

ALTO LAKES GOLF AND COUNTRY CLUB

FINANCIAL REPORT

MARCH 31, 2019 AND 2018

C O N T E N T S

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Alto Lakes Golf and Country Club which comprise the balance sheets as of March 31, 2019 and 2018, and the related statements of operations and members' equity and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 as of March 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sautterleach, Baschaw & Company

El Paso, Texas
June 14, 2019

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

BALANCE SHEETS

March 31, 2019 and 2018

ASSETS	2019	2018
Current Assets		
Cash and cash equivalents	\$ 1,805,744	\$ 2,880,124
Accounts receivable, less allowance for doubtful accounts of \$2,176 in 2019 and \$2,846 in 2018	4,640,888	4,383,471
Certificates of deposit	1,457,894	-
Investment securities	495,903	-
Inventories	122,690	128,635
Prepaid expenses and other assets	13,011	26,150
Total current assets	8,536,130	7,418,380
Property and equipment, net	17,215,699	16,496,552
Other assets		
Water rights	2,236,093	2,236,093
Liquor license	70,409	70,409
	2,306,502	2,306,502
	\$ 28,058,331	\$ 26,221,434
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable - trade	\$ 32,545	\$ 34,154
Accrued expenses	269,876	169,986
Deferred income and assessments	4,394,050	4,131,653
Deposits	22,200	23,044
Current portion of long term debt	237,217	-
Other liabilities	16,730	11,861
Total current liabilities	4,972,618	4,370,698
Long term debt, less current maturities	137,200	-
Members' Equity		
Members' equity	22,948,513	21,850,736
	22,948,513	21,850,736
Total liabilities and members' equity	\$ 28,058,331	\$ 26,221,434

See Notes to Financial Statements

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY

Years Ended March 31, 2019 and 2018

	2019	2018
Revenues		
Membership dues	\$ 3,515,686	\$ 3,660,671
Golf revenue	944,583	949,594
Food and beverage	1,937,116	1,761,964
Event revenue	227,381	166,836
Transfer fees	727,500	671,041
Other revenues	99,082	104,180
	7,451,348	7,314,286
Expenses		
Operating expenses:		
Food and beverage department	2,922,602	2,703,929
Grounds department	1,510,274	1,603,016
General and administrative	1,052,841	1,079,336
Golf department	674,372	627,632
Indirect department	668,505	647,568
House department	256,152	261,960
Swim and tennis department	19,932	5,367
Fitness department	4,313	4,979
	7,108,991	6,933,787
Operating income before depreciation	342,357	380,499
Depreciation expense	(962,691)	(1,033,675)
Loss from operations	(620,334)	(653,176)
Other income/(expense):		
Interest income	65,661	25,652
Gain on disposal of assets	59,500	21,044
Interest expense	(6,050)	-
Net loss	(501,223)	(606,480)
Members' equity, beginning of year	21,850,736	21,031,316
Membership capital assessments	1,539,000	1,305,900
Membership sales and upgrades	60,000	120,000
Members' equity, end of year	\$ 22,948,513	\$ 21,850,736

See Notes to Financial Statements

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities		
Cash received from members and guests	\$ 7,455,484	\$ 7,169,439
Cash paid to suppliers and employees	(6,986,757)	(6,997,031)
Interest paid	(6,050)	-
Interest received	65,661	25,652
Net cash provided by operating activities	528,338	198,060
Cash Flows From Investing Activities		
Capital expenditures	(1,622,338)	(1,348,743)
Purchase of HTM securities	(1,953,797)	-
Net cash used in investing activities	(3,576,135)	(1,348,743)
Cash Flows From Financing Activities		
Membership capital assessments	1,539,000	1,305,900
Proceeds on long-term borrowings	395,937	-
Principal payments on long-term borrowings	(21,520)	-
Membership upgrades	60,000	120,000
Net cash provided by financing activities	1,973,417	1,425,900
Net increase (decrease) in cash and cash equivalents	(1,074,380)	275,217
Cash and cash equivalents, beginning of year	2,880,124	2,604,907
Cash and cash equivalents, end of year	1,805,744	\$ 2,880,124

