

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

Dorothy Humphreys

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ALTO LAKES GOLF AND COUNTRY CLUB, INC.
OFFICERS AND DIRECTORS
March 31, 2010

PRESIDENT Joe Watson
VICE-PRESIDENT Denton DeWitt
TREASURER Robert Allen
SECRETARY Lori McKnight
DIRECTOR Mike O'Leary
DIRECTOR Mike DiSanto
DIRECTOR David Cecil
DIRECTOR Jerry Ballard
DIRECTOR Ted Fisher

Board of Directors
Alto Lakes Golf and Country Club, Inc.
Alto, New Mexico

We have audited the accompanying balance sheets of Alto Lakes Golf and Country Club, Inc. as of March 31, 2010 and 2009 and the related statements of activity and changes in members' equity and cash flow for the years then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alto Lakes Golf and Country Club, Inc. as of March 31, 2010 and 2009, and the results of its activity and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 11 to 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Alto Lakes Golf and Country Club, Inc. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ronnie L. Hemphill, CPA

May 25, 2010



ALTO LAKES GOLF AND COUNTRY CLUB, INC.
BALANCE SHEETS
March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,612,556	\$ 2,263,241
Cash restricted for capital expenditures	207,627	205,214
Accounts receivable	3,377,297	3,321,371
Less: Allowance for doubtful accounts	(20,664)	(16,910)
Merchandise inventory	66,748	53,659
Prepaid expense	15,243	43,563
Other receivables	2,582	266
TOTAL CURRENT ASSETS	<u>6,261,389</u>	<u>5,870,404</u>
LAND, BUILDINGS AND EQUIPMENT	11,483,511	11,183,993
Less: Accumulated depreciation	<u>(4,317,020)</u>	<u>(4,059,170)</u>
TOTAL LAND, BUILDINGS AND EQUIPMENT	<u>7,166,491</u>	<u>7,124,823</u>
OTHER ASSETS		
Water rights	361,093	361,093
Liquor license	70,409	70,409
Other intangible assets	50,193	50,193
Less: Accumulated amortization	<u>(20,946)</u>	<u>(17,452)</u>
TOTAL OTHER ASSETS	<u>460,749</u>	<u>464,243</u>
TOTAL ASSETS	<u>\$ 13,888,629</u>	<u>\$ 13,459,470</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt (below)	\$ 171,452	\$ 161,491
Accounts payable	149,308	164,394
Accrued interest expense	4,671	3,505
Deferred service charges payable	1,021	5,000
Deferred gross receipts tax	130,729	127,391
Other accrued expense and payables	28,997	22,107
Accrued compensation	174,838	166,822
Accrued payroll taxes	8,503	25,027
Accrued property taxes	25,129	17,441
Deposits	4,560	3,930
TOTAL CURRENT LIABILITIES	<u>699,208</u>	<u>697,108</u>
LONG-TERM DEBT		
Notes payable	1,427,404	1,587,568
Less: Current portion (above)	<u>(171,452)</u>	<u>(161,491)</u>
TOTAL LONG-TERM DEBT	1,255,952	1,426,077
DEFERRED INCOME AND ASSESSMENTS	2,982,795	2,906,502
MEMBERS' EQUITY	<u>8,950,674</u>	<u>8,429,783</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 13,888,629</u>	<u>\$ 13,459,470</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF ACTIVITY AND CHANGES IN MEMBERS' EQUITY
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUE		
Social dues	\$ 1,423,176	\$ 1,317,550
Regular dues	946,788	873,952
Golf department	521,544	547,675
Food and beverage department	1,260,261	1,335,983
Swim and tennis department	819	1,138
Fitness department	857	751
Cost events	72,224	-
Membership transfer fees	444,500	328,000
Plan submittal fees	2,935	2,755
Gain (loss) on sale/disposition of assets	(8,231)	(23,076)
Interest and dividend income	102,597	90,706
Other income	<u>72,396</u>	<u>45,656</u>
 TOTAL REVENUE	 <u>4,839,866</u>	 <u>4,521,090</u>
OPERATING EXPENSE		
Golf department	381,231	394,993
Food and beverage department	1,736,872	1,935,334
Swim and tennis department	30,022	41,941
Grounds department expense	940,377	956,496
General and administrative expenses	813,933	756,713
House department expense	346,036	346,378
Fitness department expense	1,791	4,315
Cost events expense	72,224	-
Interest expense	<u>93,354</u>	<u>101,615</u>
 TOTAL OPERATING EXPENSE	 <u>4,415,840</u>	 <u>4,537,785</u>
 EXCESS OF REVENUE OVER OPERATING EXPENSE	 <u>424,026</u>	 <u>(16,695)</u>
OTHER ITEMS		
Depreciation and amortization expense	<u>(509,668)</u>	<u>(498,582)</u>
 TOTAL OTHER ITEMS	 <u>(509,668)</u>	 <u>(498,582)</u>
 EXCESS OF EXPENSES OVER REVENUE	 (85,642)	 (515,277)
MEMBERS' EQUITY, BEGINNING OF YEAR	8,429,783	8,345,649
MEMBERSHIP ASSESSMENTS	536,533	495,813
MEMBERSHIP SALES AND UPGRADES	70,000	71,516
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>32,082</u>
MEMBERS' EQUITY, END OF YEAR	<u>\$ 8,950,674</u>	<u>\$ 8,429,783</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF CASH FLOW
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (85,642)	\$ (515,277) <i>PE</i>
Noncash items included above:		
Depreciation	509,668	498,582 ✓
(Gain) loss on sale of assets	8,231	23,076 ✓
(Increase) decrease in:		
Accounts receivable (net)	(52,172)	(266,293) ✓
Merchandise inventory	(13,089)	3,312 ✓
Prepaid expense	28,320	(21,325) ✓
Other receivables	(2,316)	882,829
Increase (decrease) in:		
Accounts payable	(15,086)	22,676
Accrued expenses and deferred charges	6,595	14,100
Deposits	630	(5,115)
Deferred dues	76,293	219,793
	<u>461,432</u>	<u>856,358</u>
NET CASH USED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, buildings and equipment	(557,073)	(589,633)
Sale of assets	1,000	-
	<u>(556,073)</u>	<u>(589,633)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Membership sales and upgrades	70,000	71,516
Membership assessments	536,533	495,813
Long-term debt reduction	(160,164)	(155,931)
	<u>446,369</u>	<u>411,398</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	351,728	678,123
CASH, BEGINNING OF YEAR	<u>2,468,455</u>	<u>1,790,332</u>
CASH, END OF YEAR	<u>\$ 2,820,183</u>	<u>\$ 2,468,455</u>
SUPPLEMENTAL DISCLOSURES		
Interest expense	<u>\$ 93,354</u>	<u>\$ 101,615</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2010 and 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Alto Lakes Golf and Country Club, Inc. (the Club) operates a golf country club in Lincoln County, New Mexico. In addition to golf course facilities, the Club also operates a restaurant and provides architectural control services for the benefits of its members.

