

Alto Lakes Golf and Country Club, Inc.

FINANCIAL STATEMENTS

March 31, 2015 and 2014

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OFFICERS AND DIRECTORS

MARCH 31, 2015

President Terry Shaffer
Vice-President Gary Jeffreys
Treasurer Lauren Zelt
Secretary Ron Duncan
Director Jim Arnold
Director Ralph Rush
Director Patricia Martin
Director JB Fraley
Director Robert Kewley

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, 2015 and 2014, 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, 2015 and 2014, 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 13-20 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 9, 2015


Pulakos CPAs, PC

Alto Lakes Golf and Country Club, Inc.

BALANCE SHEETS

March 31, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets		
Cash and cash equivalents	\$ 2,223,624	\$ 1,557,554
Accounts receivable, net	4,025,752	3,893,440
Inventory	77,803	67,005
Prepaid expenses and other assets	30,868	15,051
Total current assets	6,358,047	5,533,050
Land, buildings and equipment, net	8,386,994	8,542,014
Other assets		
Water rights	361,093	361,093
Liquor license	70,409	70,409
Other intangible assets, net	30,368	34,256
Total other assets	461,870	465,758
Total assets	\$ 15,206,911	\$ 14,540,822
<u>Liabilities and Members' Equity</u>		
Current liabilities		
Current portion of capital lease obligation	\$ 56,866	\$ 54,694
Accounts payable	113,865	114,905
Accrued compensation and payroll taxes	227,890	210,697
Accrued property taxes	37,962	37,476
Other accrued expense and payables	65,181	65,709
Deferred income and assessments	3,782,526	3,618,667
Deposits	37,040	26,668
Total current liabilities	4,321,330	4,128,816
Non-current portion of capital lease obligations	135,942	192,749
Members' equity	10,749,639	10,219,257
Total liabilities and members' equity	\$ 15,206,911	\$ 14,540,822

Alto Lakes Golf and Country Club, Inc.

STATEMENTS OF INCOME AND CHANGES IN MEMBERS' EQUITY

Years Ended March 31, 2015 and 2014

	2015	2014
Revenues		
Regular dues	\$ 3,259,249	\$ 3,104,632
Food and beverage sales	1,624,230	1,652,354
Golf department sales	886,618	841,411
Membership transfer fees	575,505	487,999
Social dues	365,317	360,213
Other income	86,839	121,915
Cost events	56,997	44,451
Interest and dividend income	32,861	31,894
Plan submittal fees	8,920	2,213
Swim and tennis department fees	2,310	1,378
Fitness department fees	1,109	1,250
Gain (loss) on sale/disposition of assets	2,989	(37,614)
Total revenues	6,902,944	6,612,096
Operating expenses		
Food and beverage department	2,209,537	2,260,349
Grounds department	1,675,365	1,796,696
General and administrative	1,228,692	1,150,640
Golf department	660,754	689,058
House department	479,610	386,074
Cost events expense	46,373	45,381
Swim and tennis department	21,565	25,032
Interest expense	8,742	13,477
Fitness department	1,802	2,377
Total operating expenses	6,332,440	6,369,084
Excess of revenues over operating expenses, before depreciation and amortization	570,504	243,012
Depreciation and amortization	(826,575)	(702,958)
Excess of expenses over revenue	(256,071)	(459,946)
Members' equity, beginning of year	10,219,257	9,879,516
Membership capital assessments	786,453	729,687
Membership sales and upgrades	-	70,000
Members' equity, end of year	\$ 10,749,639	\$ 10,219,257

Alto Lakes Golf and Country Club, Inc.

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2015 and 2014

	2015	2014
Operating activities		
Excess of expenses over revenues	\$ (256,071)	\$ (459,946)
Adjustments to reconcile excess of expenses over revenues to net cash provided by operating activities		
Depreciation	826,575	702,958
(Gain) loss on sale/disposition of assets	(2,989)	37,614
Net change in operating assets and liabilities		
Accounts receivable	(132,312)	(100,561)
Inventory	(10,798)	11,104
Prepaid expenses and other assets	(15,817)	(12,939)
Accounts payable	(1,040)	70,896
Accrued expenses and other liabilities	27,523	86,969
Deferred income and assessments	163,859	165,481
	598,930	501,576
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of land, buildings and equipment	(738,250)	(911,892)
Proceeds from sale/disposition of assets	73,572	38,553
	(664,678)	(873,339)
Net cash used by investing activities		
Cash flows from financing activities		
Membership sales and upgrades	-	70,000
Membership capital assessments	786,453	729,687
Payments of capital lease obligations	(54,635)	(40,580)
Net repayments on line-of-credit	-	(122,236)
Payments on long-term debt	-	(291,092)
	731,818	345,779
Net cash provided by financing activities		
Net change in cash	666,070	(25,984)
Cash, beginning of year	1,557,554	1,583,538
Cash end of year	\$ 2,223,624	\$ 1,557,554
Supplemental information:		
Equipment acquired by capital lease	\$ -	\$ 288,023
Cash paid for interest	\$ 8,742	\$ 20,249

