

OFFICIAL PROCEEDINGS  
KEWEENAW MOUNTAIN LODGE BOARD  
December 20, 2017

The regular monthly meeting of the Keweenaw Mountain Lodge Board held on December 20, 2017, 6:15 p.m. at the Courthouse, Eagle River, MI and began with the pledge of allegiance.

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

Motion by Gayk supported by Rajala 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 November 14, 2017 regular monthly meeting.

Motion by Gayk supported by DeMarois to pay the bills in the following amounts: Vendors: \$15,297.80 Payroll: 11/10/17 and 12/8/17=\$4,832.00 Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried.

Financials were reviewed by the Coordinator. See attached.

Coordinator Desnick he is willing to tackle the next season if that is what the Board chooses. He said that the phone and reservation systems will need some work for next year and he is willing to see that through. As always, there is an issue with seasonal workers and Coordinator Desnick had Darlene Gronevelt from KEDA come to talk about the foreign workers also called guest employees.

Darlene Gronevelt is from KEDA and career development is her passion. Ms. Gronevelt talked to Peg Kauppi from Copper Harbor who has used guest employees in the past. There is a need in the Harbor to have people come from overseas to help out during the busy season and Ms. Gronevelt had a sheet that business owners can fill out so that KEDA would know what the needs are. Guest employees require housing and food but can be charged for both. There was a lot of discussion and what ifs. There are many unknowns with KML for sale. Also, could KML get seasonal workers from our own area if lodging and meals were provided for a nominal fee? No decisions were made but this could be a good option if KML is reopened for 2018.

Motion by Rajala supported by Gayk and unanimously carried to table the Historic Preservation/Easements on the KML property until January.

After much discussion and each board member giving their opinion, motion by DeMarois supported by Vivian and majority carried the motion (Rajala opposed) to open the Lodge for a shorter season in 2018.

Motion by DeMarois supported by Rajala and unanimously carried to approve the bid from Bay Electric in the amount of \$2,250 to replace and install a new control touch-screen for the water system pump control panel.

Public comment was allowed.

Motion by Rajala to adjourn at 7:25 p.m. Meeting adjourned sine die.

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Donald Piche, Chairman

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Julie A. Carlson, Clerk

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12/17/17

Accrual Basis

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

	Nov 17	Nov 16	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
664 · Interest Income	0.00	1.68	-1.68	-100.0%
698 · Other Miscellaneous Revenue	0.00	2,953.59	-2,953.59	-100.0%
<b>Total Income</b>	0.00	2,955.27	-2,955.27	-100.0%
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	-727.37	-653.08	-74.29	-11.4%
<b>Total 701 · BAR COST OF SALES</b>	-727.37	-653.08	-74.29	-11.4%
702 · DINING COST OF SALES	425.65	-531.95	957.60	180.0%
704 · LODGING COST OF SALES	0.00	1,765.00	-1,765.00	-100.0%
<b>Total COGS</b>	-301.72	579.97	-881.69	-152.0%
<b>Gross Profit</b>	301.72	2,375.30	-2,073.58	-87.3%
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	6,004.25	2,216.82	3,787.43	170.9%
705-02 · Salary Wages	4,000.00	4,000.00	0.00	0.0%
705-03 · Overtime Wages	438.95	0.00	438.95	100.0%
705-05 · Payroll Taxes	1,072.37	578.57	493.80	85.4%
705-10 · Mileage Reimbursement	773.61	0.00	773.61	100.0%
705-25 · Workmans Comp.	1,824.74	645.00	1,179.74	182.9%
705-50 · Other Employee Costs	150.00	55.98	94.02	168.0%
<b>Total 705 · EMPLOYEE COSTS</b>	14,263.92	7,496.37	6,767.55	90.3%
726 · SUPPLIES				
726-02 · Firewood	855.00	0.00	855.00	100.0%
726-04 · Office Supplies	28.60	-169.57	198.17	116.9%
<b>Total 726 · SUPPLIES</b>	883.60	-169.57	1,053.17	621.1%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	40.00	40.00	0.00	0.0%
801-03 · Bank/Credit Card Fees	0.00	3,577.65	-3,577.65	-100.0%
801-05 · Equipment Maint/Repairs	266.05	227.50	38.55	17.0%
801-07 · Facilities Maintenance	299.00	287.06	11.94	4.2%
801-08 · General Insurance	0.00	1,422.75	-1,422.75	-100.0%
801-12 · Consulting Fees/Contract Fees	1,160.00	2,050.00	-890.00	-43.4%
801-13 · Telephone	259.91	172.01	87.90	51.1%
801-15 · Utilities	7,363.51	2,928.76	4,434.75	151.4%
801-20 · Satellite TV	-298.90	0.00	-298.90	-100.0%
<b>Total 801 · OPERATING COSTS</b>	9,089.57	10,705.73	-1,616.16	-15.1%
880 · MARKETING EXP				
880-04 · Internet/Web Site	100.00	75.00	25.00	33.3%
<b>Total 880 · MARKETING EXP</b>	100.00	75.00	25.00	33.3%
<b>Total Expense</b>	24,337.09	18,107.53	6,229.56	34.4%
<b>Net Ordinary Income</b>	-24,035.37	-15,732.23	-8,303.14	-52.8%
<b>Other Income/Expense</b>				
<b>Other Expense</b>				
23000 · Tips Wash Account	0.00	0.00	0.00	0.0%
<b>Total Other Expense</b>	0.00	0.00	0.00	0.0%
<b>Net Other Income</b>	0.00	0.00	0.00	0.0%
<b>Net Income</b>	-24,035.37	-15,732.23	-8,303.14	-52.8%