Basis of Accounting

The financial statements of the Club have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Land, Buildings and Equipment

Land, buildings and equipment are reflected at cost for those items acquired after the membership took control of the Club in 1981. Assets transferred to the Club from the developer in 1981 are recorded at the values assigned to the various asset types received at that time. Buildings and equipment are depreciated over their estimated useful lives using the straight line method. When assets are sold or retired, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the respective departmental income. Construction in progress on various projects at the end of the fiscal year is also included in these amounts.

Income Taxes

The Club was originally formed and operated as an Internal Revenue Code Section 501(C)(7) organization, exempt from income tax on its dues and departmental incomes. In January of 1990, the Club's operations and financial records were examined by the Internal Revenue Service. Per a March 26, 1990 letter from the agent conducting the examination, the Internal Revenue Service revoked the exempt status of the Club retroactive to December 27, 1985. The revocation results from the Club engaging in activities of covenant enforcement, architectural control and other functions similar to those of a homeowners' association and not allowable by an exempt social club.

As of March 31, 2010 and 2009, the Club has losses of \$3,762,211 and \$3,604,458 available as an offset to future member and non-member taxable income, respectively. Such losses begin to expire in the year 2012 if not used. These loss carryovers equate to a combined estimated deferred tax asset of \$744,918, which is not reflected on the balance sheet due to the fact that this tax asset is not expected to be realized.

