

OFFICIAL PROCEEDINGS  
KEWEENAW MOUNTAIN LODGE BOARD  
November 14, 2017

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on November 14, 2017, 6:15 p.m. at the Courthouse, Eagle River, MI.

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

The meeting date was changed and the change was posted in the Courthouse on the bulletin board, on the website and on the Courthouse door and the agenda for the meeting was posted on the door of the Courthouse.

Motion by Rajala supported by Vivian and unanimously carried to approve the agenda as presented.

Motion by Gayk supported by Rajala and unanimously carried to approve the minutes as written from the October 18, 2017 regular monthly meeting.

Motion by Gayk supported by Rajala to pay the bills in the following amounts: Vendors: \$23,925.33 Payroll: 10/13/17=\$31,776 10/27/17=\$36,455 11/10/17=\$7,966 Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried.

Financials were reviewed by the Coordinator. See attached.

Coordinator Desnick presented a check to Piche for \$151,000 which will pay the County back for the appropriation that was given to get the Lodge open for 2017. The coordinator, Sue Desnick and Babette Jokela will be handling things throughout the winter and will have a plan in place if the Lodge is opened in the Spring. Desnick said that he has been taking reservations and checking with staff to see if they are available for next year whether the Lodge is sold or not.

There was a discussion about what to do for next year as there will not be enough money to open in the spring and the county will have to appropriate money if the Lodge is not sold. After much discussion, the Board decided that they would need to sit down with Desnick and get some numbers and find out if Rural Development would have any input into the situation. Motion by Gayk supported by DeMarois and unanimously carried to have two commissioners meet with the Prosecutor and talk to Rural Development and EDA regarding the listing of the Keweenaw Mountain Lodge before deciding on which direction to take for next year.

Public comment was allowed.

Motion by Gayk to adjourn at 6:56 p.m. Meeting adjourned sine die.

---

Donald Piche, Chairman

---

Julie A. Carlson, Clerk

## Keweenaw Mountain Lodge

## Balance Sheet

11/10/17

As of October 31, 2017

Accrual Basis

	Oct 31, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
001 · Vendor Payment Bank Acct 0273	6,782.68
002-a · Depository Account 0299	230,053.06
002-b · General Fund-Maint by Geri-0232	-132,875.27
002-d · Payroll Checking Account 0281	13,868.43
002-f · Advanced Deposits (events) 0074	2,065.00
002-j · PayPal Funds Available	-738.52
002i · In-House Purchases Acct 165	914.88
005 · Petty Cash	150.00
<b>Total Checking/Savings</b>	120,220.26
<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
037 · Due From Vendors	2,369.55
100 · Inventories	
101 · Golf Inventory	4,987.03
104 · Liquor Inventory	4,423.95
<b>Total 100 · Inventories</b>	9,410.98
106 · Fuel Inventory	10,447.88
99 · Prepaid Insurance	18,352.47
<b>Total Other Current Assets</b>	40,685.88
<b>Total Current Assets</b>	160,933.92
<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	4,785,657.17
146 · Capital Assets- Equipment	291,059.47
148 · Capital Assets-Vehicles	22,607.66
149 · Less Accum. Depreciation	-3,100,897.68
<b>Total Fixed Assets</b>	3,274,149.89
<b>TOTAL ASSETS</b>	<b>3,435,083.81</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
202 · Accounts Payable	22,050.81
<b>Total Accounts Payable</b>	22,050.81
<b>Other Current Liabilities</b>	
203 · Advanced Deposits Payable	3,576.37
204 · Wedding deposits Payable	-2,200.00
205 · Gift Certificates Payable	-778.80
206 · Gift Card Payable	-357.11
228-a · Sales Tax Payable	1,448.35
228-b · Use Tax Payable	4,538.74
230 · Room Assessment Tax Payable	2,275.78

