

OFFICIAL PROCEEDINGS  
KEWEENAW MOUNTAIN LODGE BOARD  
January 18, 2017

The regular monthly meeting of the Keweenaw Mountain Lodge Board was held on January 18, 2017, beginning at 6:15 p.m. following the Keweenaw County Board of Commissioners Organizational/Special Meeting, at the Courthouse, Eagle River, MI.

Commissioners present: Sandra Gayk, Bob DeMarois, Jim Vivian and Don Piche. Absent: Del Rajala

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

Motion by DeMarois supported by Vivian 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 December 21, 2016 regular monthly meeting.

Motion by Vivian supported by DeMarois to pay the bills in the following amounts: Vendors: \$26,426.52 Payroll: \$2,413.00. Board polled. Ayes: Gayk, DeMarois, Vivian, Piche. Nays: None. Motion carried.

Carl Johnson presented the financials to the Board. Carl explained the credits and costs and discussed overage in utility costs due to incorrect rate by UPPCO.

Motion by Gayk supported by DeMarois and unanimously carried to approve the Budget for 2017.

Gayk has been in contact with KML GM and gave some updates:

- Looking into limited menu
- GM planning on going to Bridal shows
- Working on a payment system
- Looking into Event and Wedding Packages
- GM wants to work on lighting, such as putting up clear Christmas lights
- GM is also thinking about a new logo/theme

Public comment was allowed.

Motion by Gayk supported by DeMarois to adjourn at 6:51 p.m. Meeting adjourned sine die.

---

Donald Piche, Chairman

---

Roxanne Billing, Deputy Clerk

## Keweenaw Mountain Lodge

## Balance Sheet

As of December 31, 2016

	Dec 31, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
001 · Vendor Payment Bank Acct 0273	15,329.76
002-a · Credit Card Bank Account 0299	14,489.79
002-b · General Fund-Maint by Geri-0232	-117,837.27
002-d · Payroll Checking Account 0281	8,025.18
002-f · Advanced Deposits 0074	42,905.00
002-j · PayPal Funds Available	348.96
002i · In-House Purchases Acct	1,537.34
<b>Total Checking/Savings</b>	<b>-35,201.24</b>
Accounts Receivable	
028 · Accounts Receivable	27.78
<b>Total Accounts Receivable</b>	<b>27.78</b>
<b>Other Current Assets</b>	
032 · Undeposited Funds	173.55
100 · Inventories	
101 · Golf Inventory	3,687.70
104 · Liquor Inventory	4,559.42
105 · Food Inventory	6,023.75
<b>Total 100 · Inventories</b>	<b>14,270.87</b>
106 · Fuel Inventory	10,447.30
99 · Prepaid Insurance	1,935.00
<b>Total Other Current Assets</b>	<b>26,826.72</b>
<b>Total Current Assets</b>	<b>-8,346.74</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	4,781,193.77
146 · Capital Assets- Equipment	271,804.97
148 · Capital Assets-Vehicles	25,433.92
149 · Less Accum. Depreciation	-2,675,182.62
<b>Total Fixed Assets</b>	<b>3,678,973.31</b>
<b>TOTAL ASSETS</b>	<b>3,670,626.57</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
202 · Accounts Payable	8,199.69
<b>Total Accounts Payable</b>	<b>8,199.69</b>
<b>Other Current Liabilities</b>	
203 · Advanced Deposits Payable	32,045.00
204 · Wedding deposits Payable	13,000.00
206 · Gift Card Payable	1,000.00
228-a · Sales Tax Payable	13.40
231 · Payroll Liabilities	
Michigan Withholding	170.00
SUIMI-Company	3,394.92
231 · Payroll Liabilities - Other	89.19
<b>Total 231 · Payroll Liabilities</b>	<b>3,654.11</b>
251 · Accrued Interest Payable	270,582.37
<b>Total Other Current Liabilities</b>	<b>320,294.88</b>

