

ALTO LAKES GOLF AND COUNTRY CLUB

FINANCIAL REPORT

MARCH 31, 2018 AND 2017

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
El Paso, Texas

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, 2018 and 2017, 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, 2018 and 2017, 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.

Lauterbach, Boschow, & Company

El Paso, Texas
June 7, 2018

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

BALANCE SHEETS

March 31, 2018 and 2017

ASSETS	2018	(Restated) 2017
Current Assets		
Cash and cash equivalents	\$ 2,880,124	\$ 2,604,907
Accounts receivable, less allowance for doubtful accounts of \$2,846 in 2018 and \$7,509 in 2017	4,383,471	4,232,028
Inventories	128,635	90,685
Prepaid expenses and other assets	26,150	-
Total current assets	7,418,380	6,927,620
Property and equipment, net	16,496,552	16,160,440
Other assets		
Water rights	2,236,093	2,236,093
Liquor license	70,409	70,409
	2,306,502	2,306,502
	\$ 26,221,434	\$ 25,394,562
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities		
Accounts payable - trade	\$ 34,154	\$ 17,443
Accrued expenses	169,986	181,803
Deferred income and assessments	4,131,653	4,122,439
Deposits	23,044	25,662
Other liabilities	11,861	15,899
Total current liabilities	4,370,698	4,363,246
Members' Equity		
Members' equity	21,850,736	21,031,316
	21,850,736	21,031,316
Total liabilities and members' equity	\$ 26,221,434	\$ 25,394,562

See Notes to Financial Statements

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY
Years Ended March 31, 2018 and 2017

	2018	(Restated) 2017
Revenues		
Membership dues	\$ 3,660,671	\$ 3,558,141
Golf revenue	949,594	894,305
Food and beverage	1,761,964	1,601,437
Event revenue	166,836	172,321
Transfer fees	671,041	587,193
Other revenues	104,180	182,082
	<u>7,314,286</u>	<u>6,995,479</u>
Expenses		
Operating expenses:		
Food and beverage department	2,703,929	2,469,935
Grounds department	1,603,016	1,531,266
General and administrative	1,079,336	1,032,841
Golf department	627,632	588,815
Indirect department	647,568	585,178
House department	261,960	270,406
Swim and tennis department	5,367	19,733
Fitness department	4,979	8,540
	<u>6,933,787</u>	<u>6,506,714</u>
Operating income before depreciation	380,499	488,765
Depreciation expense	(1,033,675)	(974,828)
Impairment loss	-	(26,481)
Loss from operations	<u>(653,176)</u>	<u>(512,544)</u>
Other income:		
Interest income	25,652	15,883
Gain on disposal of assets	21,044	46,767
Net loss	<u>(606,480)</u>	<u>(449,894)</u>
Members' equity, beginning of year	21,031,316	20,419,865
Prior period adjustment	-	21,345
Members' equity, beginning of year	<u>21,031,316</u>	<u>20,441,210</u>
Membership capital assessments	1,305,900	1,000,000
Membership sales and upgrades	120,000	40,000
Members' equity, end of year	<u>\$ 21,850,736</u>	<u>\$ 21,031,316</u>

See Notes to Financial Statements

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

STATEMENTS OF CASH FLOWS
Years Ended March 31, 2018 and 2017

	2018	(Restated) 2017
Cash Flows From Operating Activities		
Cash received from members and guests	\$ 7,169,439	\$ 7,129,564
Cash paid to suppliers and employees	(6,997,031)	(6,571,060)
Interest received	25,652	15,883
	<hr/>	<hr/>
Net cash provided by operating activities	198,060	574,387
	<hr/>	<hr/>
Cash Flows From Investing Activities		
Capital expenditures	(1,348,743)	(1,655,853)
	<hr/>	<hr/>
Net cash used in investing activities	(1,348,743)	(1,655,853)
	<hr/>	<hr/>
Cash Flows From Financing Activities		
Membership capital assessments	1,305,900	1,000,000
Membership upgrades	120,000	40,000
	<hr/>	<hr/>
Net cash provided by investing activities	1,425,900	1,040,000
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	275,217	(41,466)
	<hr/>	<hr/>
Cash and cash equivalents, beginning of year	2,604,907	2,646,373
	<hr/>	<hr/>
Cash and cash equivalents, end of year	2,880,124	\$ 2,604,907
	<hr/> <hr/>	<hr/> <hr/>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.**STATEMENTS OF CASH FLOWS - (CONTINUED)****Years Ended March 31, 2018 and 2017**

