

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

FINANCIAL STATEMENTS

MARCH 31, 2000 AND 1999

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ALTO LAKES GOLF AND COUNTRY CLUB, INC.
OFFICERS AND DIRECTORS
March 31, 2000

PRESIDENT	RON WENSEL
VICE-PRESIDENT	DAN BOWDEN
TREASURER	ROB CRAWFORD
SECRETARY	REX TIMMS
DIRECTOR	DON DUTTON
DIRECTOR	DIANA JOHNSON
DIRECTOR	TROY MASON
DIRECTOR	SID MILLER
DIRECTOR	FRANK SAYNER

RONNIE L. HEMPHILL, P.C.
Certified Public Accountant

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, 2000 and 1999 and the related statements of activity and changes in fund balances 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 generally accepted auditing standards. 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.

Alto Lakes Water Corporation is a wholly owned subsidiary of Alto Lakes Golf and Country Club, Inc. Generally accepted accounting principles require that parent companies present consolidated financial statements with majority owned subsidiaries. These financial statements do not reflect consolidated amounts. The summary effects of this departure from generally accepted accounting principles are disclosed in Note G.

In our opinion, except for the effects of the preceding paragraph, 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, 2000 and 1999, and the results of its activity and its cash flow for the years then ended in conformity with generally accepted accounting principles.

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 15 to 20 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 10, 2000



ALTO LAKES GOLF AND COUNTRY CLUB, INC.
BALANCE SHEETS
March 31, 2000 and 1999

ASSETS

	<u>2000</u>	<u>1999</u>
CURRENT ASSETS		
Cash - unrestricted	\$ 319,576	\$ 382,712
Cash - restricted	314,509	122,361
Accounts receivable	1,696,917	1,541,121
Less: Allowance for doubtful accounts	(84,516)	(84,516)
Merchandise inventory	25,675	38,074
Prepaid insurance	57,168	56,034
Other receivables	9,719	616
Current portion of notes receivable	<u>6,678</u>	<u>6,161</u>
 TOTAL CURRENT ASSETS	 <u>2,345,726</u>	 <u>2,062,563</u>
 LAND, BUILDINGS AND EQUIPMENT	 4,632,164	 4,592,080
Less: Accumulated depreciation	<u>(1,571,238)</u>	<u>(1,736,252)</u>
 TOTAL LAND, BUILDINGS AND EQUIPMENT	 <u>3,060,926</u>	 <u>2,855,828</u>
 OTHER ASSETS		
Alto Lakes Water Corporation stock	769,168	769,168
Notes receivable	68,962	75,108
Less: Current portion (above)	(6,678)	(6,161)
Water rights	361,093	361,093
Liquor license	<u>70,409</u>	<u>70,409</u>
 TOTAL OTHER ASSETS	 <u>1,262,954</u>	 <u>1,269,617</u>
 TOTAL ASSETS	 <u>\$ 6,669,606</u>	 <u>\$ 6,188,008</u>

See accompanying notes and accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
BALANCE SHEETS--Continued
March 31, 2000 and 1999

LIABILITIES AND FUND BALANCES

	<u>2000</u>	<u>1999</u>
CURRENT LIABILITIES		
Current portion of long-term debt (below)	\$ 29,098	\$ 51,524
Accounts payable	107,276	65,856
Accrued interest expense	4,547	7,010
Deferred service charges payable	126,894	1,427
Deferred gross receipts tax	52,817	50,103
Other accrued expense	1,550	307
Accrued compensation	15,624	10,606
Accrued property taxes	13,373	.
Deposits	<u>7,430</u>	<u>8,870</u>
 TOTAL CURRENT LIABILITIES	 <u>358,609</u>	 <u>195,703</u>
 LONG-TERM DEBT		
Notes payable	248,001	378,795
Less: Current portion (above)	<u>(29,098)</u>	<u>(51,524)</u>
 TOTAL LONG-TERM DEBT	 <u>218,903</u>	 <u>327,271</u>
 DEFERRED DUES INCOME	 <u>1,358,311</u>	 <u>1,354,028</u>
 FUND BALANCE		
Unrestricted	95,394	63,200
Restricted	314,509	122,361
Net investment in property and other assets	<u>4,323,880</u>	<u>4,125,445</u>
 TOTAL FUND BALANCE	 <u>4,733,783</u>	 <u>4,311,006</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 6,669,606</u>	 <u>\$ 6,188,008</u>