ALTO LAKES GOLF AND COUNTRY CLUB, INC.**STATEMENTS OF CASH FLOWS - (CONTINUED)****Years Ended March 31, 2019 and 2018**

	2019	2018
<hr/>		
Reconciliation of net income to net cash provided by operating activities		
Net (loss)	\$ (501,223)	\$ (606,480)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	962,691	1,033,675
Gain on disposal of assets	(59,500)	(21,044)
(Increase) decrease in assets		
Accounts receivable	(257,417)	(151,443)
Inventories	5,945	(37,950)
Prepaid expenses and other assets	13,139	(26,150)
Increase (decrease) in liabilities		
Accounts payable - trade	(1,609)	16,711
Accrued expenses and other liabilities	104,759	(15,855)
Deferred income and assessments	261,553	6,596
	<hr/>	<hr/>
Net cash provided by operating activities	\$ 528,338	\$ 198,060
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See Notes to Financial Statements

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of operations: Alto Lakes Golf and Country Club, Inc. (the Club), founded in 1967, operates two golf courses in Lincoln County, New Mexico. In addition to golf course facilities, the Club operates restaurant facilities.

The following is a summary of the Club's significant accounting policies.

Cash and cash equivalents: The Club defines cash and cash equivalents as cash, bank deposits, and short-term, highly liquid securities with original maturities of twelve months or less.

Accounts receivable: Accounts receivable are carried at original balances less an estimate made for doubtful receivables based on a yearly review of all outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Late charges are assessed at 2% of outstanding balance monthly. The Club has lien capability on the property on members who have unpaid balance owed to the Club.

Accounts receivable are considered to be past due if any portion of the receivable balance is outstanding for more than 30 days. Allowance for past due accounts receivable were \$2,176 and \$2,846 as of March 31, 2019 and 2018, respectively.

Investment securities: The Club classifies investment securities as held-to-maturity. The Club does not have a trading portfolio. In addition, the Club does not invest in securities that are considered to be derivatives.

Investment securities held-to-maturity are those securities which management has the ability and intent to hold to maturity. These securities are carried at amortized cost. Discounts and premiums are accreted or amortized using a method that approximates the interest method.

Inventories: Inventories are stated at the lower of cost or market where cost is determined by the first-in, first-out method, and consist primarily of food and beverages.

Property and equipment: Property and equipment is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful life of the related assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Long-lived assets: The Club accounts for the valuation of long-lived assets in accordance with the criteria set forth in the Accounting of Impairment or Disposal of Long-Lived Assets Topic of the FASB Accounting Standards Codification (ASC). The ASC requires that long-lived assets and certain identifiable assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows, expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the estimated fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

Revenue recognition: Membership dues, which are billed at the beginning of the fiscal year or one month in advance depending on the election of the member, are deferred until the period earned. Deposits received for party sales are deferred until the period in which the party is held. Deferred income from members' dues, deposits on party sales, and prepaid special assessments totaled \$4,416,250 and \$4,154,697 at March 31, 2019 and 2018, respectively. Initiation and transfer fees are recorded as revenue when a new member joins the Club or when an existing member transfers to another membership category. Revenues from other Club operations are recognized upon rendering of services.

Advertising: The Club expenses promotional and publicity costs as incurred. Promotional and publicity expense was \$2,932 and \$3,033 for the years ended March 31, 2019 and 2018, respectively.

Income taxes: The Club is required to file an income tax return and to pay income tax on its taxable earnings. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Club and recognize a tax liability if the Club has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Club, and has concluded that as of March 31, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Club is subject to routine audits by various taxing jurisdictions; however, there are currently no audits for any tax periods in progress. With few exceptions, the Club is no longer subject to federal tax examinations by tax authorities for years before 2016 and is no longer subject to state tax examinations by tax authorities for years before 2015.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

New Accounting Pronouncement: The Financial Accounting Standards Board issued new guidance on accounting for equity investments, ASU No. 2016-1, in which all equity investments will be required to be measured at fair value with changes in the fair value recognized through net income (other than those accounted for under the equity method of accounting or those that result in consolidation of the investee), effective for fiscal years beginning after December 15, 2018. Management is evaluating the effect of the pronouncement on the balance sheet.

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (continued)

The Financial Accounting Standards Board issued new guidance on accounting for leases, ASU No. 2016-2, which a lessee will be required to recognize the lease liability and the related right-of-use asset on the balance sheet for all lease types, (capital and operating) effective for fiscal years beginning after December 15, 2019. Management is evaluating the effect of the pronouncement on the balance sheet.

