

ALTO LAKES GOLF AND COUNTRY CLUB, INC.

FINANCIAL STATEMENTS

MARCH 31, 2008 AND 2007

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ALTO LAKES GOLF AND COUNTRY CLUB, INC.
OFFICERS AND DIRECTORS
March 31, 2008

PRESIDENT Joe Watson
VICE-PRESIDENT J B Fraley
TREASURER Bob Allen
SECRETARY Kathy Clark
DIRECTOR Mike DiSanto
DIRECTOR Jack Kastman
DIRECTOR Denton DeWitt
DIRECTOR Jerry Ballard
DIRECTOR Melanye Wilkinson

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, 2008 and 2007 and the related statements of activity and changes in members' equity and cash flow for the years then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Alto Lakes Water Corporation was 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, 2008 and 2007, and the results of its activity and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 13 to 18 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 28, 2008



CPA

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
BALANCE SHEETS
March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,590,332	\$ 2,272,769	
Cash restricted for capital expenditures	1790332 200,000	202,160	2474929
Accounts receivable	3,072,292	2,302,053	
Less: Allowance for doubtful accounts	(34,124)	(34,124)	
Merchandise inventory	56,971	66,452	
Prepaid expense	22,238	13,847	
Due from sale of Alto Lakes Water Corporation	882,545	-	
Other receivables	550	100	
TOTAL CURRENT ASSETS	<u>5,790,804</u>	<u>4,823,257</u>	
LAND, BUILDINGS AND EQUIPMENT	10,886,729	10,630,286	
Less: Accumulated depreciation	(3,833,375)	(3,675,650)	
TOTAL LAND, BUILDINGS AND EQUIPMENT	<u>7,053,354</u>	<u>6,954,636</u>	
OTHER ASSETS			
Alto Lakes Water Corporation stock	-	769,168	
Mortgage receivable	-	2,000	
Deferred expense	-	9,033	
Water rights	361,093	361,093	
Liquor license	70,409	70,409	
Other intangible assets	50,193	50,193	
Less: Accumulated amortization	(13,958)	(10,464)	
TOTAL OTHER ASSETS	<u>467,737</u>	<u>1,251,432</u>	
TOTAL ASSETS	<u>\$ 13,311,895</u>	<u>\$ 13,029,325</u>	
LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Current portion of long-term debt (below)	\$ 156,921	\$ 201,459	
Accounts payable	141,718	138,550	
Accrued interest expense	3,953	5,123	
Deferred service charges payable	9,597	96,123	
Deferred gross receipts tax	117,756	113,853	
Other accrued expense and payables	27,029	34,216	
Accrued compensation	174,861	104,612	
Accrued payroll taxes	33,071	27,128	
Accrued property taxes	19,008	28,518	
Deposits	9,045	8,490	
TOTAL CURRENT LIABILITIES	<u>692,959</u>	<u>758,072</u>	
LONG-TERM DEBT			
Notes payable	1,738,497	1,908,873	
Less: Current portion (above)	(151,919)	(172,460)	
Capital lease payables	5,002	34,001	
Less: Current portion (above)	(5,002)	(28,999)	
TOTAL LONG-TERM DEBT	<u>1,586,578</u>	<u>1,741,415</u>	
DEFERRED INCOME AND ASSESSMENTS	2,686,709	2,596,256	
MEMBERS' EQUITY	8,345,649	7,933,582	
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 13,311,895</u>	<u>\$ 13,029,325</u>	