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

	Jan - Nov 17	Jan - Nov 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>	<b>158,416.79</b>	<b>203,215.11</b>	<b>-44,798.32</b>	<b>-22.0%</b>
643 · Bar Income	59,460.86	75,854.94	-16,394.08	-21.6%
<b>644 · Golf Income</b>				
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>	<b>105,489.25</b>	<b>134,293.38</b>	<b>-28,804.13</b>	<b>-21.5%</b>
664 · Interest Income	102.83	147.63	-44.80	-30.4%
680 · Less Allowances/Discounts	0.00	-1,010.67	1,010.67	100.0%
698 · Other Miscellaneous Revenue	0.00	1,085.15	-1,085.15	-100.0%
<b>Total Income</b>	<b>764,115.57</b>	<b>838,447.24</b>	<b>-74,331.67</b>	<b>-8.9%</b>
<b>Cost of Goods Sold</b>				
<b>701 · BAR COST OF SALES</b>				
701-01 · Beer/Wine etc	13,539.13	15,321.83	-1,782.70	-11.6%
701-02 · Liquor	6,409.04	6,817.17	-408.13	-6.0%
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	21.00	0.00	21.00	100.0%
<b>Total 701 · BAR COST OF SALES</b>	<b>21,743.14</b>	<b>26,054.95</b>	<b>-4,311.81</b>	<b>-16.6%</b>
702 · DINING COST OF SALES	53,461.95	89,135.30	-35,673.35	-40.0%
703 · GOLF COST OF SALES	6,928.01	27,651.21	-20,723.20	-75.0%
703.01 · Cost of Sales - Other	1,568.84	885.00	683.84	77.3%
704 · LODGING COST OF SALES	0.00	3,819.41	-3,819.41	-100.0%
<b>Total COGS</b>	<b>83,701.94</b>	<b>147,545.87</b>	<b>-63,843.93</b>	<b>-43.3%</b>
<b>Gross Profit</b>	<b>680,413.63</b>	<b>690,901.37</b>	<b>-10,487.74</b>	<b>-1.5%</b>
<b>Expense</b>				
<b>705 · EMPLOYEE COSTS</b>				
705-01 · Hourly Wages	285,370.12	332,746.81	-47,376.69	-14.2%
705-02 · Salary Wages	44,000.00	84,266.54	-40,266.54	-47.8%
705-03 · Overtime Wages	30,961.46	12,515.02	18,446.44	147.4%
705-06 · Payroll Taxes	64,125.73	84,378.07	-20,252.34	-24.0%
705-10 · Mileage Reimbursement	2,097.72	1,022.18	1,075.54	105.2%
705-12 · Uniforms	419.59	2,928.38	-2,508.79	-85.7%
705-26 · Workmans Comp.	5,502.98	7,728.00	-2,225.02	-28.8%
705-50 · Other Employee Costs	199.98	159.97	40.01	25.0%
705-99 · PY Payroll Tax Adj	173.26	-3,505.40	3,678.66	104.9%
<b>Total 705 · EMPLOYEE COSTS</b>	<b>432,850.84</b>	<b>522,239.57</b>	<b>-89,388.73</b>	<b>-17.1%</b>
<b>726 · SUPPLIES</b>				
726-01 · Cleaning/Janitorial	1,100.43	6,606.29	-5,505.86	-83.3%
726-02 · Firewood	2,565.00	2,529.50	35.50	1.4%
726-03 · Guest Complimentary	2,104.48	1,837.20	267.28	14.6%
726-04 · Office Supplies	4,549.71	6,488.31	-1,938.60	-29.9%
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 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	14.28	1,358.19	-1,343.91	-99.0%
<b>Total 726 · SUPPLIES</b>	<b>12,074.74</b>	<b>38,520.43</b>	<b>-26,445.69</b>	<b>-68.7%</b>