See accompanying notes and accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF ACTIVITY AND CHANGES IN FUND BALANCES
Years Ended March 31, 2000 and 1999

	2000	1999
REVENUE		
Social dues	\$ 311,281	\$ 317,212
Regular dues	670,038	661,501
Golf department	499,523	495,395
Food and beverage department	514,909	487,636
Swim and tennis department	825	1,171
Membership transfer fees	324,900	231,400
Plan submittal fees	8,990	11,430
Gain on sale of assets	(193)	7,778
Interest and dividend income	79,135	79,345
Rent income	5,502	6,500
Other income	17,974	22,534
	<u>2,432,884</u>	<u>2,321,902</u>
TOTAL REVENUE		
OPERATING EXPENSE		
Golf department	898,793	857,552
Food and beverage department	744,438	689,054
Swim and tennis department	23,422	22,058
General and administrative expenses	539,963	495,933
House Department expense	164,426	151,513
Interest expense	7,011	19,221
	<u>2,378,053</u>	<u>2,235,331</u>
TOTAL OPERATING EXPENSE		
EXCESS OF REVENUE OVER OPERATING EXPENSE	<u>54,831</u>	<u>86,571</u>
OTHER EXPENSE		
Depreciation expense	258,816	249,621
Provision for bad debts	18,610	13,492
	<u>277,426</u>	<u>263,113</u>
TOTAL OTHER EXPENSE		
EXCESS OF REVENUE OVER EXPENSES	(222,595)	(176,542)
FUND BALANCES, BEGINNING	4,311,006	4,011,479
MEMBERSHIP ASSESSMENTS	375,995	374,069
MEMBERSHIP SALES AND UPGRADES	<u>269,377</u>	<u>102,000</u>
FUND BALANCES, ENDING	<u>\$ 4,733,783</u>	<u>\$ 4,311,006</u>

See accompanying notes and accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF CASH FLOW
Years Ended March 31, 2000 and 1999

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ (222,595)	\$ (176,542)
Noncash items included above:		
Depreciation	258,816	249,621
(Gain) loss on sale of assets	193	(7,778)
(Increase) decrease in:		
Accounts receivable (net)	(155,796)	(65,543)
Merchandise inventory	12,399	(22,891)
Prepaid insurance	(1,134)	(581)
Other receivables	(9,103)	1,204
Increase (decrease) in:		
Accounts payable	41,420	(27,771)
Accrued expenses	145,352	(14,906)
Deposits	(1,440)	8,870
Deferred dues	4,283	182
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>72,395</u>	<u>(56,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, buildings and equipment	(464,107)	(486,181)
Purchase of water rights	-	(361,093)
Sale of assets	-	30,851
Cash investment in subsidiary	-	(69,341)
Notes receivable collections	6,146	6,530
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(457,961)</u>	<u>(879,234)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Membership sales and upgrades	269,377	102,000
Membership assessments	375,995	374,069
Debt proceeds	-	260,100
Long-term debt reduction	(130,794)	(185,978)
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>514,578</u>	<u>550,191</u>
NET INCREASE (DECREASE) IN CASH	129,012	(385,178)
CASH, BEGINNING OF YEAR	<u>505,073</u>	<u>890,251</u>
CASH, END OF YEAR	<u>\$ 634,085</u>	<u>\$ 505,073</u>
SUPPLEMENTAL DISCLOSURES		
Interest expense paid	7,011	19,221

See accompanying notes and accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2000 and 1999

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.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

Income Taxes (Continued)

As of March 31, 2000, the Club has losses of \$642,464 and \$18,887 available as an offset to future member and non-member taxable income, respectively. Such losses begin to expire in the year 2006 if not used. These loss carryovers equate to a combined estimated deferred tax asset of \$130,947, 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 effect these financial statements.