			(Restated)
	2018		2017
<hr/>			
Reconciliation of net income to net cash provided by operating activities			
Net (loss)	\$ (606,480)	\$	(449,894)
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	1,033,675		974,828
Impairment loss	-		26,481
Gain on disposal of assets	(21,044)		(46,767)
(Increase) decrease in assets			
Accounts receivable	(151,443)		(32,969)
Inventories	(37,950)		13,139
Prepaid expenses and other assets	(26,150)		302
Increase (decrease) in liabilities			
Accounts payable - trade	16,711		(103,913)
Accrued expenses and other liabilities	(15,855)		26,127
Deferred income and assessments	6,596		167,053
			<hr/>
Net cash provided by operating activities	\$ 198,060	\$	574,387
			<hr/>

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 \$2,846 and \$7,509 as of March 31, 2018 and 2017, respectively.

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 \$4,154,697 and \$4,148,101 at March 31, 2018 and 2017, 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 \$3,033 and \$1,433 for the years ended March 31, 2018 and 2017, 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, 2018 and 2017, 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 2015 and is no longer subject to state tax examinations by tax authorities for years before 2014.

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. Therefore, the new standard will be effective in the first quarter of 2019.

Subsequent events: The Club has evaluated subsequent events through June 7, 2018, the date on which the financial statements were available to be issued. See Note 8 for a discussion of subsequent events noted.

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:

	2018	2017
Club buildings	\$ 8,268,752	\$ 7,940,652
Land	7,818,559	7,802,682
Paving and grounds improvements	5,089,696	4,644,084
Machinery and equipment	2,038,717	1,807,512
Furniture, fixtures and equipment	1,619,762	1,567,558
Carts and pro shop fixtures and equipment	723,762	677,976
Fitness room equipment	238,292	238,292
Swim and tennis furniture and equipment	190,552	190,552
Office furniture and equipment	126,067	126,067
Construction in progress	158,054	-
	26,272,213	24,995,375
Less accumulated depreciation	(9,775,661)	(8,834,935)
	<u>\$ 16,496,552</u>	<u>\$ 16,160,440</u>

Note 4. Income Taxes

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

Deferred tax assets	2018	2017
Net operating loss	\$ 1,173,888	\$ 1,049,896
Property and equipment	(28,373)	12,098
	<u>1,145,515</u>	<u>1,061,994</u>
Valuation allowance	<u>(1,145,515)</u>	<u>(1,061,994)</u>
Net deferred tax assets, less valuation allowance	<u>\$ -</u>	<u>\$ -</u>

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 4. Income Taxes (continued)

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

	2018	2017
Computed "expected" tax expense	\$ -	\$ -
Increase (decrease) income taxes resulting from:		
Benefit of income taxes at graduated rates		
Deferred tax expense (benefit):		
Net operating loss	123,992	83,794
Fixed assets	(40,471)	12,098
Allowance	(83,521)	(95,892)
	<u>\$ -</u>	<u>\$ -</u>

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:

	2018	2017
Deferred tax expense (benefit)	\$ 83,521	\$ 95,892
	<u>83,521</u>	<u>95,892</u>
Valuation allowance	<u>(83,521)</u>	<u>(95,892)</u>
Net deferred tax benefit	<u>\$ -</u>	<u>\$ -</u>

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, 2018 and 2017.

Note 5. 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.

ALTO LAKES GOLF AND COUNTRY CLUB

NOTES TO FINANCIAL STATEMENTS

Note 6. 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, 2017 and 2016, the Club incurred costs to fund the plan of \$12,549 and \$10,093, respectively.

Note 7. Prior Period Adjustments

During 2017, it was discovered by the Club that the depreciation expense for the year ended March 31, 2017 had been overstated. The Club recorded a prior period adjustment as of March 31, 2018 in the amount of \$230,904 to correct the balance of depreciation expense.

