

OFFICIAL PROCEEDINGS
KEWEENAW MOUNTAIN LODGE BOARD
June 20, 2018

The regular monthly meeting of the Keweenaw Mountain Lodge Board was held on June 20, 2018, 6:15 p.m. at the Courthouse, Eagle River, MI. The Pledge of Allegiance was recited at the County Public Hearing prior to the Keweenaw Mountain Lodge meeting.

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

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 DeMarois supported by Rajala and unanimously carried to approve the agenda with the following amendment: The amount of the vendor bills will increase by \$275.04 to the total amount of \$33,517.78.

Motion by Vivian supported by DeMarois and unanimously carried to approve the minutes as written from the May 16, 2018 regular monthly meeting.

Motion by Rajala supported by Vivian to pay the bills in the following amounts: Vendors: \$33,517.78 Payroll: \$47,880.41. Board polled. Ayes: DeMarois, Gayk, Vivian, Rajala, Piche. Nays: None. Motion carried.

Coordinator Desnick went over the financials which are attached and gave the following updates:

- Things are up and running with two golf tournaments held
- There were some costs for repairs to the water plant
- Opened to the public on June 11th

Public comment was allowed.

Motion by Rajala to adjourn at 6:27 p.m. Meeting adjourned sine die.

Donald Piche, Chairman

Julie A. Carlson, Clerk

Keweenaw Mountain Lodge
Balance Sheet
 As of May 31, 2018

	May 31, 18
ASSETS	
Current Assets	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	5,894.32
002-a · Depository Account 0299	7,904.95
002-b · General Fund-Maint by Geri-0232	-53,750.54
002-d · Payroll Checking Account 0281	28,403.87
002i · In-House Purchases Acct 165	914.88
004 · Cash in Drawer	800.00
005 · Petty Cash	531.94
Total Checking/Savings	-9,300.58
Accounts Receivable	
028 · Accounts Receivable	27.78
Total Accounts Receivable	27.78
Other Current Assets	
Accounts receivable - Other	105.00
035 · Prepaid Expenses	587.88
100 · Inventories	
101 · Golf Inventory	1,287.87
104 · Liquor Inventory	2,911.42
105 · Food Inventory	-2,022.86
Total 100 · Inventories	2,176.43
106 · Fuel Inventory	10,447.88
99 · Prepaid Insurance	13,557.94
Total Other Current Assets	26,875.13
Total Current Assets	17,602.33
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	294,659.44
148 · Capital Assets-Vehicles	22,607.66
149 · Less Accum. Depreciation	-3,239,295.57
Total Fixed Assets	3,139,351.97
TOTAL ASSETS	3,156,954.30
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202 · Accounts Payable	24,334.22
Total Accounts Payable	24,334.22
Other Current Liabilities	
203 · Advanced Deposits Payable	5,800.00
228-a · Sales Tax Payable	83.79
228-b · Use Tax Payable	266.10
230 · Room Assessment Tax Payable	133.05
231 · Payroll Liabilities	
Michigan Withholding	683.20
SUIMI-Company	631.05
231 · Payroll Liabilities - Other	89.19
Total 231 · Payroll Liabilities	1,403.44
232 · Tips-Not Yet Paid (Gratuity)	-21.27
233 · Accrued Payroll	2,000.00

Keweenaw Mountain Lodge
Balance Sheet
As of May 31, 2018

	<u>May 31, 18</u>
251 · Accrued Interest Payable	492,199.87
Total Other Current Liabilities	<u>501,864.98</u>
Total Current Liabilities	526,199.20
Long Term Liabilities	
300 · Bonds Payable-Long Term	<u>1,766,000.00</u>
Total Long Term Liabilities	<u>1,766,000.00</u>
Total Liabilities	2,292,199.20
Equity	
30000 · Ask Accountant/Auditor	624.47
3001 · Over & Under	75.37
3100 · Retained Earnings	-826,724.18
399 · Net Assets Over Related Debt	1,759,066.15
Net Income	<u>-68,286.71</u>
Total Equity	<u>864,755.10</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,156,954.30</u></u>