Inventory

Merchandise inventory is reflected at last cost.

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.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

NOTE B - CASH

Cash consist of the following:

	<u>2000</u>	<u>1999</u>
Demand Accounts, interest bearing:		
Ruidoso State Bank	\$ 64,328	\$ 86,449
Ruidoso State Bank	20,550	-0-
Pioneer Savings Bank	-0-	13,158
Merrill Lynch CMA	161,133	120,466
Certificates of deposit:		
Capital One Bank	-0-	93,000
Bank Atlantic	-0-	97,000
Santa Barbara B & T	98,000	-0-
Santa Barbara B & T	98,000	-0-
MBNA American Bank	97,000	-0-
IBJ Whitehall B & T	95,000	-0-
Colonial Bank	-0-	95,000
Cash on hand	<u>74</u>	<u>-0-</u>
	<u>\$634,085</u>	<u>\$505,073</u>

Reflected in the financial statements as follows:

Cash - unrestricted	\$319,576	\$382,712
Cash - restricted	314,509	122,361

Restricted cash consists of funds designated for capital improvements and equipment purchases. The sources of these funds are all transfer fees in excess of \$200.00 per transfer, twenty-seven percent of all cart fees, and member assessments for capital purchases.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

NOTE C - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2000</u>	<u>1999</u>
Land	\$ 935,536	\$ 933,956
Paving and grounds improvements	721,246	745,992
Building	1,510,753	1,547,167
Construction in progress	288,520	-0-
Furniture, fixtures and equipment	176,970	352,167
Carts and pro shop fixtures and equipment	234,369	294,166
Machinery and equipment	600,818	482,167
Office furniture and equipment	120,901	180,090
Swim & tennis furniture and equipment	<u>43,051</u>	<u>56,375</u>
	4,632,164	4,592,080
Less accumulated depreciation	<u>(1,571,238)</u>	<u>(1,736,252)</u>
	<u>\$3,060,926</u>	<u>\$2855,828</u>

NOTE D - LONG-TERM DEBT

Long-term debt consist of the following:

	<u>2000</u>	<u>1999</u>
Note payable to Mrs. A. N. Spencer, payable in annual payments of \$30,578.36, due on May 1 of each year until paid in full, including interest at an annual rate of two percent, unsecured. .	\$ 224,001	\$ 249,588

Note payable to Mrs. A. N. Spencer, payable in annual payments of \$3,000 plus interest, due on May 1 of each year until paid in full, at an annual rate of two percent, unsecured . . .	24,000	27,000
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Note payable to Ruidoso State Bank, payable in monthly installments of \$2,562.07, including interest equal to the Wall Street Journal Base rate, currently 8.5%, maturity date is July 6, 2003, secured by 35 acre feet of water rights costing \$361,093 . . .	<u>-0-</u>	<u>102,207</u>
	248,001	378,795
Less amount due within one year	<u>(29,098)</u>	<u>(51,524)</u>
	<u>\$ 218,903</u>	<u>\$ 327,271</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

NOTE D - LONG-TERM DEBT --Continued

Maturities of long-term debt are as follows:

<u>Year Ended</u>	<u>Amount</u>
<u>March 31</u>	
2001	\$ 29,098
2002	30,153
2003	30,696
2004	31,250
2005	31,815
Thereafter	94,989
	<u>\$248,001</u>

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts was maintained at the prior year balance of \$84,516. This relates to the write-off of accounts becoming uncollectible during the current year of \$18,610 without adjusting the reserve for estimated uncollectible accounts at year end.

NOTE F - RELATED PARTY AND CONTINGENCY

On October 23, 1990 the Club purchased the utility business which supplies water, sanitation, and limited sewer services to the Club and the Club's members. The business was incorporated into a wholly owned subsidiary of the Club under the name of Alto Lakes Water Corporation. The Club's investment in the subsidiary is carried under the "Other Assets" caption on the balance sheet which reflects the stock held at cost in the amount of \$769,168. In addition, the Club provides a \$1,500,000 loan guaranty to the subsidiary's bank on a note payable with a balance due at March 31, 2000 of \$1,117,582, such note maturing November 23, 2000.