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF ACTIVITY AND CHANGES IN MEMBERS' EQUITY
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
REVENUE		
Social dues	\$ 1,277,048	\$ 1,127,100
Regular dues	846,669	821,682
Golf department	546,838	492,820
Food and beverage department	1,340,803	1,300,556
Swim and tennis department	1,116	1,235
Fitness department	6,702	484
Membership transfer fees	501,000	535,000
Plan submittal fees	7,340	10,215
Lot sales (net)	13,756	68,682
Gain (loss) on sale/disposition of assets	(11,280)	18,086
Interest and dividend income	133,392	85,260
Other income	93,767	90,261
	<u>4,757,151</u>	<u>4,551,381</u>
OPERATING EXPENSE		
Golf department	1,245,189	1,087,814
Food and beverage department	1,998,907	1,588,339
Swim and tennis department	31,333	28,636
General and administrative expenses	846,862	906,034
House department expense	391,509	338,572
Fitness department expense	3,718	4,086
Interest expense	123,347	139,392
	<u>4,640,865</u>	<u>4,092,873</u>
EXCESS OF REVENUE OVER OPERATING EXPENSE	<u>116,286</u>	<u>458,508</u>
OTHER ITEMS		
Gain on sale of Alto Lakes Water Corporation	49,428	-
Income tax expense	-	1,695
Depreciation and amortization expense	(513,180)	(496,366)
	<u>(463,752)</u>	<u>(494,671)</u>
EXCESS OF EXPENSES OVER REVENUE	(347,466)	(36,163)
MEMBERS' EQUITY, BEGINNING OF YEAR	7,933,582	7,326,036
MEMBERSHIP ASSESSMENTS	478,112	465,920
MEMBERSHIP SALES AND UPGRADES	<u>281,421</u>	<u>177,789</u>
MEMBERS' EQUITY, END OF YEAR	<u>\$ 8,345,649</u>	<u>\$ 7,933,582</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
STATEMENTS OF CASH FLOW
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	\$ (347,466)	\$ (36,163)
Noncash items included above:		
Depreciation	513,180	496,366
(Gain) loss on sale of assets	(51,904)	(86,768)
(Increase) decrease in:		
Accounts receivable (net)	(770,239)	574,132
Merchandise inventory	9,481	(5,425)
Prepaid expense	(8,391)	8,926
Other receivables	(882,995)	350
Increase (decrease) in:		
Accounts payable	3,168	8,988
Accrued expenses and deferred charges	(24,298)	(158,472)
Deposits	555	(13,635)
Deferred dues	90,453	190,274
	<u>(1,468,456)</u>	<u>978,573</u>
NET CASH USED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of land, buildings and equipment	(693,813)	(539,886)
Deferred expense	(3,356)	(9,033)
Other intangibles	-	(4,439)
Sale of assets	918,870	133,039
Notes receivable	2,000	5,373
	<u>223,701</u>	<u>(414,946)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Membership sales and upgrades	281,421	177,789
Membership assessments	478,112	465,920
Debt proceeds	-	1,952,372
Long-term debt reduction	(199,375)	(2,109,016)
	<u>560,158</u>	<u>487,065</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	(684,597)	1,050,692
CASH, BEGINNING OF YEAR	<u>2,474,929</u>	<u>1,424,237</u>
CASH, END OF YEAR	<u>\$ 1,790,332</u>	<u>\$ 2,474,929</u>
SUPPLEMENTAL DISCLOSURES		
Interest expense	<u>\$ 123,347</u>	<u>\$ 139,392</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended March 31, 2008 and 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Basis of Accounting

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

Land, Buildings and Equipment

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

Income Taxes

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

As of March 31, 2008 and 2007, the Club has losses of \$3,028,380 and \$2,822,733 available as an offset to future member and non-member taxable income, respectively. Such losses begin to expire in the year 2012 if not used. These loss carryovers equate to a combined estimated deferred tax asset of \$599,619, which is not reflected on the balance sheet due to the fact that this tax asset is not expected to be realized.

Revenue Recognition

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

Cash and Cash Equivalents

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

Inventory

Merchandise inventory is reflected at last cost.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED
Years Ended March 31, 2008 and 2007

Use of Estimates

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

NOTE B – CASH AND CERTIFICATES OF DEPOSIT

Cash consist of the following:

	<u>2008</u>	<u>2007</u>
Demand Accounts:		
Compass Bank	\$ 183,001	\$ 11,378
Compass Bank	9,425	795,399
Compass Bank	280,780	-0-
Certificates of deposit:		
State National Bank	-0-	414,248
City Bank NM	1,316,826	1,253,084
Cash on hand	300	820
	<u>\$ 1,790,332</u>	<u>\$ 2,474,929</u>
Reflected in the financial statements as follows:		
Cash and cash equivalents	\$1,590,332	\$2,272,769
Cash restricted for capital expenditures	200,000	202,160