5:54 PM

11/10/17

Accrual Basis

**Keweenaw Mountain Lodge**  
**Balance Sheet**  
As of October 31, 2017

	<u>Oct 31, 17</u>
<b>231 · Payroll Liabilities</b>	
Federal (941)	6,623.52
Michigan Withholding	2,528.47
Payroll Liabilities-Child suppo	45.00
SUIMI-Company	1,795.77
231 · Payroll Liabilities - Other	89.19
	<hr/>
<b>Total 231 · Payroll Liabilities</b>	11,081.95
<b>232 · Tips-Not Yet Paid (Gratuity)</b>	-16.10
<b>233 · Accrued Payroll</b>	2,000.00
<b>251 · Accrued Interest Payable</b>	418,327.37
	<hr/>
<b>Total Other Current Liabilities</b>	439,896.55
	<hr/>
<b>Total Current Liabilities</b>	461,947.36
<b>Long Term Liabilities</b>	
<b>300 · Bonds Payable-Long Term</b>	1,766,000.00
	<hr/>
<b>Total Long Term Liabilities</b>	1,766,000.00
	<hr/>
<b>Total Liabilities</b>	2,227,947.36
<b>Equity</b>	
30000 · Ask Accountant/Auditor	937.08
3001 · Over & Under	59.01
3100 · Retained Earnings	-617,452.41
399 · Net Assets Over Related Debt	1,759,066.15
Net Income	64,526.62
	<hr/>
<b>Total Equity</b>	1,207,136.45
	<hr/>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3,435,083.81</b>
	<hr/> <hr/>

**Keweenaw Mountain Lodge**  
**Profit & Loss Prev Year Comparison**  
**October 2017**

	Oct 17	Oct 16	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
641 · Lodging Income	75,681.66	52,771.84	22,909.82	43.4%
642 · Dining Room Income				
645 · Banquet Income	10,320.02	1,905.40	8,414.62	441.6%
642 · Dining Room Income - Other	19,865.32	19,320.36	544.96	2.8%
<b>Total 642 · Dining Room Income</b>	30,185.34	21,225.76	8,959.58	42.2%
643 · Bar Income	8,805.45	11,559.84	-2,754.39	-23.8%
644 · Golf Income				
Golf Fees	0.00	5,567.00	-5,567.00	-100.0%
Golf Sales	0.00	1,923.12	-1,923.12	-100.0%
644 · Golf Income - Other	7,179.76	0.00	7,179.76	100.0%
<b>Total 644 · Golf Income</b>	7,179.76	7,490.12	-310.36	-4.1%
664 · Interest Income	0.00	9.97	-9.97	-100.0%
680 · Less Allowances/Discounts	0.00	-13.78	13.78	100.0%
<b>Total Income</b>	121,852.21	93,043.75	28,808.46	31.0%
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	496.00	2,675.42	-2,179.42	-81.5%
701-02 · Liquor	373.01	76.83	296.18	385.5%
701-03 · Soft Drinks	-108.56	6.00	-114.56	-1,909.3%
701-04 · Entertainment/Music	0.00	700.00	-700.00	-100.0%
<b>Total 701 · BAR COST OF SALES</b>	760.45	3,458.25	-2,697.80	-78.0%
702 · DINING COST OF SALES	4,619.18	14,725.40	-10,106.22	-68.6%
703 · GOLF COST OF SALES	499.04	4,309.92	-3,810.88	-88.4%
703.01 · Cost of Sales - Other	266.00	0.00	266.00	100.0%
<b>Total COGS</b>	6,144.67	22,493.57	-16,348.90	-72.7%
<b>Gross Profit</b>	115,707.54	70,550.18	45,157.36	64.0%
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	44,976.45	50,703.83	-5,727.38	-11.3%
705-02 · Salary Wages	4,000.00	9,420.00	-5,420.00	-57.5%
705-03 · Overtime Wages	7,702.71	2,840.27	4,862.44	171.2%
705-05 · Payroll Taxes	7,545.93	8,791.69	-1,245.76	-14.2%
705-25 · Workmans Comp.	0.00	645.00	-645.00	-100.0%
705-50 · Other Employee Costs	0.00	1,056.33	-1,056.33	-100.0%
<b>Total 705 · EMPLOYEE COSTS</b>	64,225.09	73,457.12	-9,232.03	-12.6%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	0.00	735.72	-735.72	-100.0%
726-02 · Firewood	1,710.00	570.00	1,140.00	200.0%
726-04 · Office Supplies	179.83	228.94	-49.11	-21.5%
726-05 · Operating	0.00	86.92	-86.92	-100.0%
726-06 · Paper & Disposable	0.00	333.22	-333.22	-100.0%
<b>Total 726 · SUPPLIES</b>	1,889.83	1,954.80	-64.97	-3.3%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	0.00	40.00	-40.00	-100.0%
801-02 · Audit Fees	0.00	5,300.00	-5,300.00	-100.0%
801-03 · Bank/Credit Card Fees	4,321.29	4,477.89	-156.60	-3.5%
801-05 · Equipment Maint/Repairs	286.25	265.17	21.08	8.0%
801-06 · Equipment Rental	0.00	31.25	-31.25	-100.0%
801-07 · Facilities Maintenance	2,521.18	3,729.28	-1,208.10	-32.4%
801-08 · General Insurance	0.00	1,422.75	-1,422.75	-100.0%
801-09 · Grounds Maintenance	317.04	0.00	317.04	100.0%
801-10 · Laundry Expense	3,775.48	2,155.03	1,620.45	75.2%
801-11 · Licenses and Permits	70.00	0.00	70.00	100.0%
801-12 · Consulting Fees/Contract Fees	1,780.00	2,015.00	-235.00	-11.7%
801-13 · Telephone	259.87	127.56	132.31	103.7%
801-15 · Utilities	9,237.89	9,390.83	-152.94	-1.6%
801-16 · Van & Truck Exp - Gas & Repairs	25.42	1,933.09	-1,907.67	-98.7%
801-17 · Waste Removal	0.00	1,451.38	-1,451.38	-100.0%
801-20 · Satellite TV	578.18	0.00	578.18	100.0%
<b>Total 801 · OPERATING COSTS</b>	23,172.60	32,339.23	-9,166.63	-28.4%

