

Alto Lakes Golf and Country Club, Inc.

FINANCIAL STATEMENTS

March 31, 2016 and 2015

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OFFICERS AND DIRECTORS

MARCH 31, 2016

President Robert Kewley
Director Les Bailey
Director Lauren Zelt
Director Toni Pope
Director Jim Arnold
Director Ralph Rush
Director Patricia Martin
Director JB Fraley
Director David Winans

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Alto Lakes Golf and Country Club, Inc. (the Club), which comprise the balance sheets as of March 31, 2016 and 2015, and the related statements of income and changes in 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.

Auditors' 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 audits 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 auditors' 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 Club'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 Club'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 the Club as of March 31, 2016 and 2015, and the results of its activity and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of income and expenses on pages 13-21 are presented for purposes of additional analysis and are 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 audit 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.

June 14, 2016


Pulakos CPAs, PC

Alto Lakes Golf and Country Club, Inc.

BALANCE SHEETS

March 31, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets		
Cash and cash equivalents	\$ 2,646,373	\$ 2,223,624
Accounts receivable, net	4,199,059	4,025,752
Inventory	103,824	77,803
Prepaid expenses and other assets	302	30,868
Total current assets	6,949,558	6,358,047
Land, buildings and equipment, net	8,557,648	8,386,994
Other assets		
Water rights	361,093	361,093
Liquor license	70,409	70,409
Other intangible assets, net	26,480	30,368
Total other assets	457,982	461,870
Total assets	\$ 15,965,188	\$ 15,206,911
<u>Liabilities and Members' Equity</u>		
Current liabilities		
Current portion of capital lease obligation	\$ -	\$ 56,866
Accounts payable	121,356	113,865
Accrued compensation and payroll taxes	98,581	227,890
Accrued property taxes	36,471	37,962
Other accrued expense and payables	57,868	65,181
Deferred income and assessments	3,940,268	3,782,526
Deposits	40,779	37,040
Total current liabilities	4,295,323	4,321,330
Non-current portion of capital lease obligations	-	135,942
Members' equity	11,669,865	10,749,639
Total liabilities and members' equity	\$ 15,965,188	\$ 15,206,911

Alto Lakes Golf and Country Club, Inc.

STATEMENTS OF INCOME AND CHANGES IN MEMBERS' EQUITY

Years Ended March 31, 2016 and 2015

	2016	2015
Revenues		
Regular dues	\$ 3,038,605	\$ 3,259,249
Food and beverage sales	1,833,520	1,624,230
Golf department sales	909,296	886,618
Membership transfer fees	545,750	575,505
Social dues	338,852	365,317
Other income	104,167	86,839
Cost events	-	56,997
Interest and dividend income	38,933	32,861
Plan submittal fees	1,740	8,920
Swim and tennis department fees	991	2,310
Fitness department fees	730	1,109
Gain on sale/disposition of assets	46,116	2,989
	6,858,700	# 6,902,944
Total revenues		
Operating expenses		
Food and beverage department	2,415,077	2,209,537
Grounds department	1,415,523	1,507,127
General and administrative	1,013,071	1,014,242
Golf department	601,561	660,754
Indirect department	560,520	577,546
House department	236,389	290,933
Cost events expense	-	46,373
Swim and tennis department	22,385	15,384
Interest expense	12,548	8,742
Fitness department	3,411	1,802
	6,280,485	6,332,440
Total operating expenses		
Excess of revenues over operating expenses, before depreciation and amortization	578,215	570,504
Depreciation and amortization	(883,989)	(826,575)
Excess of expenses over revenue	(305,774)	(256,071)
Members' equity, beginning of year	10,749,639	10,219,257
Membership capital assessments	1,146,000	786,453
Membership sales and upgrades	80,000	-
Members' equity, end of year	\$ 11,669,865	\$ 10,749,639

Alto Lakes Golf and Country Club, Inc.