NOTE C - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Land	\$ 887,302	\$ 942,588
Paving and grounds improvements	2,016,754	1,984,463
Club buildings	6,022,545	5,518,363
Furniture, fixtures and equipment	762,000	716,023
Carts and pro shop fixtures and equipment	285,384	273,957
Machinery and equipment	580,736	788,805
Office furniture and equipment	153,097	239,163
Fitness room equipment	46,151	44,480
Swim and tennis furniture and equipment	132,760	122,444
	<u>10,886,729</u>	<u>10,630,286</u>
Less accumulated depreciation	<u>(3,833,375)</u>	<u>(3,675,650)</u>
	<u>\$ 7,053,354</u>	<u>\$6,954,636</u>

NOTE D - LONG-TERM DEBT – NOTES PAYABLE

	<u>2008</u>	<u>2007</u>
Long-term notes payable consist of the following:		
Note payable to Jackie Spencer Morgan, 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. .	\$ -0-	\$ 29,979

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS—Continued
Years Ended March 31, 2008 and 2007

NOTE D – LONG-TERM DEBT – NOTES PAYABLE (Continued)

	<u>2008</u>	<u>2007</u>
Note payable to Jackie Spencer Morgan, 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 . . .	\$ -0-	\$ 3,000
Note payable to City Bank New Mexico, payable \$21,669 per month, including interest of 6.65%, maturity date is February 18, 2017, secured by a mortgage on Club real estate and personal property . . .	<u>1,738,497</u>	<u>1,875,894</u>
	1,738,497	1,908,873
Less amount due within one year	<u>(151,919)</u>	<u>(172,460)</u>
	<u>\$1,586,578</u>	<u>\$ 1,736,413</u>

Maturities of long-term notes payable are as follows:

Year Ended	<u>Amount</u>
<u>March 31</u>	
2009	\$ 151,919
2010	161,385
2011	171,357
2012	181,945
2013	193,188
Thereafter	<u>878,703</u>
	<u>\$ 1,738,497</u>

NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS

Trade accounts receivable are recorded net of an allowance for expected losses. The allowance for doubtful accounts was not changed from the prior year balance of \$34,124.

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. On March 31, 2008, the Club sold the Utility to the Alto Lakes Water and Sanitation District.

The Club was 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, 2008 and 2007 were \$338,470 and \$358,210, respectively. The Club owed the water company \$28,324 at March 31, 2008 and \$23,034 at March 31, 2007 for utility services.

The water company leased from the Club, 112 acre feet of water rights for an annual lease amount of \$1.00. These water rights have now been leased to the Water District for an initial ten year term, with options to renew for additional 10 year terms, three times, for an annual rental amount of \$1.00.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
Years Ended March 31, 2008 and 2007

NOTE G - CONSOLIDATION

As discussed in the auditors' report, generally accepted accounting principles require that a wholly owned subsidiary (see Note F) be reported with the parent as a consolidated unit. The stock in Alto Lakes Water Corporation was sold on March 31, 2008, therefore consolidated financial information is not provided for the current year. A summary of the consolidated balances at March 31, 2007 are as follows:

	<u>2007</u>
Assets	\$15,844,703
Liabilities	6,762,692
Equity	9,082,014
Net revenue	5,257,784
Expense	5,186,741
Net income (loss)	71,043

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 various commercial carriers to minimize any potential loss. The insurance premiums are based on revenues and payroll expenditures, and are not directly related to claims filed.

NOTE I - CONCENTRATIONS OF CREDIT RISK

During the years ended March 31, 2008 and 2007, the Club's bank accounts exceeded FDIC insured amounts by varying amounts at two local banks. At March 31, 2008 and 2007, the amounts in excess of FDIC insured amounts were \$1,387,739 and \$1,603,542, respectively. However, of the \$1,387,739 excess at March 31, 2008, excess deposits at City Bank totaling \$1,217,077 were covered by an excess deposit insurance bond in the amount of \$1,250,000.