Revenue Recognition

Income from membership dues is recognized over the period to which the dues relate. Dues billed at year end for future periods are reflected on the balance sheet as deferred dues income.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Club considers certificates of deposits with a maturity of twelve months or less to be cash equivalents instead of the generally accepted accounting principle of maturities of three months or less to be cash equivalents. This departure from generally accepted accounting principles does not materially affect these financial statements.

Inventory

Merchandise inventory is reflected at last cost.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS -- CONTINUED
Years Ended March 31, 2010 and 2009

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - CASH AND CERTIFICATES OF DEPOSIT

Cash consist of the following:

	<u>2010</u>	<u>2009</u>
Demand Accounts:		
Compass Bank	\$ 197,979	\$ 4,470
Compass Bank	15,351	7,406
Compass Bank	9,976	507
City Bank	45,033	-0-
City Bank	91,165	-0-
City Bank	500	-0-
Certificates of deposit:		
Compass Bank	207,627	205,214
City Bank NM	2,251,836	2,250,158
Cash on hand	716	700
	<u>\$2,820,183</u>	<u>\$ 2,468,455</u>
Reflected in the financial statements as follows:		
Cash and cash equivalents	\$2,612,556	\$2,263,241
Cash restricted for capital expenditures	207,627	205,214

NOTE C - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2010</u>	<u>2009</u>
Land	\$ 896,635	\$ 887,324
Paving and grounds improvements	2,316,298	2,257,442
Club buildings	6,204,347	6,101,511
Furniture, fixtures and equipment	753,204	763,366
Carts and pro shop fixtures and equipment	281,018	282,204
Machinery and equipment	716,127	599,140
Office furniture and equipment	138,628	135,777
Fitness room equipment	27,413	48,549
Swim and tennis furniture and equipment	149,841	108,680
	11,483,511	11,183,993
Less accumulated depreciation	<u>(4,317,020)</u>	<u>(4,059,170)</u>
	<u>\$ 7,166,491</u>	<u>\$7,124,823</u>

NOTE D - LONG-TERM DEBT - NOTES PAYABLE

Long-term notes payable consist of the following:

Note payable to City Bank New Mexico, payable \$21,669 per month, including variable interest, currently 6.0%, maturity date is February 18, 2017, secured by a mortgage on Club real estate and personal property . . .

	<u>2010</u>	<u>2009</u>
	1,427,404	1,587,568
Less amount due within one year	<u>(171,452)</u>	<u>(161,491)</u>
	<u>\$1,255,952</u>	<u>\$ 1,426,077</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS -- Continued
Years Ended March 31, 2010 and 2009

NOTE D - LONG-TERM DEBT - NOTES PAYABLE -- Continued

Maturities of long-term notes payable are as follows:

Year Ended	<u>Amount</u>
<u>March 31</u>	
2011	\$ 171,452
2012	182,026
2013	193,252
2014	205,173
2015	217,827
Thereafter	<u>457,674</u>
	<u>\$ 1,427,404</u>

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are recorded net of an allowance for expected losses. During the current year, the allowance for doubtful accounts has been decreased for known bad debt amounts and increased for accounts that management believes to be uncollectible.

NOTE F - RISK MANAGEMENT

The Club is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Club has obtained insurance through various commercial carriers to minimize any potential loss. The insurance premiums are based on revenues and payroll expenditures, and are not directly related to claims filed.

NOTE G - CONCENTRATIONS OF CREDIT RISK

During the year ended March 31, 2009, the Club's bank accounts exceeded FDIC insured amounts by varying amounts at two local banks. At March 31, 2009, the amounts in excess of FDIC insured amounts were \$2,000,307 at City Bank, and \$32,105 at Compass Bank. However, excess deposits at City Bank were covered by an excess deposit insurance bond in the amount of \$2,115,000 for 2009. For the year ended March 31, 2010, all accounts were fully insured.

NOTE H - DEFINED CONTRIBUTION PLAN

On October 19, 1996, the Board of Directors approved the adoption of a defined contribution plan. The plan consists of a profit sharing plan funded at the discretion of the Club and a 401K salary deferral plan. The Club matches employee 401K contributions by contributing 25 cents for every dollar contributed by employees, but only on the first 3% of compensation contributed. Eligible employees must be at least 21 and have completed 12 months of service of at least 1,000 hours. For the years ended March 31, 2010 and 2009, the Club funded this plan with \$9,278 and \$9,854, respectively, which was allocated among the 22 employees in 2010 and 20 employees in 2009, who were eligible to participate.