The Financial Accounting Standards Board issued new guidance on revenue recognition, ASU Update 2014-9, Revenue from Contracts with Customers (Topic 606). This guidance is a comprehensive new revenue recognition standard that will supersede substantially all existing revenue recognition guidance. The new standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgement and make more estimates than under existing guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On July 9, 2015, the FASB agreed to delay the effective date of the standard by one year. On April 1, 2019, the company will adopt Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, and the related amendments, which will supersede most existing U.S. GAAP revenue guidance. The company will adopt the new ASU on a retrospective basis, resulting in a consistent basis of presentation within our financial statements for all periods presented; however, it is not anticipated that this new pronouncement will have a significant effect on the historically reported financial statements as well as the existing processes to recognize revenue.

Subsequent events: The Club has evaluated subsequent events through June 14, 2019, the date on which the financial statements were available to be issued.

Note 2. Credit Risk

The Club maintains its cash and cash equivalents in two financial institutions. Accounts at the institutions are insured by the FDIC, under limits established by federal regulation. The Club believes it is not exposed to any significant credit risk on cash and cash equivalents.

ALTO LAKES GOLF AND COUNTRY CLUB**NOTES TO FINANCIAL STATEMENTS****Note 3. Property and Equipment**

Property and equipment consisted of the following at March 31:

	2019	2018
Club buildings	\$ 8,636,602	\$ 8,268,752
Land	7,807,698	7,818,559
Paving and grounds improvements	6,089,978	5,089,696
Machinery and equipment	2,253,444	2,038,717
Furniture, fixtures and equipment	1,639,434	1,619,762
Carts and pro shop fixtures and equipment	769,748	723,762
Fitness room equipment	238,292	238,292
Swim and tennis furniture and equipment	190,552	190,552
Office furniture and equipment	194,164	126,067
Construction in progress	2,736	158,054
	27,822,648	26,272,213
Less accumulated depreciation	(10,606,949)	(9,775,661)
	<u>\$ 17,215,699</u>	<u>\$ 16,496,552</u>

Note 4. Investment Securities

The amortized cost and estimated market values of investments securities at March 31, 2019 were as follows:

	March 31, 2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Securities held-to-maturity				
U.S. Government agencies	\$ 495,903	\$ 2,639	- \$	498,542
Certificates of deposit	1,457,894	1,158	(2,586)	1,456,466
	<u>\$ 1,953,797</u>	<u>\$ 3,797</u>	<u>\$ (2,586)</u>	<u>\$ 1,955,008</u>

At March 31, 2019, there were no securities in a loss position greater than 12 months.

ALTO LAKES GOLF AND COUNTRY CLUB**NOTES TO FINANCIAL STATEMENTS****Note 5. Income Taxes**

Deferred tax assets consisted of the following as of March 31:

	2019	2018
Deferred tax assets		
Net operating loss	\$ 1,305,158	\$ 1,173,888
Valuation allowance	(1,222,927)	(1,145,515)
Total deferred tax assets	82,231	28,373
Deferred tax liabilities		
Property and equipment	(82,231)	(28,373)
Net deferred tax assets	\$ -	\$ -

The provision for income taxes charged to operations for the years ended March 31 consists of the following:

	2019	2018
Computed "expected" tax expense	\$ -	\$ -
Increase (decrease) income taxes resulting from:		
Benefit of income taxes at graduated rates		
Deferred tax expense (benefit):		
Net operating loss	131,270	123,992
Fixed assets	(53,858)	(40,471)
Allowance	(77,412)	(83,521)
	\$ -	\$ -

The provision for income taxes for the years ended March 31 differs from the amount obtained by applying the U.S. Federal income tax rate to pretax income due to the following:

	2019	2018
Deferred tax expense (benefit)	\$ 77,412	\$ 83,521
	77,412	83,521
Valuation allowance	(77,412)	(83,521)
Net deferred tax benefit	\$ -	\$ -

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and tax planning strategies in making this assessment. In order to fully realize the deferred tax asset, the Club will need to generate future taxable income prior to the expiration of the deferred tax assets governed by the tax code. As the Club does not anticipate generating such taxable income, the deferred tax asset has been fully allowed for as of March 31, 2019 and 2018.

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 6. Commitments and Contingencies

From time to time the Company is subject to legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or operations of the Company.