**Keweenaw Mountain Lodge**  
**Balance Sheet**  
As of December 31, 2016

---

	<u>Dec 31, 16</u>
Total Current Liabilities	328,494.57
Long Term Liabilities	
300 · Bonds Payable-Long Term	1,766,000.00
Total Long Term Liabilities	1,766,000.00
Total Liabilities	2,094,494.57
Equity	
3100 · Retained Earnings	-493,745.30
384 · Reserve for Debt Service	770.12
385 · Reserve for Construction	649.50
399 · Net Assets Over Related Debt	2,254,661.84
Net Income	-186,204.16
Total Equity	1,576,132.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>3,670,626.57</u></b>

10:38 AM

01/18/17

Accrual Basis

## Keweenaw Mountain Lodge

## Profit &amp; Loss

December 2016

	Dec 16	Dec 15	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
Income				
664 · Interest Income	1.76	32.33	-30.57	-94.6%
<b>Total Income</b>	<b>1.76</b>	<b>32.33</b>	<b>-30.57</b>	<b>-94.6%</b>
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-03 · Soft Drinks	-109.50	0.00	-109.50	-100.0%
<b>Total 701 · BAR COST OF SALES</b>	<b>-109.50</b>	<b>0.00</b>	<b>-109.50</b>	<b>-100.0%</b>
702 · DINING COST OF SALES	-723.04	4,501.21	-5,224.25	-116.1%
<b>Total COGS</b>	<b>-832.54</b>	<b>4,501.21</b>	<b>-5,333.75</b>	<b>-118.5%</b>
<b>Gross Profit</b>	<b>834.30</b>	<b>-4,468.88</b>	<b>5,303.18</b>	<b>118.7%</b>
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-02 · Salary Wages	4,000.00	2,200.00	1,800.00	81.8%
705-05 · Payroll Taxes	309.50	2,600.97	-2,291.47	-88.1%
705-25 · Workmans Comp.	77.00	-468.25	545.25	116.4%
705-99 · PY Payroll Tax Adj	0.00	4,297.35	-4,297.35	-100.0%
<b>Total 705 · EMPLOYEE COSTS</b>	<b>4,386.50</b>	<b>8,630.07</b>	<b>-4,243.57</b>	<b>-49.2%</b>
726 · SUPPLIES				
726-04 · Office Supplies	-59.45	39.01	-98.46	-252.4%
<b>Total 726 · SUPPLIES</b>	<b>-59.45</b>	<b>39.01</b>	<b>-98.46</b>	<b>-252.4%</b>
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	0.00	40.00	-40.00	-100.0%
801-03 · Bank/Credit Card Fees	404.17	581.53	-177.36	-30.5%
801-04 · Dues and Subscriptions	590.00	0.00	590.00	100.0%
801-05 · Equipment Maint/Repairs	74.45	0.00	74.45	100.0%
801-07 · Facilities Maintenance	-31.14	332.81	-363.95	-109.4%
801-08 · General Insurance	1,422.75	1,355.37	67.38	5.0%
801-10 · Laundry Expense	0.00	14.13	-14.13	-100.0%
801-11 · Licenses and Permits	-50.00	0.00	-50.00	-100.0%
801-12 · Consulting Fees/Contract Fees	2,300.00	1,946.80	353.20	18.1%
801-13 · Telephone	251.14	374.89	-123.75	-33.0%
801-15 · Utilities	2,441.62	1,102.07	1,339.55	121.6%
<b>Total 801 · OPERATING COSTS</b>	<b>7,402.99</b>	<b>5,747.60</b>	<b>1,655.39</b>	<b>28.8%</b>
880 · MARKETING EXP				
880-01 · Advertisements	-785.00	0.00	-785.00	-100.0%
880-04 · Internet/Web Site	75.00	75.00	0.00	0.0%
<b>Total 880 · MARKETING EXP</b>	<b>-710.00</b>	<b>75.00</b>	<b>-785.00</b>	<b>-1,046.7%</b>
<b>Total Expense</b>	<b>11,020.04</b>	<b>14,491.68</b>	<b>-3,471.64</b>	<b>-24.0%</b>
<b>Net Ordinary Income</b>	<b>-10,185.74</b>	<b>-18,960.56</b>	<b>8,774.82</b>	<b>46.3%</b>
<b>Other Income/Expense</b>				
Other Expense				
Bad Debt	0.00	838.95	-838.95	-100.0%
970 · CAPITAL EXPENDITURES				
970-01 · Lodge Improvements	0.00	450.00	-450.00	-100.0%
<b>Total 970 · CAPITAL EXPENDITURES</b>	<b>0.00</b>	<b>450.00</b>	<b>-450.00</b>	<b>-100.0%</b>
<b>Total Other Expense</b>	<b>0.00</b>	<b>1,288.95</b>	<b>-1,288.95</b>	<b>-100.0%</b>
<b>Net Other Income</b>	<b>0.00</b>	<b>-1,288.95</b>	<b>1,288.95</b>	<b>100.0%</b>
<b>Net Income</b>	<b>-10,185.74</b>	<b>-20,249.51</b>	<b>10,063.77</b>	<b>49.7%</b>

