

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
ASSETS	
Current Assets	
Checking/Savings	
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
Total Checking/Savings	120,220.26
Accounts Receivable	
028 · Accounts Receivable	27.78
Total Accounts Receivable	27.78
Other Current Assets	
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
Total 100 · Inventories	9,410.98
106 · Fuel Inventory	10,447.88
99 · Prepaid Insurance	18,352.47
Total Other Current Assets	40,685.88
Total Current Assets	160,933.92
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	4,785,657.17
146 · Capital Assets- Equipment	291,059.47
148 · Capital Assets-Vehicles	22,607.66
149 · Less Accum. Depreciation	-3,100,897.68
Total Fixed Assets	3,274,149.89
TOTAL ASSETS	3,435,083.81
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 · Accounts Payable	22,050.81
Total Accounts Payable	22,050.81
Other Current Liabilities	
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

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Accrual Basis

Keweenaw Mountain Lodge
Balance Sheet
As of October 31, 2017

	<u>Oct 31, 17</u>
231 · Payroll Liabilities	
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
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Total 231 · Payroll Liabilities	11,081.95
232 · Tips-Not Yet Paid (Gratuity)	-16.10
233 · Accrued Payroll	2,000.00
251 · Accrued Interest Payable	418,327.37
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Total Other Current Liabilities	439,896.55
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Total Current Liabilities	461,947.36
Long Term Liabilities	
300 · Bonds Payable-Long Term	1,766,000.00
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Total Long Term Liabilities	1,766,000.00
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Total Liabilities	2,227,947.36
Equity	
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
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Total Equity	1,207,136.45
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TOTAL LIABILITIES & EQUITY	3,435,083.81
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Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
October 2017

	Oct 17	Oct 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
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%
Total 642 · Dining Room Income	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%
Total 644 · Golf Income	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%
Total Income	121,852.21	93,043.75	28,808.46	31.0%
Cost of Goods Sold				
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%
Total 701 · BAR COST OF SALES	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%
Total COGS	6,144.67	22,493.57	-16,348.90	-72.7%
Gross Profit	115,707.54	70,550.18	45,157.36	64.0%
Expense				
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%
Total 705 · EMPLOYEE COSTS	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%
Total 726 · SUPPLIES	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%
Total 801 · OPERATING COSTS	23,172.60	32,339.23	-9,166.63	-28.4%

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Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
October 2017

	Oct 17	Oct 16	\$ Change	% Change
880 · MARKETING EXP				
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%
Total 880 · MARKETING EXP	100.00	556.65	-456.65	-82.0%
999 · Reconciliation Discrepancies	0.00	0.00	0.00	0.0%
Total Expense	89,387.52	108,307.80	-18,920.28	-17.5%
Net Ordinary Income	26,320.02	-37,757.62	64,077.64	169.7%
Other Income/Expense				
Other Income				
13000 · Over/Short	0.00	-59.46	59.46	100.0%
Total Other Income	0.00	-59.46	59.46	100.0%
Other Expense				
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%
Total Other Expense	0.00	1,644.41	-1,644.41	-100.0%
Net Other Income	0.00	-1,703.87	1,703.87	100.0%
Net Income	26,320.02	-39,461.49	65,781.51	166.7%

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

	Jan - Oct 17	Jan - Oct 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
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%
Total 642 · Dining Room Income	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%
Total 644 · Golf Income	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%
Total Income	764,077.88	835,491.97	-71,414.09	-8.6%
Cost of Goods Sold				
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%
Total 701 · BAR COST OF SALES	22,064.29	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%
Total COGS	78,837.72	146,965.90	-68,128.18	-46.4%
Gross Profit	685,240.16	688,526.07	-3,285.91	-0.5%
Expense				
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%
Total 705 · EMPLOYEE COSTS	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%
Total 726 · SUPPLIES	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
801 · OPERATING COSTS				
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%
Total 801 · OPERATING COSTS	182,640.71	242,519.11	-59,878.40	-24.7%
880 · MARKETING EXP				
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%
Total 880 · MARKETING EXP	4,345.73	12,775.70	-8,429.97	-66.0%
999 · Reconciliation Discrepancies	0.00	0.09	-0.09	-100.0%
Total Expense	616,428.31	808,728.10	-192,299.79	-23.8%
Net Ordinary Income	68,811.85	-120,202.03	189,013.88	157.3%
Other Income/Expense				
Other Income				
13000 · Over/Short	0.00	1,186.97	-1,186.97	-100.0%
Total Other Income	0.00	1,186.97	-1,186.97	-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 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%
Total 970 · CAPITAL EXPENDITURES	4,111.97	39,971.87	-35,859.90	-89.7%
99000 · Casualty & Theft Loss	0.00	1,644.41	-1,644.41	-100.0%
Total Other Expense	4,285.23	41,616.28	-37,331.05	-89.7%
Net Other Income	-4,285.23	-40,429.31	36,144.08	89.4%
Net Income	64,526.62	-160,631.34	225,157.96	140.2%