Note 7. Long Term Debt

Long term debt consists of the following at March 31:

	<u>2019</u>
Note payable to City Bank in the original amount of \$220,150 dated September 26, 2018 payable in monthly installments of \$1,265 including interest of 3.35%. Note matures on September 20, 2019. Note is collateralized by assets of the company.	\$ 216,837
Note payable to Alto Lakes Water and Sanitation District in the original amount of \$175,787 dated June 28, 2018 payable in monthly installments of \$2,100 including interest of 2.00%. Note matures on January 1, 2026. Note is collateralized by assets of the company.	<u>157,580</u>
Total	374,417
Less current portion	<u>(237,217)</u>
Total long-term portion	<u><u>\$ 137,200</u></u>

Aggregate maturities required on long-term debt as of March 31, 2019 are due in future years as follows:

2020	237,218
2021	22,663
2022	23,120
2023	23,587
2024	24,063
Thereafter	43,766
	<u><u>\$ 374,417</u></u>

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 8. Post-Retirement Benefits

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 401(k) salary deferral plan. The Club matched employee 401(k) 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 or have completed 12 months of service of at least 1,000 hours. For the years ended March 31, 2019 and 2018, the Club incurred costs to fund the plan of \$13,912 and \$12,549, respectively.

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT ON
THE SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of Alto Lakes Golf and Country Club (the Company) as of and for the years ended March 31, 2019 and 2018, and have issued our report thereon, dated June 14, 2019, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to June 14, 2019.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauterbach, Borschow & Company

El Paso, Texas
June 14, 2019

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

Food and Beverage Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Sales:				
Food sales	\$ 1,141,809	\$ 989,364	\$ 134,612	\$ 130,842
Beverage sales	506,856	482,140	60,945	54,111
Event sales	227,381	166,836	-	-
Gross sales	<u>1,876,046</u>	<u>1,638,340</u>	<u>195,557</u>	<u>184,953</u>
Cost of sales	<u>804,852</u>	<u>702,859</u>	<u>81,090</u>	<u>69,012</u>
Gross profit	<u>1,071,194</u>	<u>935,481</u>	<u>114,467</u>	<u>115,941</u>
Unused food minimum	<u>92,892</u>	<u>105,507</u>	<u>-</u>	<u>-</u>
Total income	<u>1,164,086</u>	<u>1,040,988</u>	<u>114,467</u>	<u>115,941</u>
Operating expenses:				
Wages and benefits	1,547,166	1,471,355	226,973	213,454
Supplies	86,077	78,639	22,716	25,689
Laundry	77,582	74,052	0	330
Miscellaneous	39,130	32,127	4,229	2,775
Uniforms	13,316	9,012	88	381
Equipment rental and repair	13,425	17,099	5,324	4,993
Printing	634	2,152	-	-
Total operating expenses	<u>1,777,330</u>	<u>1,684,436</u>	<u>259,330</u>	<u>247,622</u>
Net income/(loss)	<u>\$ (613,244)</u>	<u>\$ (643,448)</u>	<u>\$ (144,863)</u>	<u>\$ (131,681)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

Grounds Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Gross sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
Wages and benefits	404,094	444,579	399,283	376,118
Irrigation water	430,729	471,767	29,836	14,624
Fertilizer and chemicals	38,433	39,557	41,507	31,872
Building and grounds maintenance	7,045	9,719	5,716	8,192
Sand, soil, sod & seed	17,462	16,976	10,565	51,337
Outside services	12,513	24,842	7,632	4,720
Equipment repairs	13,392	18,082	22,698	15,109
Equipment fuel	18,656	18,041	17,582	16,267
Forest thinning	7,090	12,359	1,899	4,314
Miscellaneous	5,780	3,907	3,244	3,102
Supplies	6,023	6,106	4,698	7,070
Utilities	1,766	1,890	325	365
Dues and subscriptions	1,533	508	773	1,593
Special projects	-	-	-	-
Equipment rental	-	-	-	-
Total operating expenses	964,516	1,068,333	545,758	534,683
Net income/(loss)	\$ (964,516)	\$ (1,068,333)	\$ (545,758)	\$ (534,683)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