**Keweenaw Mountain Lodge**  
**Profit & Loss**  
January through December 2016

	Jan - Dec 16	Jan - Dec 15	\$ Change	% Change
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
641 · Lodging Income	424,861.70	476,543.99	-51,682.29	-10.9%
642 · Dining Room Income				
645 · Banquet Income	71,104.18	77,347.63	-6,243.45	-8.1%
642 · Dining Room Income - Other	132,110.93	190,063.60	-57,952.67	-30.5%
<b>Total 642 · Dining Room Income</b>	<b>203,215.11</b>	<b>267,411.23</b>	<b>-64,196.12</b>	<b>-24.0%</b>
643 · Bar Income	75,854.94	109,805.19	-33,950.25	-30.9%
644 · Golf Income				
Golf Fees	102,365.55	82,167.23	20,198.32	24.6%
Golf Sales	31,927.83	17,259.74	14,668.09	85.0%
644 · Golf Income - Other	0.00	7,746.75	-7,746.75	-100.0%
<b>Total 644 · Golf Income</b>	<b>134,293.38</b>	<b>107,173.72</b>	<b>27,119.66</b>	<b>25.3%</b>
664 · Interest Income	149.39	337.37	-187.98	-55.7%
680 · Less Allowances/Discounts	-1,010.67	-4,237.61	3,226.94	76.2%
698 · Other Miscellaneous Revenue	1,095.15	175.00	920.15	525.8%
<b>Total Income</b>	<b>838,459.00</b>	<b>957,208.89</b>	<b>-118,749.89</b>	<b>-12.4%</b>
<b>Cost of Goods Sold</b>				
701 · BAR COST OF SALES				
701-01 · Beer/Wine etc	15,321.83	20,563.58	-5,241.75	-25.5%
701-02 · Liquor	6,817.17	12,024.50	-5,207.33	-43.3%
701-03 · Soft Drinks	2,663.95	3,929.97	-1,266.02	-32.2%
701-04 · Entertainment/Music	800.00	300.00	500.00	166.7%
701 · BAR COST OF SALES - Other	0.00	3.26	-3.26	-100.0%
<b>Total 701 · BAR COST OF SALES</b>	<b>25,602.95</b>	<b>36,821.31</b>	<b>-11,218.36</b>	<b>-30.5%</b>
702 · DINING COST OF SALES	88,412.26	124,976.08	-36,563.82	-29.3%
703 · GOLF COST OF SALES	27,651.21	8,292.84	19,358.37	233.4%
703.01 · Cost of Sales - Other	885.00	0.00	885.00	100.0%
704 · LODGING COST OF SALES	3,819.41	0.00	3,819.41	100.0%
<b>Total COGS</b>	<b>146,370.83</b>	<b>170,090.23</b>	<b>-23,719.40</b>	<b>-14.0%</b>
<b>Gross Profit</b>	<b>692,088.17</b>	<b>787,118.66</b>	<b>-95,030.49</b>	<b>-12.1%</b>