5:52 PM

11/10/17

Accrual Basis

**Keweenaw Mountain Lodge**  
**Profit & Loss Prev Year Comparison**  
**October 2017**

	Oct 17	Oct 16	\$ Change	% Change
<b>880 · MARKETING EXP</b>				
880-01 · Advertisements	0.00	429.00	-429.00	-100.0%
880-04 · Internet/Web Site	100.00	75.00	25.00	33.3%
880-05 · Sales & Marketing Expense	0.00	52.65	-52.65	-100.0%
<b>Total 880 · MARKETING EXP</b>	100.00	556.65	-456.65	-82.0%
<b>999 · Reconciliation Discrepancies</b>	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	89,387.52	108,307.80	-18,920.28	-17.5%
<b>Net Ordinary Income</b>	26,320.02	-37,757.62	64,077.64	169.7%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
13000 · Over/Short	0.00	-59.46	59.46	100.0%
<b>Total Other Income</b>	0.00	-59.46	59.46	100.0%
<b>Other Expense</b>				
23000 · Tips Wash Account	0.00	0.00	0.00	0.0%
99000 · Casualty & Theft Loss	0.00	1,644.41	-1,644.41	-100.0%
<b>Total Other Expense</b>	0.00	1,644.41	-1,644.41	-100.0%
<b>Net Other Income</b>	0.00	-1,703.87	1,703.87	100.0%
<b>Net Income</b>	<b>26,320.02</b>	<b>-39,461.49</b>	<b>65,781.51</b>	<b>166.7%</b>

