime Wages | 22,819.80 | 9,674.75 | 13,145.05 | 135.9% |
| 705-05 · Payroll Taxes | 56,117.46 | 75,007.81 | -18,890.35 | -25.2% |
| 705-10 · Mileage Reimbursement | 1,209.19 | 1,022.18 | 187.01 | 18.3% |
| 705-12 · Uniforms | 419.59 | 2,928.38 | -2,508.79 | -85.7% |
| 705-25 · Workmans Comp. | 3,678.24 | 6,438.00 | -2,759.76 | -42.9% |
| 705-50 · Other Employee Costs | 49.98 | -952.34 | 1,002.32 | 105.3% |
| 705-99 · PY Payroll Tax Adj | 0.00 | -3,505.40 | 3,505.40 | 100.0% |
| Total 705 · EMPLOYEE COSTS | 354,683.68 | 441,286.08 | -86,602.40 | -19.6% |
| 726 · SUPPLIES | | | | |
| 726-01 · Cleaning/Janitorial | 1,100.43 | 5,870.57 | -4,770.14 | -81.3% |
| 726-02 · Firewood | 0.00 | 1,959.50 | -1,959.50 | -100.0% |
| 726-03 · Guest Complimentary | 2,203.43 | 1,837.20 | 366.23 | 19.9% |
| 726-04 · Office Supplies | 4,188.80 | 6,428.94 | -2,240.14 | -34.8% |
| 726-05 · Operating | 0.00 | 4,287.61 | -4,287.61 | -100.0% |
| 726-06 · Paper & Disposable | 1,717.28 | 7,290.08 | -5,572.80 | -76.4% |
| 726-07 · Small Tools & Supplies | 3.86 | 3,518.46 | -3,514.60 | -99.9% |
| 726-08 · Computer Eqt-Under \$2,000 | 0.00 | 3,417.33 | -3,417.33 | -100.0% |
| 726-09 · Decorations | 0.00 | 767.32 | -767.32 | -100.0% |
| 726 · SUPPLIES - Other | 0.00 | 1,358.19 | -1,358.19 | -100.0% |
| Total 726 · SUPPLIES | 9,213.80 | 36,735.20 | -27,521.40 | -74.9% |

10:43 AM

10/07/17

Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
January through September 2017

| | Jan - Sep 17 | Jan - Sep 16 | \$ Change | % Change |
|--|-------------------|--------------------|--------------------|----------------|
| 801 · OPERATING COSTS | | | | |
| 801-01 · Accounting/Bookkeeping Fees | 5,605.00 | 160.00 | 5,445.00 | 3,403.1% |
| 801-03 · Bank/Credit Card Fees | 12,299.71 | 12,787.05 | -487.34 | -3.8% |
| 801-04 · Dues and Subscriptions | 2,164.94 | 1,761.88 | 403.06 | 22.9% |
| 801-05 · Equipment Maint/Repairs | 13,657.29 | 16,265.04 | -2,607.75 | -16.0% |
| 801-06 · Equipment Rental | 10,931.71 | 14,190.53 | -3,258.82 | -23.0% |
| 801-07 · Facilities Maintenance | 9,796.73 | 24,947.48 | -15,150.75 | -60.7% |
| 801-08 · General Insurance | 4,268.25 | 12,804.75 | -8,536.50 | -66.7% |
| 801-09 · Grounds Maintenance | 5,005.60 | 8,138.35 | -3,132.75 | -38.5% |
| 801-10 · Laundry Expense | 21,842.83 | 28,002.42 | -6,159.59 | -22.0% |
| 801-11 · Licenses and Permits | 4,596.92 | 3,731.50 | 865.42 | 23.2% |
| 801-12 · Consulting Fees/Contract Fees | 14,775.00 | 17,870.83 | -3,095.83 | -17.3% |
| 801-13 · Telephone | 2,190.12 | 3,392.80 | -1,202.68 | -35.5% |
| 801-14 · Trail Expense | 114.92 | 0.00 | 114.92 | 100.0% |
| 801-15 · Utilities | 43,720.45 | 54,363.58 | -10,643.13 | -19.6% |
| 801-16 · Van & Truck Exp - Gas & Repairs | 2,967.26 | 3,492.44 | -525.18 | -15.0% |
| 801-17 · Waste Removal | 1,263.87 | 6,298.65 | -5,034.78 | -79.9% |
| 801-18 · Other Expenses | 0.00 | 871.58 | -871.58 | -100.0% |
| 801-19 · Security Systems | 0.00 | 1,052.20 | -1,052.20 | -100.0% |
| 801-20 · Satellite TV | 3,327.05 | 0.00 | 3,327.05 | 100.0% |
| 801 · OPERATING COSTS - Other | 0.00 | 48.80 | -48.80 | -100.0% |
| Total 801 · OPERATING COSTS | 158,527.65 | 210,179.88 | -51,652.23 | -24.6% |
| 880 · MARKETING EXP | | | | |
| 880-01 · Advertisements | 2,226.32 | 10,609.80 | -8,383.48 | -79.0% |
| 880-02 · Brochures/Print Materials | 59.41 | 0.00 | 59.41 | 100.0% |
| 880-04 · Internet/Web Site | 1,960.00 | 675.00 | 1,285.00 | 190.4% |
| 880-05 · Sales & Marketing Expense | 0.00 | 509.25 | -509.25 | -100.0% |
| 880-08 · Donations | 0.00 | 425.00 | -425.00 | -100.0% |
| 880-90 · PY Adj For Events | 0.00 | 0.00 | 0.00 | 0.0% |
| Total 880 · MARKETING EXP | 4,245.73 | 12,219.05 | -7,973.32 | -65.3% |
| 999 · Reconciliation Discrepancies | 0.00 | 0.09 | -0.09 | -100.0% |
| Total Expense | 526,670.86 | 700,420.30 | -173,749.44 | -24.8% |
| Net Ordinary Income | 48,960.35 | -82,444.41 | 131,404.76 | 159.4% |
| Other Income/Expense | | | | |
| Other Income | | | | |
| 13000 · Over/Short | 0.00 | 1,246.43 | -1,246.43 | -100.0% |
| Total Other Income | 0.00 | 1,246.43 | -1,246.43 | -100.0% |
| Other Expense | | | | |
| 21000 · Other Expenses | 0.00 | 0.00 | 0.00 | 0.0% |
| 23000 · Tips Wash Account | 173.26 | 0.00 | 173.26 | 100.0% |
| 970 · CAPITAL EXPENDITURES | | | | |
| 970-01 · Lodge Improvements | 0.00 | 30,636.60 | -30,636.60 | -100.0% |
| 970-02 · Computer Eq't & Software | 3,599.97 | 6,428.00 | -2,828.03 | -44.0% |
| 970-03 · Furniture/Fixtures | 512.00 | 0.00 | 512.00 | 100.0% |
| 970-05 · Kitchen Equipment | 0.00 | 2,907.27 | -2,907.27 | -100.0% |
| Total 970 · CAPITAL EXPENDITURES | 4,111.97 | 39,971.87 | -35,859.90 | -89.7% |
| Total Other Expense | 4,285.23 | 39,971.87 | -35,686.64 | -89.3% |
| Net Other Income | -4,285.23 | -38,725.44 | 34,440.21 | 88.9% |
| Net Income | 44,675.12 | -121,169.85 | 165,844.97 | 136.9% |