The Club is billed for utility services at the prescribed and approved rates as established by the New Mexico Public Service Commission. Payments to Alto Lakes Water Corporation for utility services for the years ended March 31, 2000 and 1999 were \$277,903 and \$360,598, respectively. The Club owed the water company \$33,390 at March 31, 2000 and \$11,816 at March 31, 1999 for utility services.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

NOTE F - RELATED PARTY AND CONTINGENCY--Continued

The water company paid the Club during the current year \$5,500 for office rent, with \$6,500 being paid for similar services in the year ended March 31, 1999.

NOTE G - CONSOLIDATION

As discussed in the accountants' report, generally accepted accounting principles require that a wholly owned subsidiary (see Note F) be reported with the parent as consolidated unit. A summary of the consolidated balances at March 31, 2000 is as follows:

Assets	\$8,214,657
Liabilities	3,143,393
Equity	5,071,264
Net revenue	2,927,150
Expense	3,082,011
Net income (loss)	(154,861)

NOTE H - 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 New Mexico Mutual Insurance Company for workmen's compensation insurance; Union Standard Insurance Company for general liability and asset coverage; and Coregis Insurance Company for directors and officers liability insurance. The premiums are based on payroll and other expenditures, and are not directly related to claims filed.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS--Continued
Years Ended March 31, 2000 and 1999

NOTE I - CONCENTRATIONS OF CREDIT RISK

At March 31, 2000, the Club's demand accounts at Ruidoso State Bank, as well as two of the four certificates of deposit held, were fully insured by the Federal Deposit Insurance Corporation. The two certificates of deposit held at Santa Barbara Bank & Trust exceeded the FDIC insured amount by \$96,000.

Also at March 31, 2000, the Club had a Merrill Lynch cash management account which was insured by the Securities Investor Protection Corporation.

NOTE J - 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 year ended March 31, 2000, the Club funded this plan with a total of \$17,004, which was allocated among the 12 employees who were eligible to participate.

NOTE K - NOTES RECEIVABLE

This balance reflects the amount due on a note and mortgage, which is payable to the Club from a sale of real property on July 2, 1993. The note is payable at \$923.19 per month including interest at 6.8%, until fully paid. Maturities of this note for the next five years are \$6,593, \$7,055, \$7,550, \$8,080 and \$8,646.

SUPPLEMENTARY INFORMATION

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GOLF DEPARTMENT INCOME
Years Ended March 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
INCOME		
Private cart fees and repair	\$ 65,333	\$ 57,819
Green fees	218,687	224,982
Cart rental	192,822	190,678
Club storage & other	4,421	756
Driving range fees	15,510	8,907
Pro shop lease	2,750	2,250
Handicap fees	-	10,003
TOTAL INCOME	<u>499,523</u>	<u>495,395</u>
EXPENSES		
Labor	368,644	357,075
Insurance	15,830	8,866
Employee meals	2,518	2,640
Payroll taxes	31,821	31,405
Education & training	990	-
Retirement account funding	10,471	7,301
Building and grounds maintenance	33,649	34,239
Driving range	4,668	4,610
Dues and subscriptions	3,737	3,331
Equipment fuel	6,886	6,184
Equipment rental	3,208	1,767
Equipment repairs	39,603	26,138
Fertilizer and chemicals	7,637	8,021
Handicap fees	-	10,017
Irrigation water	278,654	270,684
Laundry	3,755	2,834
Printing	1,176	2,616
Services purchased	4,928	9,160
Supplies	18,546	25,636
Tax and licenses	-	101
Tournament expenses	1,000	1,000
Travel	1,731	940
Utilities	58,778	42,080
Telephone	558	707
Miscellaneous	5	200
TOTAL EXPENSES	<u>898,793</u>	<u>857,552</u>
NET LOSS	<u>\$ (399,270)</u>	<u>\$ (362,157)</u>

See accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF FOOD AND BEVERAGE DEPARTMENT INCOME
Years Ended March 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
INCOME		
Food sales	\$ 399,572	\$ 375,396
Cost of food sales	<u>231,440</u>	<u>175,352</u>
GROSS PROFIT ON FOOD SALES	<u>168,132</u>	<u>200,044</u>
 Beverage sales	 115,337	 112,240
Cost of beverage sales	<u>33,724</u>	<u>30,322</u>
GROSS PROFIT ON BEVERAGE SALES	<u>81,613</u>	<u>81,918</u>
 TOTAL INCOME	 <u>249,745</u>	 <u>281,962</u>
EXPENSES		
Labor	308,456	312,464
Insurance	11,922	10,562
Employee meals	17,705	19,989
Taxes - payroll	35,966	35,765
Education & training	1,364	566
Retirement account funding	3,999	6,003
Dues and subscriptions	471	940
Repairs	5,918	6,481
Laundry	43,418	37,667
Printing	190	30
Services purchased	260	1,481
Supplies	41,975	42,480
Licenses	1,865	797
Telephone	825	1,157
Travel	1,266	1,205
Uniforms	3,197	1,263
Equipment rental	384	387
Miscellaneous	<u>93</u>	<u>4,143</u>
 TOTAL EXPENSES	 <u>479,274</u>	 <u>483,380</u>
 NET LOSS	 <u>\$ (229,529)</u>	 <u>\$ (201,418)</u>

See accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF SWIM AND TENNIS DEPARTMENT INCOME
Years Ended March 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
INCOME		
Swim fees	\$ 660	\$ 896
Tennis fees	<u>165</u>	<u>275</u>
TOTAL INCOME	<u>825</u>	<u>1,171</u>
EXPENSES		
Labor	8,765	7,655
Payroll taxes	809	723
Maintenance	216	402
Equipment repairs	4,879	3,412
Chemicals	2,445	2,054
Services purchased	1,000	1,000
Supplies	503	1,478
Telephone	343	312
Utilities	<u>4,462</u>	<u>5,022</u>
TOTAL EXPENSES	<u>23,422</u>	<u>22,058</u>
NET LOSS	<u>\$ (22,597)</u>	<u>\$ (20,887)</u>

See accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
Years Ended March 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Labor	\$ 213,821	\$ 202,251
Employee group insurance	10,731	7,473
Payroll taxes	18,363	16,255
Education & training	166	1,067
Retirement account funding	5,947	4,728
Board of directors expense	6	2,310
Annual meeting	33,114	20,797
Building and ground maintenance	135	183
Credit card fees	21,369	18,262
Donations	2,039	1,425
Dues and subscriptions	4,220	3,852
Equipment rental	379	4,931
Equipment repairs	8,984	11,070
General insurance	71,801	69,346
Legal and professional	12,536	15,044
Long range planning	2,712	1,001
Office supplies	15,502	15,747
Postage	15,651	14,458
Member services	32,124	23,403
Printing	16,482	13,978
Security	87	475
Services purchased	3,853	232
Supplies	673	2,359
Other taxes	939	60
Property taxes	29,725	25,837
Telephone	9,393	9,801
Miscellaneous	4,711	2,913
Travel	539	3,009
Employee meals	3,961	3,666
	<u>3,961</u>	<u>3,666</u>
 TOTAL GENERAL & ADMINISTRATIVE EXPENSES	 <u>\$ 539,963</u>	 <u>\$ 495,933</u>

See accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF HOUSE DEPARTMENT EXPENSES
Years Ended March 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Labor	\$ 5,818	\$ 20,038
Employee group insurance	5	1,456
Payroll taxes	509	1,921
Retirement account funding	-	368
Cleaning contract	28,634	-
Building maintenance	21,991	22,419
House decorations	12,930	11,312
Dues and subscriptions	1,202	618
Entertainment	4,923	6,446
Equipment rental	74	-
Equipment repairs	4,960	2,944
Security	1,344	1,666
Services purchased	2,776	8,168
Supplies	9,327	12,117
Travel	206	205
Utilities	69,727	61,435
Miscellaneous	-	400
	<u> </u>	<u> </u>
TOTAL HOUSE DEPARTMENT EXPENSES	<u>\$ 164,426</u>	<u>\$ 151,513</u>

See accountants' report.