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

	Jan - Oct 17	Jan - Oct 16	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
641 · Lodging Income	440,645.84	424,861.70	15,784.14	3.7%
642 · Dining Room Income				
645 · Banquet Income	43,415.55	71,104.18	-27,688.63	-38.9%
642 · Dining Room Income - Other	115,001.24	132,110.93	-17,109.69	-13.0%
<b>Total 642 · Dining Room Income</b>	158,416.79	203,215.11	-44,798.32	-22.0%
643 · Bar Income	59,460.86	75,854.94	-16,394.08	-21.6%
644 · Golf Income				
Golf Fees	10,045.00	102,365.55	-92,320.55	-90.2%
Golf Sales	0.00	31,927.83	-31,927.83	-100.0%
644 · Golf Income - Other	95,444.25	0.00	95,444.25	100.0%
<b>Total 644 · Golf Income</b>	105,489.25	134,293.38	-28,804.13	-21.5%
664 · Interest Income	65.14	145.95	-80.81	-55.4%
680 · Less Allowances/Discounts	0.00	-1,010.67	1,010.67	100.0%
698 · Other Miscellaneous Revenue	0.00	-1,868.44	1,868.44	100.0%
<b>Total Income</b>	764,077.88	835,491.97	-71,414.09	-8.6%
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	15,017.85	15,974.91	-957.06	-6.0%
701-02 · Liquor	4,879.57	6,817.17	-1,937.60	-28.4%
701-03 · Soft Drinks	1,773.97	3,115.95	-1,341.98	-43.1%
701-04 · Entertainment/Music	0.00	800.00	-800.00	-100.0%
701 · BAR COST OF SALES - Other	392.90	0.00	392.90	100.0%
<b>Total 701 · BAR COST OF SALES</b>	22,084.29	26,708.03	-4,643.74	-17.4%
702 · DINING COST OF SALES	51,975.74	89,667.25	-37,691.51	-42.0%
703 · GOLF COST OF SALES	3,228.85	27,651.21	-24,422.36	-88.3%
703.01 · Cost of Sales - Other	1,568.84	885.00	683.84	77.3%
704 · LODGING COST OF SALES	0.00	2,054.41	-2,054.41	-100.0%
<b>Total COGS</b>	78,837.72	146,965.90	-68,128.18	-46.4%
<b>Gross Profit</b>	685,240.16	688,526.07	-3,285.91	-0.5%
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	279,365.87	330,529.99	-51,164.12	-15.5%
705-02 · Salary Wages	40,000.00	80,266.54	-40,266.54	-50.2%
705-03 · Overtime Wages	30,522.51	12,515.02	18,007.49	143.9%
705-05 · Payroll Taxes	63,053.36	83,799.50	-20,746.14	-24.8%
705-10 · Mileage Reimbursement	1,324.11	1,022.18	301.93	29.5%
705-12 · Uniforms	419.59	2,928.38	-2,508.79	-85.7%
705-25 · Workmans Comp.	3,678.24	7,083.00	-3,404.76	-48.1%
705-50 · Other Employee Costs	49.98	103.99	-54.01	-51.9%
705-99 · PY Payroll Tax Adj	0.00	-3,505.40	3,505.40	100.0%
<b>Total 705 · EMPLOYEE COSTS</b>	418,413.66	514,743.20	-96,329.54	-18.7%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	1,100.43	6,606.29	-5,505.86	-83.3%
726-02 · Firewood	1,710.00	2,529.50	-819.50	-32.4%
726-03 · Guest Complimentary	2,104.48	1,837.20	267.28	14.6%
726-04 · Office Supplies	4,372.46	6,657.88	-2,285.42	-34.3%
726-05 · Operating	19.70	4,374.53	-4,354.83	-99.6%
726-06 · Paper & Disposable	1,717.28	7,623.30	-5,906.02	-77.5%
726-07 · Small Tools & Supplies	3.86	3,518.46	-3,514.60	-99.9%
726-08 · Computer Eq-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%
<b>Total 726 · SUPPLIES</b>	11,028.21	38,690.00	-27,661.79	-71.5%