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12/17/17

Accrual Basis

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

	Jan - Nov 17	Jan - Nov 16	\$ Change	% Change
<b>801 - OPERATING COSTS</b>				
801-01 - Accounting/Bookkeeping Fees	385.00	240.00	145.00	60.4%
801-02 - Audit Fees	5,300.00	5,300.00	0.00	0.0%
801-03 - Bank/Credit Card Fees	16,921.11	20,842.59	-3,921.48	-18.8%
801-04 - Dues and Subscriptions	2,164.94	1,761.88	403.06	22.9%
801-05 - Equipment Maint/Repairs	14,936.42	16,757.71	-1,821.29	-10.9%
801-06 - Equipment Rental	10,950.51	14,221.78	-3,271.27	-23.0%
801-07 - Facilities Maintenance	12,819.09	28,963.82	-16,144.73	-55.7%
801-08 - General Insurance	4,268.25	15,650.25	-11,382.00	-72.7%
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	4,804.14	3,731.50	1,072.64	28.8%
801-12 - Consulting Fees/Contract Fees	17,715.00	21,935.83	-4,220.83	-19.2%
801-13 - Telephone	2,709.90	3,692.37	-982.47	-26.6%
801-15 - Utilities	60,331.70	66,683.17	-6,351.47	-9.5%
801-16 - Van & Truck Exp - Gas & Repairs	3,350.70	5,425.53	-2,074.83	-38.2%
801-17 - Waste Removal	7,308.62	7,750.03	-441.41	-5.7%
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	3,602.08	0.00	3,602.08	100.0%
801 - OPERATING COSTS - Other	0.00	48.80	-48.80	-100.0%
<b>Total 801 - OPERATING COSTS</b>	<b>198,539.66</b>	<b>253,224.84</b>	<b>-54,685.18</b>	<b>-21.6%</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	2,160.00	825.00	1,335.00	161.8%
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>4,445.73</b>	<b>12,850.70</b>	<b>-8,404.97</b>	<b>-65.4%</b>
999 - Reconciliation Discrepancies	0.00	0.09	-0.09	-100.0%
<b>Total Expense</b>	<b>647,910.97</b>	<b>826,835.63</b>	<b>-178,924.66</b>	<b>-21.6%</b>
<b>Net Ordinary Income</b>	<b>32,502.66</b>	<b>-135,934.26</b>	<b>168,436.92</b>	<b>123.9%</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	0.00	0.00	0.00	0.0%
<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>4,111.97</b>	<b>41,616.28</b>	<b>-37,504.31</b>	<b>-90.1%</b>
<b>Net Other Income</b>	<b>-4,111.97</b>	<b>-40,429.31</b>	<b>36,317.34</b>	<b>89.8%</b>
<b>Net Income</b>	<b>28,390.69</b>	<b>-176,363.57</b>	<b>204,754.26</b>	<b>116.1%</b>

## Keweenaw Mountain Lodge

## Balance Sheet

12/17/17

As of November 30, 2017

Accrual Basis

	Nov 30, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	-747.15
002-a · Depository Account 0299	196,775.18
002-b · General Fund-Maint by Geri-0232	-132,875.27
002-d · Payroll Checking Account 0281	3,637.93
002-f · Advanced Deposits (events) 0074	2,065.00
002i · In-House Purchases Acct 165	914.88
<b>Total Checking/Savings</b>	<b>69,770.57</b>
Accounts Receivable	
028 · Accounts Receivable	27.78
<b>Total Accounts Receivable</b>	<b>27.78</b>
<b>Other Current Assets</b>	
Accounts receivable - Other	105.00
100 · Inventories	
101 · Golf Inventory	1,287.87
104 · Liquor Inventory	2,911.42
<b>Total 100 · Inventories</b>	<b>4,199.29</b>
106 · Fuel Inventory	10,447.88
99 · Prepaid Insurance	18,352.47
<b>Total Other Current Assets</b>	<b>33,104.64</b>
<b>Total Current Assets</b>	<b>102,902.99</b>
<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>	<b>3,274,149.89</b>
<b>TOTAL ASSETS</b>	<b>3,377,052.88</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
202 · Accounts Payable	16,612.31
<b>Total Accounts Payable</b>	<b>16,612.31</b>
<b>Other Current Liabilities</b>	
203 · Advanced Deposits Payable	4,615.00
204 · Wedding deposits Payable	-2,200.00
205 · Gift Certificates Payable	-778.80
206 · Gift Card Payable	-357.11
228-a · Sales Tax Payable	2.83
228-b · Use Tax Payable	-2.16
230 · Room Assessment Tax Payable	5.33
231 · Payroll Liabilities	
Michigan Withholding	473.26
SUIMI-Company	1,990.84
231 · Payroll Liabilities - Other	89.19
<b>Total 231 · Payroll Liabilities</b>	<b>2,553.29</b>

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12/17/17

Accrual Basis

**Keweenaw Mountain Lodge**  
**Balance Sheet**  
As of November 30, 2017

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	<u>Nov 30, 17</u>
232 · Tips-Not Yet Paid (Gratuity)	-725.70
233 · Accrued Payroll	2,000.00
251 · Accrued Interest Payable	418,327.37
<b>Total Other Current Liabilities</b>	<u>423,440.05</u>
<b>Total Current Liabilities</b>	440,052.36
<b>Long Term Liabilities</b>	
300 · Bonds Payable-Long Term	1,766,000.00
<b>Total Long Term Liabilities</b>	<u>1,766,000.00</u>
<b>Total Liabilities</b>	2,206,052.36
<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	28,390.69
<b>Total Equity</b>	<u>1,171,000.52</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,377,052.88</u></u>