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
May 2018

	May 18	May 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 · Lodging Income	4,435.00	4,590.00	-155.00	-3.4%
642 · Dining Room Income				
645 · Banquet Income	1,313.22	0.00	1,313.22	100.0%
642 · Dining Room Income - Other	67.25	1,872.84	-1,805.59	-96.4%
Total 642 · Dining Room Income	1,380.47	1,872.84	-492.37	-26.3%
643 · Bar Income	2,026.50	2,001.41	25.09	1.3%
644 · Golf Income				
Golf Fees	1,900.00	100.00	1,800.00	1,800.0%
644 · Golf Income - Other	4,445.50	3,548.80	896.70	25.3%
Total 644 · Golf Income	6,345.50	3,648.80	2,696.70	73.9%
664 · Interest Income	2.74	1.95	0.79	40.5%
698 · Other Miscellaneous Revenue	0.00	0.00	0.00	0.0%
Total Income	14,190.21	12,115.00	2,075.21	17.1%
Cost of Goods Sold				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	2,327.09	1,720.65	606.44	35.2%
701-02 · Liquor	1,296.75	169.56	1,127.19	664.8%
701-03 · Soft Drinks	613.55	587.40	26.15	4.5%
Total 701 · BAR COST OF SALES	4,237.39	2,477.61	1,759.78	71.0%
702 · DINING COST OF SALES	3,608.73	3,490.92	117.81	3.4%
703 · GOLF COST OF SALES	0.00	244.07	-244.07	-100.0%
703.01 · Cost of Sales - Other	455.00	360.00	95.00	26.4%
Total COGS	8,301.12	6,572.60	1,728.52	26.3%
Gross Profit	5,889.09	5,542.40	346.69	6.3%
Expense				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	9,978.25	20,522.96	-10,544.71	-51.4%
705-02 · Salary Wages	4,000.00	5,000.00	-1,000.00	-20.0%
705-03 · Overtime Wages	1,283.30	195.75	1,087.55	555.6%
705-05 · Payroll Taxes	2,605.65	5,070.27	-2,464.62	-48.6%
705-10 · Mileage Reimbursement	0.00	63.77	-63.77	-100.0%
705-25 · Workmans Comp.	195.96	1,824.74	-1,628.78	-89.3%
Total 705 · EMPLOYEE COSTS	18,063.16	32,677.49	-14,614.33	-44.7%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	94.06	622.79	-528.73	-84.9%
726-03 · Guest Complimentary	0.00	547.69	-547.69	-100.0%
726-04 · Office Supplies	270.00	331.69	-61.69	-18.6%
Total 726 · SUPPLIES	364.06	1,502.17	-1,138.11	-75.8%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	0.00	145.00	-145.00	-100.0%
801-03 · Bank/Credit Card Fees	97.95	41.45	56.50	136.3%
801-04 · Dues and Subscriptions	900.00	900.00	0.00	0.0%
801-05 · Equipment Maint/Repairs	2,197.35	3,100.97	-903.62	-29.1%
801-07 · Facilities Maintenance	4,519.14	4,341.01	178.13	4.1%
801-08 · General Insurance	1,377.00	0.00	1,377.00	100.0%
801-09 · Grounds Maintenance	0.00	1,379.50	-1,379.50	-100.0%
801-10 · Laundry Expense	1,986.29	1,592.55	393.74	24.7%
801-11 · Licenses and Permits	125.00	250.00	-125.00	-50.0%
801-12 · Consulting Fees/Contract Fees	1,180.00	720.00	460.00	63.9%
801-13 · Telephone	300.49	309.23	-8.74	-2.8%
801-15 · Utilities	4,946.36	3,831.02	1,115.34	29.1%
801-16 · Van & Truck Exp - Gas & Repairs	1,598.53	635.52	963.01	151.5%
801-17 · Waste Removal	10.75	0.00	10.75	100.0%
801-20 · Satellite TV	808.12	502.43	305.69	60.8%
Total 801 · OPERATING COSTS	20,046.98	17,748.68	2,298.30	13.0%
880 · MARKETING EXP				
880-01 · Advertisements	0.00	500.00	-500.00	-100.0%
880-04 · Internet/Web Site	100.00	100.00	0.00	0.0%

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Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
May 2018

	<u>May 18</u>	<u>May 17</u>	<u>\$ Change</u>	<u>% Change</u>
Total 880 · MARKETING EXP	100.00	600.00	-500.00	-83.3%
Total Expense	38,574.20	52,528.34	-13,954.14	-26.6%
Net Ordinary Income	-32,685.11	-46,985.94	14,300.83	30.4%
Other Income/Expense				
Other Expense				
970 · CAPITAL EXPENDITURES				
970-03 · Furniture/Fixtures	0.00	512.00	-512.00	-100.0%
Total 970 · CAPITAL EXPENDITURES	0.00	512.00	-512.00	-100.0%
Total Other Expense	0.00	512.00	-512.00	-100.0%
Net Other Income	0.00	-512.00	512.00	100.0%
Net Income	<u>-32,685.11</u>	<u>-47,497.94</u>	<u>14,812.83</u>	<u>31.2%</u>