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 years ended March 31, 2008 and 2007, the Club funded this plan with \$35,970 and \$34,350, respectively, which was allocated among the 27 employees in 2008 and 23 employees in 2007, who were eligible to participate.

NOTE K – CAPITAL LEASES

During the year ended March 31, 2005, the Club acquired golf course equipment, costing \$109,988, by negotiating a capital lease. Assets acquired under this lease are included in the equipment asset amounts and are depreciated accordingly.

Future minimum capital lease payments, including imputed interest of \$37, are as follows:

Year ending March 31, 2009	\$ 5,039
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ALTO LAKES GOLF AND COUNTRY CLUB, INC.
NOTES TO FINANCIAL STATEMENTS – Continued
Years Ended March 31, 2008 and 2007

NOTE L – OPERATING LEASES

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

Years ending March 31,	2009	\$ 45,795
	2010	32,780
	2011	22,700
	2012	22,700
	2013	<u>1,892</u>
Total minimum payments		<u>\$125,867</u>

Equipment rental expense for the years ended March 31, 2008 and 2007 were \$38,648 and \$26,787 respectively.

SUPPLEMENTARY INFORMATION

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GOLF DEPARTMENT INCOME
Years Ended March 31, 2008 and 2007

	2008	2007
INCOME		
Green fees	\$ 223,734	\$ 205,792
Cart rental	188,427	161,571
Private cart fees	110,840	107,731
Private cart repair fees	20,837	14,651
Pro shop lease	3,000	3,000
Other	-	75
TOTAL INCOME	546,838	492,820
EXPENSES - GOLF		
Labor	259,083	226,302
Employee group insurance	14,617	18,332
Employee meals	7,817	7,269
Payroll taxes	22,698	20,185
Education and training	2,018	-
Retirement account funding	708	683
Driving range	5,466	4,810
Dues and subscriptions	1,021	1,022
Equipment repairs	2,168	7,270
Private cart repairs	24,382	11,167
Laundry	190	-
Printing	3,253	1,062
Services purchased	6,079	-
Supplies	14,764	15,564
Travel	2,149	1,825
Miscellaneous	-	122
TOTAL EXPENSES - GOLF	366,413	315,613
EXPENSES - GROUNDS		
Labor	289,578	241,768
Employee group insurance	21,223	23,874
Employee meals	3,200	2,757
Payroll taxes	24,967	20,669
Education and training	855	935
Retirement account funding	1,219	899
Building and grounds maintenance	12,960	13,442
Dues and subscriptions	835	725
Equipment fuel	19,859	13,899
Equipment repairs	31,161	23,340
Fertilizer and chemicals	35,426	36,664
Irrigation water	350,155	317,957
Laundry	1,578	2,037
Services purchased	18,842	7,696
Supplies	6,325	5,786
Other tax and license	172	173
Travel	2,525	1,323
Utilities	43,272	45,192
Telephone	1,074	627
Special projects	13,550	12,438
TOTAL EXPENSES - GROUNDS	878,776	772,201
NET LOSS	\$ (698,351)	\$ (594,994)

See accompanying notes and accountants' report.