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2016 and 2015

	2016	2015
Operating activities		
Excess of expenses over revenues	\$ (305,774)	\$ (256,071)
Adjustments to reconcile excess of expenses over revenues to net cash provided by operating activities		
Depreciation and amortization	883,989	826,575
Gain on sale/disposition of assets	(46,116)	(2,989)
Provision for bad debt	8,000	30,000
Net change in operating assets and liabilities		
Accounts receivable	(181,307)	(162,312)
Inventory	(26,021)	(10,798)
Prepaid expenses and other assets	30,566	(15,817)
Accounts payable	7,491	(1,040)
Accrued expenses and other liabilities	(134,374)	27,523
Deferred income and assessments	157,742	163,859
	394,196	598,930
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of land, buildings and equipment	(1,051,205)	(738,250)
Proceeds from sale/disposition of assets	46,566	73,572
	(1,004,639)	(664,678)
Net cash used by investing activities		
Cash flows from financing activities		
Membership sales and upgrades	80,000	-
Membership capital assessments	1,146,000	786,453
Payments of capital lease obligations	(192,808)	(54,635)
	1,033,192	731,818
Net cash provided by financing activities		
Net change in cash	422,749	666,070
Cash, beginning of year	2,223,624	1,557,554
Cash end of year	\$ 2,646,373	\$ 2,223,624
Supplemental information - cash paid for interest	\$ 13,298	\$ 8,742

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Alto Lakes Golf and Country Club, Inc. (the Club) operates two golf courses in Lincoln County, New Mexico. In addition to golf course facilities, the Club also operates restaurant facilities 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.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

Certain reclassifications were made to the 2015 financial statements to conform with the 2016 presentation.

Cash and Cash Equivalents

For financial reporting purposes, the Club considers certificates-of-deposits with a maturity of twelve months or less to be cash equivalents. Early withdrawal fees to liquidate certificates-of-deposit would be immaterial.

Accounts Receivable

Management reviews the collectability of its receivables and, if necessary, records an allowance for its estimate of uncollectible accounts. Bad debt history and current facts and circumstance are the primary bases for this estimate. Accounts past 30 days due are deemed delinquent. Late charges are assessed at 2% of outstanding balance monthly. The Club has lien capability on the property of members who have unpaid balances owed to the Club. The allowance for uncollectible accounts was \$3,462 and \$46,830 at March 31, 2016 and 2015, respectively. When an account is specifically identified as being uncollectible, it is directly written off.

Inventory

Inventory consists primarily of food and beverage and is stated at lower of cost (first-in, first-out) or market.

Sales and Use Taxes

Revenues for which sales and use taxes apply are presented net of those taxes.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Land, Buildings and Equipment

Land, buildings and equipment are reflected at cost for those items acquired after the membership assumed control of the Club from the resort developer 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 with a cost greater than \$5,000 are capitalized and depreciated over their estimated useful lives using the straight line method. Construction in progress on various projects at the end of the fiscal year is also included in these amounts. Depreciation expense was \$883,989 and \$826,575 in 2016 and 2015, respectively.

Deferred Income and Assessments

Deferred income and assessments consists primarily of membership dues and assessments that have been billed to members for the upcoming fiscal year. The Club defers amounts that are billed and recognizes the deferred income as revenue on a monthly basis when earned.

Revenue Recognition

Revenue from membership dues is recognized over the period to which the dues relate. Revenue from use of Club services is recognized as incurred.

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 1990, the Club's operations and financial records were examined by the Internal Revenue Service, and as a result, 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.

The liability method is used in accounting for income taxes, which includes the effects of temporary differences between financial and taxable amounts of assets and liabilities.

Financial Instruments

The carrying amounts of cash, receivables, payables, accrued expenses and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value of long-term debt is the carrying value based on the market rate of interest on the debt.