General and Administrative Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Gross rent income	\$ -	\$ -	\$ 4,799	\$ 5,600
Cost of sales	-	-	-	-
Gross profit	-	-	4,799	5,600
Operating expenses:				
Wages and benefits	601,720	614,077	-	-
Member services	145,918	139,529	-	-
Legal and professional	74,255	113,107	12,500	19,689
Computer supplies	47,221	38,557	-	-
Miscellaneous	60,381	47,113	-	-
Bad debt expense	30,000	30,000	-	-
Utilities and telephone	31,717	29,882	1,263	1,253
Equipment rental	13,465	10,807	-	-
Office supplies	7,513	7,297	-	-
Postage	10,623	8,429	-	-
Dues and subscriptions	3,116	3,794	-	-
Outside services	4,077	3,496	-	-
Printing	5,587	9,368	-	-
Credit card fees	3,387	2,516	-	-
Repair and maintenance	-	422	-	-
Supplies	-	-	98	-
Total operating expenses	1,038,980	1,058,394	13,861	20,942
Net income/(loss)	\$ (1,038,980)	\$ (1,058,394)	\$ (9,062)	\$ (15,342)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

Golf Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Sales:				
Green fees	\$ 166,670	\$ 189,063	\$ 207,112	\$ 191,423
Cart rental	178,202	182,991	163,747	142,407
Private cart fees	119,059	116,270	66,002	66,000
Private cart repair fees	57,491	61,440	-	-
Total income	521,422	549,764	436,861	399,830
Operating expenses:				
Wages and benefits	334,519	312,550	248,070	219,472
Private cart repairs	47,153	53,049	-	-
Supplies	9,290	8,937	2,344	2,558
Outside services	6,000	6,600	1,500	1,500
Driving range	11,382	6,807	126	4,000
Equipment repairs	2,021	1,690	0	668
Travel	2,792	2,369	-	-
Printing	1,456	1,894	1,046	749
Dues and subscriptions	1,078	1,123	758	748
Utilities and telephone	960	960	660	720
Laundry	1,368	439	1,771	671
Training expenses	78	128	-	-
Total operating expenses	418,097	396,546	256,275	231,086
Net income/(loss)	\$ 103,325	\$ 153,218	\$ 180,586	\$ 168,744

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

Indirect Operations	2019	2018
Total income	\$ -	\$ -
Operating expenses:		
Wages and benefits	39,534	-
Utilities - electricity	239,273	270,708
Property taxes	160,924	114,542
Utilities - water and sanitation	105,293	105,114
General insurance	74,507	113,995
Utilities - gas	32,970	34,169
Utilities - cable	6,172	5,055
Miscellaneous	5,958	-
Security	3,874	3,985
Total operating expenses	668,505	647,568
Net income/(loss)	\$ (668,505)	\$ (647,568)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

House Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Gross sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
Wages and benefits	122,618	134,470	26,737	21,216
Building and grounds maintenance	45,141	41,471	8,380	4,858
Equipment repairs	22,390	21,194	4,385	4,964
Supplies	5,765	7,049	981	677
Miscellaneous	7,074	12,596	1,695	1,846
Outside services	5,155	5,622	1,272	1,584
House decorations	4,559	4,413	-	-
Total operating expenses	212,702	226,815	43,450	35,145
Net income/(loss)	\$ (212,702)	\$ (226,815)	\$ (43,450)	\$ (35,145)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

Swim and Tennis Operations	Alto Division		Outlaw Division	
	2019	2018	2019	2018
Sales:				
Swim and tennis fees	\$ 1,405	\$ 1,555	\$ 150	\$ -
Total income	1,405	1,555	150	-
Operating expenses:				
Wages and benefits	8,492	378	-	-
Equipment repairs	2,056	1,676	-	-
Chemicals	2,835	1,682	-	-
Building and grounds maintenance	5,315	836	-	-
Outside services	475	-	-	-
Supplies	609	645	-	-
Taxes	150	150	-	-
Total operating expenses	19,932	5,367	-	-
Net income/(loss)	\$ (18,527)	\$ (3,812)	\$ 150	\$ -

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2019 and 2018

<u>Fitness Operations</u>	<u>2019</u>	<u>2018</u>
Sales:		
Fitness fees	\$ 2,678	\$ 950
Total income	2,678	950
Operating expenses:		
Equipment repairs	2,953	2,754
Supplies	1,360	2,225
Total operating expenses	4,313	4,979
Net income/(loss)	\$ (1,635)	\$ (4,029)