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

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 2014 financial statements to conform with the 2015 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 \$46,830 and \$29,929 at March 31, 2015 and 2014, 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.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

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 \$826,575 and \$702,958 in 2015 and 2014, 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, 2015 and through June 9, 2015, 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, 2015 and 2014

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalent balances consist of the following at March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Certificates-of-deposits	\$ 2,013,371	\$ 1,256,071
Demand accounts	209,439	300,659
Cash on hand	<u>814</u>	<u>814</u>
	<u>\$ 2,223,624</u>	<u>\$ 1,557,544</u>

NOTE 3 – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Club buildings	\$ 6,445,433	\$ 6,440,119
Paving and grounds improvements	4,258,328	4,163,754
Machinery and equipment	1,452,569	1,319,582
Furniture, fixtures and equipment	1,363,044	1,073,894
Land	947,134	947,134
Lots	-	69,836
Carts and pro shop fixtures and equipment	629,584	585,695
Fitness room equipment	237,517	68,568
Swim and tennis furniture and equipment	190,552	187,912
Office furniture and equipment	<u>82,802</u>	<u>82,802</u>
	15,606,963	14,939,296
Less accumulated depreciation	<u>(7,219,969)</u>	<u>(6,397,282)</u>
	<u>\$ 8,386,994</u>	<u>\$ 8,542,014</u>

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 4 – INCOME TAXES

	<u>2015</u>	<u>2014</u>
Deferred tax benefit	\$ 138,000	\$ 176,000
Valuation allowance for deferred tax asset	<u>(138,000)</u>	<u>(176,000)</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, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Deferred tax assets	\$ 2,142,000	\$ 2,004,000
Valuation allowance	<u>(2,142,000)</u>	<u>(2,004,000)</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 generate such taxable income, the deferred tax asset has been fully allowed for as of March 31, 2015 and 2014. The net increase in valuation allowance was \$138,000 and \$176,000 in 2015 and 2014, respectively.

The Club has available at March 31, 2015, approximately \$2,237,000 of unused New Mexico State operating loss carry forwards that may be applied against future taxable income, and that expire in years ranging from 2016 to 2020. The Club has available at March 31, 2015 approximately \$5,906,000 of unused Federal operating loss carry forwards that may be applied against future taxable income and that expire in years ranging from 2018 to 2035.

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 2012, 2013 and 2014 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, 2015.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

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.

At March 31, 2015, future minimum lease payments under this capital lease are as follows:

2016	\$	56,866
2017		59,124
2018		61,471
2019		<u>15,347</u>
Total minimum lease payments		192,808
Less current portion		<u>56,866</u>
Long-term portion	\$	<u>135,942</u>

The cost of assets under capital lease was \$288,023 as of March 31, 2015 and 2014. Accumulated depreciation of these assets was \$54,948 and \$27,474 as of March 31, 2015 and 2014, respectively.

Operating Leases

The Club leases copiers and a postage machine on long-term operating lease agreements expiring through 2017. Monthly payments on these leases range from \$100 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:

2016	\$	15,723
2017		14,580

Total lease expense was \$30,797 and \$49,333 in 2015 and 2014, respectively.

Alto Lakes Golf and Country Club, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015 and 2014

NOTE 5 – LEASES – CONTINUED

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.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Line-of-Credit

In 2014 and prior years, the Club had a line-of-credit arrangement with a bank. The agreement matured in 2014, at which time, the Club elected not to renew the agreement. All outstanding principal and interest was paid in full in 2014. The outstanding balance on the line was zero as of March 31, 2015 and 2014, respectively.

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, 2015 and 2014, the Club incurred costs to fund the plan of \$7,714 and \$7,789, respectively.

SUPPLEMENTAL SCHEDULES

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GOLF DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2015 and 2014

	Alto Division		Outlaw Division	
	2015	2014	2015	2014
Income				
Green fees	\$ 180,111	\$ 170,842	\$ 200,635	\$ 174,472
Cart rental	169,226	167,472	144,105	141,462
Private cart fees	85,317	127,076	56,556	19,194
Private cart repair fees	50,668	40,893	-	-
Total income	485,322	506,283	401,296	335,128
Expenses				
Wages and benefits	350,215	373,251	215,158	229,762
Private cart repairs	48,644	34,823	-	-
Supplies	9,473	12,076	4,931	4,723
Driving range	7,106	6,992	4,380	4,750
Services purchased	6,000	6,900	1,500	1,500
Equipment repairs	2,804	1,953	751	1,330
Travel	1,882	2,396	-	-
Dues and subscriptions	1,818	1,282	371	-
Printing	1,381	842	922	478
Laundry	1,014	1,273	744	441
Utilities and telephone	960	1,078	700	750
Miscellaneous	-	1,385	-	1,073
Total expenses	431,297	444,251	229,457	244,807
Net income	\$ 54,025	\$ 62,032	\$ 171,839	\$ 90,321

See Independent Auditors' Report.