During the current period audit for 2018, it was noted that an incorrect balance had been carried forward in accrued SUTA taxes from previous years. The Club recorded a prior period adjustment in the amount of \$21,345 as of March 31, 2017 to correct the balance of accrued SUTA taxes.

Note 8. Subsequent Events

During the fiscal year ended March 31, 2018, the Club began the installation of a pond liner, with an estimated cost of \$350,000 to decrease the amount of absorption of water. This project will be completed during the fiscal year ended March 31, 2019. The Alto Water District will be reimbursing the Club for the total cost of this project, and in turn will charge the Club a \$2,100 monthly environmental charge.

SUPPLEMENTARY INFORMATION

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

The Board of Directors
Alto Lakes Golf and Country Club
El Paso, Texas

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

Lauterbach, Borschow & Company

El Paso, Texas
June 7, 2018

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

Food and Beverage Operations	Alto Division		Outlaw Division	
	2018	2017	2018	2017
Sales:				
Food sales	\$ 989,364	\$ 913,688	\$ 130,842	\$ 104,221
Beverage sales	482,140	429,346	54,111	31,038
Gross sales	<u>1,471,504</u>	<u>1,343,034</u>	<u>184,953</u>	<u>135,259</u>
Cost of sales	<u>702,859</u>	<u>696,408</u>	<u>69,012</u>	<u>53,928</u>
Gross profit	<u>768,645</u>	<u>646,626</u>	<u>115,941</u>	<u>81,331</u>
Unused food minimum	<u>105,507</u>	<u>123,144</u>	<u>-</u>	<u>-</u>
Total income	<u>874,152</u>	<u>769,770</u>	<u>115,941</u>	<u>81,331</u>
Operating expenses:				
Wages and benefits	1,471,355	1,308,412	213,454	170,270
Supplies	78,639	80,798	25,689	14,894
Laundry	74,052	72,843	330	1,799
Miscellaneous	32,127	32,699	2,775	2,118
Uniforms	9,012	11,388	381	476
Equipment rental and repair	17,099	21,211	4,993	1,379
Printing	<u>2,152</u>	<u>1,312</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,684,436</u>	<u>1,528,663</u>	<u>247,622</u>	<u>190,936</u>
Net income/(loss)	<u>\$ (810,284)</u>	<u>\$ (758,893)</u>	<u>\$ (131,681)</u>	<u>\$ (109,605)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

Grounds Operations	Alto Division		Outlaw Division	
	2018	2017	2018	2017
Gross sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
Wages and benefits	444,579	426,818	376,118	350,820
Irrigation water	471,767	453,613	14,624	8,108
Fertilizer and chemicals	39,557	38,741	31,872	32,461
Building and grounds maintenance	9,719	26,777	8,192	8,081
Sand, soil, sod & seed	16,976	20,938	51,337	18,872
Outside services	24,842	17,183	4,720	3,942
Equipment repairs	18,082	14,755	15,109	28,230
Equipment fuel	18,041	15,870	16,267	15,215
Forest thinning	12,359	12,891	4,314	4,084
Miscellaneous	3,907	5,688	3,102	3,538
Supplies	6,106	8,375	7,070	9,504
Utilities	1,890	2,418	365	395
Dues and subscriptions	508	1,109	1,593	820
Special projects	-	-	-	-
Equipment rental	-	-	-	2,020
Total operating expenses	1,068,333	1,045,176	534,683	486,090
Net income/(loss)	<u>\$ (1,068,333)</u>	<u>\$ (1,045,176)</u>	<u>\$ (534,683)</u>	<u>\$ (486,090)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