<b>Expense</b>				
705 · EMPLOYEE COSTS				
705-01 · Hourly Wages	332,746.81	255,274.81	77,472.00	30.4%
705-02 · Salary Wages	88,266.54	90,159.31	-1,892.77	-2.1%
705-03 · Overtime Wages	12,515.02	10,552.97	1,962.05	18.6%
705-05 · Payroll Taxes	84,687.57	77,099.67	7,587.90	9.8%
705-10 · Mileage Reimbursement	1,022.18	613.00	409.18	66.8%
705-11 · Reimb Travel Expenses	0.00	126.24	-126.24	-100.0%
705-12 · Uniforms	2,928.38	1,672.47	1,255.91	75.1%
705-20 · Medical Premiums	0.00	720.84	-720.84	-100.0%
705-25 · Workmans Comp.	7,805.00	5,935.00	1,870.00	31.5%
705-40 · Deferred Comp	0.00	80.00	-80.00	-100.0%
705-50 · Other Employee Costs	159.97	0.00	159.97	100.0%
705-99 · PY Payroll Tax Adj	-3,505.40	4,297.35	-7,802.75	-181.6%
705 · EMPLOYEE COSTS - Other	0.00	61.50	-61.50	-100.0%
<b>Total 705 · EMPLOYEE COSTS</b>	<b>526,626.07</b>	<b>446,593.16</b>	<b>80,032.91</b>	<b>17.9%</b>
726 · SUPPLIES				
726-01 · Cleaning/Janitorial	6,606.29	6,197.45	408.84	6.6%
726-02 · Firewood	2,529.50	4,584.00	-2,054.50	-44.8%
726-03 · Guest Complimentary	1,837.20	9,953.58	-8,116.38	-81.5%
726-04 · Office Supplies	6,436.21	6,311.91	124.30	2.0%
726-05 · Operating	4,374.53	4,037.57	336.96	8.4%
726-06 · Paper & Disposable	7,623.30	7,594.33	28.97	0.4%
726-07 · Small Tools & Supplies	3,518.46	416.38	3,102.08	745.0%
726-08 · Computer Eq't-Under \$2,000	3,417.33	594.14	2,823.19	475.2%
726-09 · Decorations	767.32	243.00	524.32	215.8%
726 · SUPPLIES - Other	1,358.19	0.00	1,358.19	100.0%
<b>Total 726 · SUPPLIES</b>	<b>38,468.33</b>	<b>39,932.36</b>	<b>-1,464.03</b>	<b>-3.7%</b>
801 · OPERATING COSTS				
801-01 · Accounting/Bookkeeping Fees	240.00	285.00	-45.00	-15.8%
801-02 · Audit Fees	5,300.00	5,000.00	300.00	6.0%
801-03 · Bank/Credit Card Fees	21,246.76	26,226.69	-4,979.93	-19.0%
801-04 · Dues and Subscriptions	2,351.88	1,387.95	963.93	69.5%
801-05 · Equipment Maint/Repairs	16,832.16	4,031.19	12,800.97	317.6%