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

	Jan - Oct 17	Jan - Oct 16	\$ Change	% Change
<b>801 · OPERATING COSTS</b>				
801-01 · Accounting/Bookkeeping Fees	5,605.00	200.00	5,405.00	2,702.5%
801-02 · Audit Fees	0.00	5,300.00	-5,300.00	-100.0%
801-03 · Bank/Credit Card Fees	16,621.00	17,264.94	-643.94	-3.7%
801-04 · Dues and Subscriptions	2,164.94	1,761.88	403.06	22.9%
801-05 · Equipment Maint/Repairs	14,620.39	16,530.21	-1,909.82	-11.6%
801-06 · Equipment Rental	10,931.71	14,221.78	-3,290.07	-23.1%
801-07 · Facilities Maintenance	12,375.69	28,676.76	-16,301.07	-56.8%
801-08 · General Insurance	4,268.25	14,227.50	-9,959.25	-70.0%
801-09 · Grounds Maintenance	5,322.64	8,138.35	-2,815.71	-34.6%
801-10 · Laundry Expense	25,649.56	30,157.45	-4,507.89	-15.0%
801-11 · Licenses and Permits	4,666.92	3,731.50	935.42	25.1%
801-12 · Consulting Fees/Contract Fees	16,555.00	19,885.83	-3,330.83	-16.8%
801-13 · Telephone	2,449.99	3,520.36	-1,070.37	-30.4%
801-15 · Utilities	52,958.34	63,754.41	-10,796.07	-16.9%
801-16 · Van & Truck Exp - Gas & Repairs	3,282.18	5,425.53	-2,143.35	-39.5%
801-17 · Waste Removal	1,263.87	7,750.03	-6,486.16	-83.7%
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	3,905.23	0.00	3,905.23	100.0%
801 · OPERATING COSTS - Other	0.00	48.80	-48.80	-100.0%
<b>Total 801 · OPERATING COSTS</b>	<b>182,640.71</b>	<b>242,519.11</b>	<b>-59,878.40</b>	<b>-24.7%</b>
<b>880 · MARKETING EXP</b>				
880-01 · Advertisements	2,226.32	11,038.80	-8,812.48	-79.8%
880-02 · Brochures/Print Materials	59.41	0.00	59.41	100.0%
880-04 · Internet/Web Site	2,060.00	750.00	1,310.00	174.7%
880-05 · Sales & Marketing Expense	0.00	561.90	-561.90	-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%
<b>Total 880 · MARKETING EXP</b>	<b>4,345.73</b>	<b>12,775.70</b>	<b>-8,429.97</b>	<b>-66.0%</b>
999 · Reconciliation Discrepancies	0.00	0.09	-0.09	-100.0%
<b>Total Expense</b>	<b>616,428.31</b>	<b>808,728.10</b>	<b>-192,299.79</b>	<b>-23.8%</b>
<b>Net Ordinary Income</b>	<b>68,811.85</b>	<b>-120,202.03</b>	<b>189,013.88</b>	<b>157.3%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
13000 · Over/Short	0.00	1,186.97	-1,186.97	-100.0%
<b>Total Other Income</b>	<b>0.00</b>	<b>1,186.97</b>	<b>-1,186.97</b>	<b>-100.0%</b>
<b>Other Expense</b>				
21000 · Other Expenses	0.00	0.00	0.00	0.0%
23000 · Tips Wash Account	173.26	0.00	173.26	100.0%
<b>970 · CAPITAL EXPENDITURES</b>				
970-01 · Lodge Improvements	0.00	30,636.60	-30,636.60	-100.0%
970-02 · Computer Eqt & 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%
<b>Total 970 · CAPITAL EXPENDITURES</b>	<b>4,111.97</b>	<b>39,971.87</b>	<b>-35,859.90</b>	<b>-89.7%</b>
99000 · Casualty & Theft Loss	0.00	1,644.41	-1,644.41	-100.0%
<b>Total Other Expense</b>	<b>4,285.23</b>	<b>41,616.28</b>	<b>-37,331.05</b>	<b>-89.7%</b>
<b>Net Other Income</b>	<b>-4,285.23</b>	<b>-40,429.31</b>	<b>36,144.08</b>	<b>89.4%</b>
<b>Net Income</b>	<b>64,526.62</b>	<b>-160,631.34</b>	<b>225,157.96</b>	<b>140.2%</b>