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF FOOD AND BEVERAGE DEPARTMENT INCOME
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
INCOME		
Food sales	\$ 961,563	\$ 959,330
Cost of food sales	<u>433,029</u>	<u>411,229</u>
GROSS PROFIT ON FOOD SALES	<u>528,534</u>	<u>548,101</u>
Beverage sales	255,558	218,136
Cost of beverage sales	<u>141,172</u>	<u>111,500</u>
GROSS PROFIT ON BEVERAGE SALES	<u>114,386</u>	<u>106,636</u>
Unused food minimum	<u>123,682</u>	<u>123,090</u>
TOTAL INCOME	<u>766,602</u>	<u>777,827</u>
EXPENSES		
Labor	1,016,252	732,414
Employee group insurance	36,379	27,225
Employee meals	25,388	24,335
Taxes - payroll	118,048	100,720
Education and training	437	433
Retirement account funding	2,529	2,872
Dues and subscriptions	900	275
Equipment rental	1,757	1,866
Repairs	12,205	8,948
Laundry	73,780	56,711
Member relations	48,722	38,903
Printing	117	660
Services purchased	2,534	844
Supplies	68,716	56,280
Licenses	1,800	2,005
Telephone	1,141	551
Travel	857	630
Uniforms	11,298	9,938
Miscellaneous	<u>1,846</u>	<u>-</u>
TOTAL EXPENSES	<u>1,424,706</u>	<u>1,065,610</u>
NET LOSS	<u>\$ (658,104)</u>	<u>\$ (287,783)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF SWIM AND TENNIS DEPARTMENT INCOME
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
INCOME		
Swim fees	\$ 986	\$ 1,070
Tennis fees	<u>130</u>	<u>165</u>
TOTAL INCOME	<u>1,116</u>	<u>1,235</u>
 EXPENSES		
Labor	13,468	9,758
Payroll taxes	1,311	976
Education and training	300	-
Building and grounds maintenance	800	105
Equipment repairs	-	1,368
Chemicals	1,898	2,126
Services purchased	3,703	2,512
Supplies	1,261	1,506
Utilities	<u>8,592</u>	<u>10,285</u>
TOTAL EXPENSES	<u>31,333</u>	<u>28,636</u>
 NET LOSS	<u>\$ (30,217)</u>	<u>\$ (27,401)</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Labor	\$ 306,777	\$ 379,981
Employee group insurance	39,703	26,366
Employee meals	5,016	4,996
Payroll taxes	26,073	18,717
Education and training	-	150
Retirement account funding	31,515	29,896
Annual meeting	40,374	32,819
Credit card fees	80,930	56,945
Donations	3,337	2,956
Dues and subscriptions	5,021	3,811
Equipment rental	36,891	24,804
Equipment repairs	12,313	14,619
General insurance	64,188	87,689
Legal and professional	22,219	13,847
Long range planning	659	34,099
Office supplies	15,283	10,630
Postage	27,919	19,049
Member services	39,096	29,517
Printing	2,927	1,653
Water company sale expense	17,929	22,254
Services purchased	13,085	15,577
Supplies	5,540	5,525
Other taxes	565	360
Property taxes	28,894	38,343
Telephone	15,388	13,342
Miscellaneous	4,230	17,524
Travel	990	565
	<u> </u>	<u> </u>
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 846,862</u>	<u>\$ 906,034</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF HOUSE DEPARTMENT EXPENSES
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Labor	\$ 72,686	\$ 48,463
Employee group insurance	2,661	-
Payroll taxes	3,816	2,122
Cleaning contract	58,145	54,734
Education and training	105	-
Building and grounds maintenance	28,601	50,072
House decorations	19,590	11,360
Entertainment	17,028	8,573
Equipment repairs	8,030	8,703
Security	2,610	147
Services purchased	7,127	6,236
Supplies	19,976	15,569
Other taxes	-	98
Utilities	150,558	125,995
Miscellaneous	<u>576</u>	<u>6,500</u>
TOTAL HOUSE DEPARTMENT EXPENSES	<u>\$ 391,509</u>	<u>\$ 338,572</u>

ALTO LAKES GOLF AND COUNTRY CLUB, INC.
SCHEDULE OF FITNESS DEPARTMENT EXPENSES
Years Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
INCOME		
Fitness Fees	\$ 6,702	\$ 484
 TOTAL INCOME	 <u>6,702</u>	 <u>484</u>
 EXPENSES		
Labor	-	600
Equipment repairs	2,353	1,807
Services purchase	280	580
Supplies	<u>1,085</u>	<u>1,099</u>
 TOTAL FITNESS DEPARTMENT EXPENSES	 <u>3,718</u>	 <u>4,086</u>
 NET LOSS	 <u>\$ 2,984</u>	 <u>\$ (3,602)</u>