NOTE I - OPERATING LEASES

The Club leases copiers and a postage machine on long term lease contracts. Future minimum lease payments due over the remaining terms of the leases are:

Years ending March 31,	2011	22,700
	2012	22,700
	2013	<u>1,892</u>
Total minimum payments		<u>\$ 47,292</u>

Equipment rental expense for the years ended March 31, 2010 and 2009 were \$41,460 and \$43,912 respectively.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS -- Continued
Years Ended March 31, 2010 and 2009

NOTE J – SUBSEQUENT EVENT

On March 13, 2010, the membership approved a lease to own agreement for the Club to acquire the Outlaw golf course. In May of 2010, the Board of Directors approved the lease document and it was signed by officers of the Club. The acquisition of this golf course will increase operating expenses substantially. This increase in expenditures will be funded by operating revenues generated by the Outlaw golf course and an increase in dues to regular (golf) members.

SUPPLEMENTARY INFORMATION

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GOLF DEPARTMENT INCOME
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
INCOME		
Green fees	\$ 200,532	\$ 214,137
Cart rental	179,015	185,390
Private cart fees	110,468	111,689
Private cart repair fees	28,329	33,527
Pro shop lease	3,000	3,000
Other	200	(68)
TOTAL INCOME	<u>521,544</u>	<u>547,675</u>
EXPENSES		
Labor	268,575	277,050
Employee group insurance	14,053	12,140
Employee meals	7,866	8,116
Payroll taxes	27,298	25,921
Education and training	58	1,610
Retirement account funding	1,030	930
Driving range	7,958	8,343
Dues and subscriptions	1,448	1,418
Equipment repairs	3,015	2,881
Private cart repairs	26,469	30,608
Laundry	1,398	761
Printing	1,388	2,244
Services purchased	6,000	6,000
Supplies	11,464	13,414
Telephone	720	-
Travel	2,491	2,811
Miscellaneous	-	746
TOTAL EXPENSES	<u>381,231</u>	<u>394,993</u>
NET INCOME	<u>\$ 140,313</u>	<u>\$ 152,682</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF FOOD AND BEVERAGE DEPARTMENT INCOME
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
INCOME		
Food sales	\$ 861,843	\$ 939,914
Cost of food sales	<u>413,816</u>	<u>465,147</u>
GROSS PROFIT ON FOOD SALES	<u>448,027</u>	<u>474,767</u>
Beverage sales	268,822	268,535
Cost of beverage sales	<u>96,690</u>	<u>107,094</u>
GROSS PROFIT ON BEVERAGE SALES	<u>172,132</u>	<u>161,441</u>
Unused food minimum	<u>129,596</u>	<u>127,534</u>
TOTAL INCOME	<u>749,755</u>	<u>763,742</u>
EXPENSES		
Labor	855,216	944,802
Employee group insurance	41,697	52,631
Employee meals	30,061	29,782
Taxes - payroll	86,925	88,398
Education and training	358	729
Retirement account funding	1,962	2,316
Dues and subscriptions	104	217
Entertainment	2,416	4,879
Equipment rental	1,620	3,663
Repairs	12,979	9,041
Laundry	62,280	74,454
Member relations	60,090	57,814
Printing	416	41
Services purchased	5,172	3,361
Supplies	54,513	62,948
Licenses	1,850	2,125
Telephone	842	984
Tournament expense	-	15,381
Travel	580	582
Uniforms	6,795	8,950
Miscellaneous	<u>490</u>	<u>(5)</u>
TOTAL EXPENSES	<u>1,226,366</u>	<u>1,363,093</u>
NET LOSS	<u>\$ (476,611)</u>	<u>\$ (599,351)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF SWIM AND TENNIS DEPARTMENT INCOME
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
INCOME		
Swim fees	\$ 754	\$ 1,104
Tennis fees	<u>65</u>	<u>34</u>
 TOTAL INCOME	 <u>819</u>	 <u>1,138</u>
 EXPENSES		
Labor	10,542	18,840
Payroll taxes	1,071	1,763
Education and training	-	80
Building and grounds maintenance	2,401	4,278