Subsequent Events

The Club has evaluated all events occurring subsequent to March 31, 2016 and through June 14, 2016, which is the date that the financial statements were issued, and does not believe any events occurred during this period that would require either recognition or disclosure in the accompanying financial statements.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalent balances consist of the following at March 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Certificates-of-deposits	\$ 2,496,560	\$ 2,013,371
Demand accounts	148,999	209,439
Cash on hand	<u>814</u>	<u>814</u>
	<u>\$ 2,646,373</u>	<u>\$ 2,223,624</u>

NOTE 3 – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2016</u>	<u>2015</u>
Club buildings	\$ 6,761,454	\$ 6,445,433
Paving and grounds improvements	4,541,900	4,258,328
Machinery and equipment	1,607,512	1,452,569
Furniture, fixtures and equipment	1,484,802	1,363,044
Land	927,682	947,134
Carts and pro shop fixtures and equipment	655,739	629,584
Fitness room equipment	238,292	237,517
Swim and tennis furniture and equipment	190,552	190,552
Office furniture and equipment	<u>126,067</u>	<u>82,802</u>
	16,534,000	15,606,963
Less accumulated depreciation	<u>(7,976,352)</u>	<u>(7,219,969)</u>
	<u>\$ 8,557,648</u>	<u>\$ 8,386,994</u>

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 4 – INCOME TAXES

	<u>2016</u>	<u>2015</u>
Deferred tax benefit	\$ 126,000	\$ 138,000
Valuation allowance for deferred tax asset	<u>(126,000)</u>	<u>(138,000)</u>
Net deferred tax benefit	<u>\$ -</u>	<u>\$ -</u>

Temporary differences giving rise to the deferred tax asset consists primarily of operating loss carry forwards. Deferred tax assets as of March 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Deferred tax assets	\$ 2,286,000	\$ 2,142,000
Valuation allowance	<u>(2,286,000)</u>	<u>(2,142,000)</u>
Net deferred tax assets, less valuation allowance	<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, 2016 and 2015. The net increase in the valuation allowance was \$126,000 and \$138,000 in 2016 and 2015, respectively.

The Club has available at March 31, 2016, approximately \$2,926,000 of unused New Mexico State operating loss carry forwards that may be applied against future taxable income, and that expire in years ranging from 2017 to 2021. The Club has available at March 31, 2016 approximately \$6,310,000 of unused Federal operating loss carry forwards that may be applied against future taxable income and that expire in years ranging from 2017 to 2036.

The Club has adopted accounting principles generally accepted in the United States of America, as they relate to uncertain tax positions and has evaluated its tax positions taken for all open tax years. Currently, the 2013, 2014 and 2015 tax years are open and subject to examination by the Internal Revenue Service, as well as other state tax jurisdictions. However, the Club is not currently under audit nor has the Club been contacted by any of these jurisdictions.

Based on the evaluation of the Club's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended March 31, 2016.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 5 – LEASES

Capital Lease

In 2014, the Club purchased golf course maintenance equipment under a capital lease agreement. The assets and liabilities under capital lease are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lesser of their estimated productive lives or lease term.

Under the terms of the agreements, the Club will make monthly principal and interest payments of \$5,283 for the 60-month lease period, after which the Club will have an option to purchase the equipment at a bargain price. Depreciation of assets under capital leases is included in depreciation expense in the accompanying financial statements. During 2016, the Club fully paid all capital lease obligations ahead of set maturity schedules.

Operating Leases

The Club leases copiers and a postage machine on long-term operating lease agreements expiring through 2019. Monthly payments on these leases range from \$67 to \$1,215. The Club also leases various pieces of equipment under month-to-month operating lease contracts. Future minimum lease payments due over the remaining terms of long-term leases are:

Years ending March 31:

2017	\$	4,449
2018		804
2019		603

Total lease expense was \$22,381 and \$30,797 in 2016 and 2015, respectively.

Outlaw Golf Course Lease

In March 2010, the membership approved a lease to own agreement for the Club to acquire the Outlaw Golf Course. In May 2010, the Board of Directors approved the lease document and it was signed by officers of the Club. The terms of the lease are an annual lease rate of \$1 per year and to operate and maintain the Outlaw course during the lease period.