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
January through May 2018

	Jan - May 18	Jan - May 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
641 · Lodging Income	4,435.00	4,590.00	-155.00	-3.4%
642 · Dining Room Income				
645 · Banquet Income	1,313.22	0.00	1,313.22	100.0%
642 · Dining Room Income - Other	67.25	1,872.84	-1,805.59	-96.4%
Total 642 · Dining Room Income	1,380.47	1,872.84	-492.37	-26.3%
643 · Bar Income	2,026.50	2,001.41	25.09	1.3%
644 · Golf Income				
Golf Fees	10,275.00	10,045.00	230.00	2.3%
Golf Sales	125.00	0.00	125.00	100.0%
644 · Golf Income - Other	4,445.50	3,548.80	896.70	25.3%
Total 644 · Golf Income	14,845.50	13,593.80	1,251.70	9.2%
664 · Interest Income	9.31	8.61	0.70	8.1%
698 · Other Miscellaneous Revenue	0.00	0.00	0.00	0.0%
Total Income	22,696.78	22,066.66	630.12	2.9%
Cost of Goods Sold				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	2,327.09	1,720.65	606.44	35.2%
701-02 · Liquor	1,296.75	169.56	1,127.19	664.8%
701-03 · Soft Drinks	613.55	244.90	368.65	150.5%
Total 701 · BAR COST OF SALES	4,237.39	2,135.11	2,102.28	98.5%
702 · DINING COST OF SALES	3,608.73	3,490.92	117.81	3.4%
703 · GOLF COST OF SALES	0.00	244.07	-244.07	-100.0%
703.01 · Cost of Sales - Other	455.00	360.00	95.00	26.4%
Total COGS	8,301.12	6,230.10	2,071.02	33.2%
Gross Profit	14,395.66	15,836.56	-1,440.90	-9.1%
Expense				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	13,319.50	21,155.96	-7,836.46	-37.0%
705-02 · Salary Wages	20,000.00	20,000.00	0.00	0.0%
705-03 · Overtime Wages	1,283.30	195.75	1,087.55	555.6%
705-05 · Payroll Taxes	5,661.29	7,522.25	-1,860.96	-24.7%
705-10 · Mileage Reimbursement	1,206.62	63.77	1,142.85	1,792.1%
705-25 · Workmans Comp.	979.80	3,686.24	-2,706.44	-73.4%
705-50 · Other Employee Costs	0.00	49.98	-49.98	-100.0%
Total 705 · EMPLOYEE COSTS	42,450.51	52,673.95	-10,223.44	-19.4%
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	94.06	622.79	-528.73	-84.9%
726-03 · Guest Complimentary	0.00	547.69	-547.69	-100.0%
726-04 · Office Supplies	564.90	1,433.32	-868.42	-60.6%
726-07 · Small Tools & Supplies	150.00	0.00	150.00	100.0%
Total 726 · SUPPLIES	808.96	2,603.80	-1,794.84	-68.9%
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	40.00	145.00	-105.00	-72.4%
801-03 · Bank/Credit Card Fees	232.82	1,821.71	-1,588.89	-87.2%
801-04 · Dues and Subscriptions	1,020.40	1,085.00	-64.60	-6.0%
801-05 · Equipment Maint/Repairs	2,197.35	3,100.97	-903.62	-29.1%
801-07 · Facilities Maintenance	4,873.14	5,903.06	-1,029.92	-17.5%
801-08 · General Insurance	6,885.00	4,268.25	2,616.75	61.3%
801-09 · Grounds Maintenance	0.00	2,321.90	-2,321.90	-100.0%
801-10 · Laundry Expense	1,986.29	1,592.55	393.74	24.7%
801-11 · Licenses and Permits	3,626.50	4,596.92	-970.42	-21.1%
801-12 · Consulting Fees/Contract Fees	4,780.00	7,895.00	-3,115.00	-39.5%
801-13 · Telephone	1,360.12	679.16	680.96	100.3%
801-15 · Utilities	9,010.38	14,616.70	-5,606.32	-38.4%
801-16 · Van & Truck Exp - Gas & Repairs	1,598.53	635.52	963.01	151.5%
801-17 · Waste Removal	240.75	0.00	240.75	100.0%
801-20 · Satellite TV	808.12	917.08	-108.96	-11.9%
Total 801 · OPERATING COSTS	38,659.40	49,578.82	-10,919.42	-22.0%
880 · MARKETING EXP				
880-01 · Advertisements	263.50	1,551.32	-1,287.82	-83.0%

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Accrual Basis

Keweenaw Mountain Lodge
Profit & Loss Prev Year Comparison
January through May 2018

	Jan - May 18	Jan - May 17	\$ Change	% Change
880-02 · Brochures/Print Materials	0.00	59.41	-59.41	-100.0%
880-04 · Internet/Web Site	500.00	1,500.00	-1,000.00	-66.7%
Total 880 · MARKETING EXP	763.50	3,110.73	-2,347.23	-75.5%
999 · Reconciliation Discrepancies	0.00	0.00	0.00	0.0%
Total Expense	82,682.37	107,967.30	-25,284.93	-23.4%
Net Ordinary Income	-68,286.71	-92,130.74	23,844.03	25.9%
Other Income/Expense				
Other Expense				
970 · CAPITAL EXPENDITURES				
970-03 · Furniture/Fixtures	0.00	512.00	-512.00	-100.0%
Total 970 · CAPITAL EXPENDITURES	0.00	512.00	-512.00	-100.0%
Total Other Expense	0.00	512.00	-512.00	-100.0%
Net Other Income	0.00	-512.00	512.00	100.0%
Net Income	-68,286.71	-92,642.74	24,356.03	26.3%