Equipment repairs	348	2,389
Chemicals	3,167	1,178
Services purchased	3,070	3,097
Supplies	462	966
Utilities	<u>8,961</u>	<u>9,350</u>
 TOTAL EXPENSES	 <u>30,022</u>	 <u>41,941</u>
 NET LOSS	 <u>\$ (29,203)</u>	 <u>\$ (40,803)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GROUNDS DEPARTMENT EXPENSES
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Labor	\$ 307,826	\$ 303,290
Employee group insurance	22,427	21,385
Employee meals	3,662	3,430
Payroll taxes	31,288	28,377
Education and training	698	1,218
Retirement account funding	944	1,165
Building and grounds maintenance	10,443	18,012
Dues and subscriptions	1,210	546
Equipment fuel	17,807	21,229
Equipment repairs and rentals	24,514	22,052
Fertilizer and chemicals	41,105	49,962
Irrigation water	375,818	393,618
Laundry	2,779	3,040
Services purchased	11,757	13,463
Supplies	5,472	6,207
Other tax and license	100	50
Travel	1,939	2,202
Utilities	58,634	52,907
Telephone	842	1,045
Special projects	<u>21,112</u>	<u>13,298</u>
TOTAL GROUNDS DEPARTMENT EXPENSES	<u>\$ 940,377</u>	<u>\$ 956,496</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Labor	\$ 288,617	\$ 315,577
Employee group insurance	30,601	30,712
Employee meals	5,811	5,820
Payroll taxes	29,335	29,526
Education and training	218	1,499
Retirement account funding	5,342	5,443
Annual meetings and member holidays	43,717	52,831
Bad debt expense	27,582	-
Credit card fees	12,534	14,736
Donations	5,030	900
Dues and subscriptions	4,435	6,081
Equipment rental	38,975	39,983
Equipment repairs	16,520	12,832
General insurance	98,394	61,314
Legal and professional	10,644	26,369
Long range planning	-	14,757
Office supplies	9,599	10,950
Postage	26,318	28,981
Member services	15,837	14,024
Printing	24,708	4,248
Water company sale expense	638	(838)
Services purchased	8,829	16,343
Supplies	3,326	4,082
Other taxes	60	190
Property taxes	50,264	34,023
Telephone	15,621	11,702
Travel	706	627
Uniforms	429	1,956
Outlaw negotiation expense	37,257	-
Miscellaneous	2,586	12,045
	<u>2,586</u>	<u>12,045</u>
 TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	 <u>\$ 813,933</u>	 <u>\$ 756,713</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF HOUSE DEPARTMENT EXPENSES
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Labor	\$ 66,154	\$ 67,904
Employee group insurance	1,673	4,720
Payroll taxes	6,724	6,353
Cleaning contract	47,571	58,896
Education and training	58	539
Building and grounds maintenance	25,465	23,807
House decorations	984	29
Entertainment	500	-
Equipment repairs	5,811	7,252
Security	4,285	3,688
Services purchased	10,000	10,276
Supplies	10,674	13,800
Utilities	166,137	149,114
Miscellaneous	<u>-</u>	<u>-</u>
 TOTAL HOUSE DEPARTMENT EXPENSES	 <u>\$ 346,036</u>	 <u>\$ 346,378</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF FITNESS DEPARTMENT INCOME
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
INCOME		
Fitness Fees	\$ <u>857</u>	\$ <u>751</u>
 TOTAL INCOME	 <u>857</u>	 <u>751</u>
 EXPENSES		
Equipment repairs	666	1,957
Services purchase	-	912
Supplies	<u>1,125</u>	<u>1,446</u>
 TOTAL FITNESS DEPARTMENT EXPENSES	 <u>1,791</u>	 <u>4,315</u>
 NET LOSS	 <u>\$ (934)</u>	 <u>\$ (3,564)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF COST EVENTS
Years Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
INCOME		
Food sales	\$ 38,330	\$ -
Beverage sales	11,598	-
Non-inventory sale items	<u>22,296</u>	<u>-</u>
TOTAL INCOME	<u>72,224</u>	<u>-</u>
EXPENSES		
Cost events expense	<u>72,224</u>	<u>-</u>
TOTAL EXPENSES	<u>72,224</u>	<u>-</u>
NET LOSS	<u>\$ -</u>	<u>\$ -</u>