**Keweenaw Mountain Lodge**  
**Profit & Loss**  
 January through December 2016

	Jan - Dec 16	Jan - Dec 15	\$ Change	% Change
801-06 · Equipment Rental	14,221.78	7,541.00	6,680.78	88.6%
801-07 · Facilities Maintenance	28,932.68	14,068.29	14,864.39	105.7%
801-08 · General Insurance	17,073.00	17,485.00	-412.00	-2.4%
801-09 · Grounds Maintenance	8,138.35	3,037.02	5,101.33	168.0%
801-10 · Laundry Expense	30,157.45	38,445.86	-8,288.41	-21.6%
801-11 · Licenses and Permits	3,681.50	4,015.71	-334.21	-8.3%
801-12 · Consulting Fees/Contract Fees	24,235.83	21,189.40	3,046.43	14.4%
801-13 · Telephone	3,943.51	4,394.09	-450.58	-10.3%
801-15 · Utilities	69,124.79	82,666.55	-13,541.76	-16.4%
801-16 · Van & Truck Exp - Gas & Repairs	5,425.53	1,105.61	4,319.92	390.7%
801-17 · Waste Removal	7,750.00	6,037.81	1,712.22	28.4%
801-18 · Other Expenses	871.58	337.02	534.56	158.6%
801-19 · Security Systems	1,052.20	210.00	842.20	401.1%
801 · OPERATING COSTS - Other	48.80	0.00	48.80	100.0%
<b>Total 801 · OPERATING COSTS</b>	<b>260,627.83</b>	<b>237,464.19</b>	<b>23,163.64</b>	<b>9.8%</b>
<b>880 · MARKETING EXP</b>				
880-01 · Advertisements	10,253.80	5,507.05	4,746.75	86.2%
880-02 · Brochures/Print Materials	0.00	552.40	-552.40	-100.0%
880-03 · Events	0.00	975.00	-975.00	-100.0%
880-04 · Internet/Web Site	900.00	1,020.00	-120.00	-11.8%
880-05 · Sales & Marketing Expense	561.90	2,358.48	-1,796.58	-76.2%
880-07 · Entertainment	0.00	525.00	-525.00	-100.0%
880-08 · Donations	425.00	0.00	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>12,140.70</b>	<b>10,937.93</b>	<b>1,202.77</b>	<b>11.0%</b>
999 · Reconciliation Discrepancies	0.09	0.10	-0.01	-10.0%
<b>Total Expense</b>	<b>837,863.02</b>	<b>734,927.74</b>	<b>102,935.28</b>	<b>14.0%</b>
<b>Net Ordinary Income</b>	<b>-145,774.85</b>	<b>52,190.92</b>	<b>-197,965.77</b>	<b>-379.3%</b>
<b>Other Income/Expense</b>				
<b>Other Income</b>				
12000 · Discounts Earned	0.00	161.31	-161.31	-100.0%
13000 · Over/Short	1,186.97	4,166.94	-2,979.97	-71.5%
14000 · Unclassified Income	0.00	367.64	-367.64	-100.0%
<b>Total Other Income</b>	<b>1,186.97</b>	<b>4,695.89</b>	<b>-3,508.92</b>	<b>-74.7%</b>
<b>Other Expense</b>				
<b>Bad Debt</b>	0.00	838.95	-838.95	-100.0%
21000 · Other Expenses	0.00	0.00	0.00	0.0%
22000 · Less Payouts	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	30,636.60	2,113.40	28,523.20	1,349.6%
970-02 · Computer Eqt & Software	6,428.00	0.00	6,428.00	100.0%
970-03 · Furniture/Fixtures	0.00	309.00	-309.00	-100.0%
970-05 · Kitchen Equipment	2,907.27	3,224.71	-317.44	-9.8%
<b>Total 970 · CAPITAL EXPENDITURES</b>	<b>39,971.87</b>	<b>5,647.11</b>	<b>34,324.76</b>	<b>607.8%</b>
99000 · Casualty & Theft Loss	1,644.41	1,179.07	465.34	39.5%
<b>Total Other Expense</b>	<b>41,616.28</b>	<b>7,665.13</b>	<b>33,951.15</b>	<b>442.9%</b>
<b>Net Other Income</b>	<b>-40,429.31</b>	<b>-2,969.24</b>	<b>-37,460.07</b>	<b>-1,261.6%</b>
<b>Net Income</b>	<b>-186,204.16</b>	<b>49,221.68</b>	<b>-235,425.84</b>	<b>-478.3%</b>