The lease contained a provision that upon the sale of the real estate development to another developer, title to the golf course would pass to the Club. In July 2011, the real estate development was sold and the Club received title to the Outlaw Golf Course.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 and 2015

NOTE 6 – COMMITMENTS AND CONTINGENCIES

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.

Concentration of Credit Risk

The Club management actively diversifies risk relating to cash balances among multiple financial institutions. Due to operational demands, the Club maintains cash balances in financial institutions that at times, exceed federally insured limits.

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 401(k) salary deferral plan. The Club matches 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, 2016 and 2015, the Club incurred costs to fund the plan of \$6,515 and \$7,714, respectively.

SUPPLEMENTAL SCHEDULES

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GOLF DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2016 and 2015

	Alto Division		Outlaw Division	
	2016	2015	2016	2015
Income				
Green fees	\$ 187,328	\$ 180,111	\$ 200,262	\$ 200,635
Cart rental	178,595	169,226	140,158	144,105
Private cart fees	95,980	85,317	56,556	56,556
Private cart repair fees	50,417	50,668	-	-
Total income	512,320	485,322	396,976	401,296
Expenses				
Wages and benefits	316,080	350,215	202,145	215,158
Private cart repairs	40,099	48,644	-	-
Driving range	6,539	7,106	4,076	4,380
Outside services	6,073	6,000	1,500	1,500
Supplies	5,223	9,473	3,586	4,931
Equipment repairs	2,149	2,804	2,923	751
Printing	1,935	1,381	830	922
Utilities and telephone	1,737	960	720	700
Travel	1,701	1,882	-	-
Dues and subscriptions	1,317	1,818	748	371
Laundry	1,093	1,014	1,087	744
Total expenses	383,946	431,297	217,615	229,457
Net income	\$ 128,374	\$ 54,025	\$ 179,361	\$ 171,839

See Independent Auditors' Report.

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF FOOD AND BEVERAGE DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2016 and 2015

	Alto		Outlaw	
	2016	2015	2016	2015
Income				
Food sales	\$ 1,111,947	\$ 995,929	\$ 113,385	\$ 106,461
Cost of food sales	596,340	517,795	47,458	41,313
Gross profit on food sales	515,607	478,134	65,927	65,148
Beverage sales	447,972	368,791	43,032	40,599
Cost of beverage sales	162,102	148,058	14,750	8,965
Gross profit on beverage sales	285,870	220,733	28,282	31,634
Unused food minimum	117,184	112,450	-	-
Total income	918,661	811,317	94,209	96,782
Expenses				
Wages and benefits	1,202,345	1,124,195	164,157	156,929
Supplies	79,386	66,495	11,763	11,426
Laundry	68,598	72,966	5,860	4,992
Miscellaneous	39,345	34,495	1,361	1,785
Uniforms	14,953	5,710	306	402
Equipment rental and repair	3,176	9,838	1,100	-
Printing	2,077	1,590	-	2,583
Total expenses	1,409,880	1,315,289	184,547	178,117
Net loss	\$ (491,219)	\$ (503,972)	\$ (90,338)	\$ (81,335)

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GROUNDS DEPARTMENT EXPENSES

Years Ended March 31, 2016 and 2015

	Alto		Outlaw	
	2016	2015	2016	2015
Wages and benefits	\$ 401,208	\$ 415,445	\$ 343,078	\$ 296,496
Irrigation water	349,601	452,516	-	11,490
Equipment repairs	33,158	21,507	24,611	19,395
Fertilizer and chemicals	32,716	34,864	41,604	33,385
Special projects	20,116	21,576	32,973	14,188
Outside services	17,609	15,672	3,188	12,991
Miscellaneous	17,156	13,826	6,689	7,767
Equipment fuel	15,873	20,572	16,059	18,882
Forest thinning	14,750	39,554	3,246	22,234
Supplies	8,433	5,936	13,918	5,302
Building and grounds maintenance	7,154	4,550	5,687	4,312
Utilities	1,726	2,999	396	383
Dues and subscriptions	1,183	1,180	358	350
Equipment rental	976	2,267	2,057	7,488
Total expenses	\$ 921,659	\$ 1,052,464	\$ 493,864	\$ 454,663