General and Administrative Operations	Alto Division		Outlaw Division	
	2018	2017	2018	2017
Gross rent income	\$ -	\$ -	\$ 5,600	\$ 9,600
Cost of sales	-	-	-	-
Gross profit	-	-	5,600	9,600
Operating expenses:				
Wages and benefits	614,077	604,350	-	-
Member services	139,529	130,433	-	-
Legal and professional	113,107	101,413	19,689	4,800
Computer supplies	38,557	42,160	-	-
Miscellaneous	47,113	35,496	-	-
Bad debt expense	30,000	30,000	-	-
Utilities and telephone	29,882	27,379	1,253	1,229
Equipment rental	10,807	21,031	-	-
Office supplies	7,297	8,607	-	-
Postage	8,429	8,520	-	-
Dues and subscriptions	3,794	6,135	-	-
Outside services	3,496	5,129	-	-
Printing	9,368	3,721	-	-
Credit card fees	2,516	2,438	-	-
Repair and maintenance	422	-	-	-
Supplies	-	-	-	-
Total operating expenses	1,058,394	1,026,812	20,942	6,029
Net income/(loss)	\$ (1,058,394)	\$ (1,026,812)	\$ (15,342)	\$ 3,571

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

Golf Operations	Alto Division		Outlaw Division	
	2018	2017	2018	2017
Sales:				
Green fees	\$ 189,063	\$ 190,732	\$ 191,423	\$ 191,492
Cart rental	182,991	183,065	142,407	138,918
Private cart fees	116,270	98,280	66,000	48,828
Private cart repair fees	61,440	42,990	-	-
Total income	549,764	515,067	399,830	379,238
Operating expenses:				
Wages and benefits	312,550	315,126	219,472	192,454
Private cart repairs	53,049	38,136	-	-
Supplies	8,937	7,199	2,558	2,122
Outside services	6,600	6,595	1,500	1,500
Driving range	6,807	6,218	4,000	4,000
Equipment repairs	1,690	2,812	668	3,583
Travel	2,369	2,417	-	-
Printing	1,894	1,214	749	800
Dues and subscriptions	1,123	1,028	748	748
Utilities and telephone	960	960	720	720
Laundry	439	734	671	449
Training expenses	128	-	-	-
Total operating expenses	396,546	382,439	231,086	206,376
Net income/(loss)	\$ 153,218	\$ 132,628	\$ 168,744	\$ 172,862

ALTO LAKES GOLF AND COUNTRY CLUB, INC.**Years Ended March 31, 2018 and 2017**

Indirect Operations	2018	2017
Total income	\$ -	\$ -
Operating expenses:		
Utilities - electricity	270,708	253,023
Property taxes	114,542	133,013
Utilities - water and sanitation	105,114	93,468
General insurance	113,995	65,994
Utilities - gas	34,169	29,653
Utilities - cable	5,055	5,878
Security	3,985	4,149
Total operating expenses	647,568	585,178
Net income/(loss)	\$ (647,568)	\$ (585,178)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

House Operations	Alto Division		Outlaw Division	
	2018	2017	2018	2017
Gross sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expenses:				
Wages and benefits	134,470	124,457	21,216	22,412
Building and grounds maintenance	41,471	49,181	4,858	10,879
Equipment repairs	21,194	24,764	4,964	1,612
Supplies	7,049	14,112	677	658
Miscellaneous	12,596	5,652	1,846	1,879
Outside services	5,622	7,323	1,584	1,694
House decorations	4,413	5,783	-	-
Total operating expenses	226,815	231,272	35,145	39,134
Net income/(loss)	\$ (226,815)	\$ (231,272)	\$ (35,145)	\$ (39,134)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

Swim and Tennis Operations	2018	2017
Sales:		
Swim and tennis fees	\$ 1,555	\$ 1,806
Total income	1,555	1,806
Operating expenses:		
Wages and benefits	378	11,601
Equipment repairs	1,676	3,218
Chemicals	1,682	2,430
Building and grounds maintenance	836	1,522
Outside services	0	553
Supplies	645	259
Taxes	150	150
Total operating expenses	5,367	19,733
Net income/(loss)	\$ (3,812)	\$ (17,927)

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

Years Ended March 31, 2018 and 2017

Fitness Operations	2018	2017
Sales:		
Fitness fees	<u>\$ 950</u>	<u>\$ 1,097</u>
Total income	<u> 950</u>	<u> 1,097</u>
Operating expenses:		
Equipment repairs	2,754	3,006
Supplies	<u>2,225</u>	<u>5,534</u>
Total operating expenses	<u>4,979</u>	<u>8,540</u>
Net income/(loss)	<u><u>\$ (4,029)</u></u>	<u><u>\$ (7,443)</u></u>