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

Years Ended March 31, 2016 and 2015

	Alto		Outlaw	
	2016	2015	2016	2015
Wages and benefits	\$ 525,214	\$ 562,309	\$ -	\$ -
Outside services	203,802	63,530	-	-
Member services	103,689	110,400	-	-
Legal and professional	47,858	94,309	4,800	4,800
Miscellaneous	30,845	35,985	-	-
Utilities and telephone	27,991	23,868	1,708	1,705
Equipment rental	23,523	32,712	-	-
Postage	9,514	13,313	-	-
Office supplies	8,658	8,646	-	-
Bad debt expense	8,000	30,000	-	-
Supplies	7,718	6,008	-	-
Printing	6,245	4,072	-	-
Credit card fees	3,506	22,585	-	-
	<u>\$ 1,006,563</u>	<u>\$ 1,007,737</u>	<u>\$ 6,508</u>	<u>\$ 6,505</u>
Total expenses	<u>\$ 1,006,563</u>	<u>\$ 1,007,737</u>	<u>\$ 6,508</u>	<u>\$ 6,505</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF HOUSE DEPARTMENT EXPENSES

Years Ended March 31, 2016 and 2015

	Alto		Outlaw	
	2016	2015	2016	2015
Wages and benefits	\$ 136,362	\$ 131,938	\$ 25,465	\$ 23,545
Building and grounds maintenance	26,088	59,166	4,043	16,027
Supplies	24,238	24,941	2,507	6,740
Outside services	7,834	11,083	1,716	-
House decorations	4,383	3,283	-	-
Miscellaneous	2,382	1,443	313	220
Equipment repairs	438	12,160	620	387
	\$ 201,725	\$ 244,014	\$ 34,664	\$ 46,919
Total expenses	\$ 201,725	\$ 244,014	\$ 34,664	\$ 46,919

See Independent Auditors' Report.

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF FITNESS DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Income		
Fitness fees	<u>\$ 730</u>	<u>\$ 1,109</u>
Total income	730	1,109
Expenses		
Equipment repairs	1,831	559
Supplies	<u>1,580</u>	<u>1,243</u>
Total expenses	<u>3,411</u>	<u>1,802</u>
Net loss	<u>\$ (2,681)</u>	<u>\$ (693)</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF SWIM AND TENNIS DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Income		
Swim and tennis fees	\$ 991	\$ 2,310
Total income	991	2,310
Expenses		
Wages and benefits	10,214	10,871
Equipment repairs	3,444	512
Chemicals	2,767	882
Supplies	2,574	2,324
Building and grounds maintenance	2,259	645
Outside services	977	-
Taxes	150	150
Total expenses	<u>22,385</u>	<u>15,384</u>
Net loss	<u>\$ (21,394)</u>	<u>\$ (13,074)</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF COST EVENTS INCOME AND EXPENSES

Years Ended March 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Income		
Food sales	\$ -	\$ 32,040
Beverage sales	-	17,242
Non-inventory sale items	-	7,715
	<u>-</u>	<u>56,997</u>
Total income	-	56,997
Expenses		
Cost events expense	-	46,373
	<u>-</u>	<u>46,373</u>
Total expenses	-	46,373
Net income	<u>\$ -</u>	<u>\$ 10,624</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF INDIRECT DEPARTMENT EXPENSES

Years Ended March 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Utilities - electricity	\$ 228,817	\$ 227,491
Property taxes	105,923	105,922
Utilities - water and sanitation	104,109	97,248
General insurance	81,150	101,044
Utilities - gas	29,899	34,649
Utilities - cable	6,959	7,484
Security	<u>3,663</u>	<u>3,708</u>
Total expenses	<u>\$ 560,520</u>	<u>\$ 577,546</u>