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF FOOD AND BEVERAGE DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2015 and 2014

	Alto		Outlaw	
	2015	2014	2015	2014
Income				
Food sales	\$ 995,929	\$ 1,027,526	\$ 106,461	\$ 90,982
Cost of food sales	517,795	594,955	41,313	35,297
Gross profit on food sales	478,134	432,571	65,148	55,685
Beverage sales	368,791	374,052	40,599	37,339
Cost of beverage sales	148,058	130,986	8,965	10,982
Gross profit on beverage sales	220,733	243,066	31,634	26,357
Unused food minimum	112,450	122,455	-	-
Total income	811,317	798,092	96,782	82,042
Expenses				
Wages and benefits	1,124,195	1,114,410	156,929	155,629
Laundry	72,966	67,967	4,992	449
Supplies	66,495	68,489	11,426	-
Miscellaneous	34,495	32,155	1,785	13,431
Equipment rental and repair	9,838	11,915	-	-
Uniforms	5,710	17,685	402	-
Printing	1,590	2,704	2,583	2,119
Telephone	-	1,176	-	-
Total expenses	1,315,289	1,316,501	178,117	171,628
Net loss	\$ (503,972)	\$ (518,409)	\$ (81,335)	\$ (89,586)

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GROUNDS DEPARTMENT EXPENSES

Years Ended March 31, 2015 and 2014

	Alto		Outlaw	
	2015	2014	2015	2014
Irrigation water	\$ 452,516	\$ 431,374	\$ 11,490	\$ 10,388
Wages and benefits	415,445	416,488	296,496	282,568
Utilities	71,378	71,248	100,242	99,432
Forest thinning	39,554	121,667	22,234	118,724
Fertilizer and chemicals	34,864	30,932	33,385	37,997
Special projects	21,576	11,016	14,188	18,096
Equipment repairs	21,507	16,329	19,395	19,623
Equipment fuel	20,572	17,586	18,882	15,603
Services purchased	15,672	9,652	12,991	3,646
Miscellaneous	13,826	9,317	7,767	9,610
Supplies	5,936	7,909	5,302	12,359
Building and grounds maintenance	4,550	5,820	4,312	7,170
Equipment rental	2,267	10,508	7,488	-
Dues and subscriptions	1,180	1,449	350	185
Total expenses	\$ 1,120,843	\$ 1,161,295	\$ 554,522	\$ 635,401

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

Years Ended March 31, 2015 and 2014

	Alto		Outlaw	
	2015	2014	2015	2014
Wages and benefits	\$ 562,309	\$ 436,641	\$ -	\$ -
Member services	110,400	110,433	-	656
Legal and professional	94,309	28,309	4,800	10,600
General insurance	85,949	96,093	15,095	20,900
Services purchased	63,530	99,649	-	3,107
Property taxes	55,143	55,035	50,779	50,779
Miscellaneous	35,985	11,480	-	-
Equipment rental	32,712	31,966	-	-
Utilities and telephone	31,352	23,551	1,705	1,405
Bad debt expense	30,000	40,770	-	-
Credit card fees	22,585	23,816	-	-
Postage	13,313	22,998	-	-
Office supplies	8,646	7,924	-	-
Supplies	6,008	7,506	-	-
Printing	4,072	49,700	-	-
Equipment repairs	-	17,322	-	-
	<u>\$ 1,156,313</u>	<u>\$ 1,063,193</u>	<u>\$ 72,379</u>	<u>\$ 87,447</u>
Total expenses	<u>\$ 1,156,313</u>	<u>\$ 1,063,193</u>	<u>\$ 72,379</u>	<u>\$ 87,447</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF HOUSE DEPARTMENT EXPENSES

Years Ended March 31, 2015 and 2014

	Alto		Outlaw	
	2015	2014	2015	2014
Utilities	\$ 169,170	\$ 167,885	\$ 23,545	\$ 15,006
Wages and benefits	131,938	116,510	15,799	-
Building and grounds maintenance	59,166	29,704	16,027	1,343
Supplies	24,941	13,365	6,740	1,748
Equipment repairs	12,160	17,212	387	1,140
Services purchased	11,083	12,641	-	-
Security	2,310	5,387	1,398	432
House decorations	3,283	3,392	-	-
Miscellaneous	1,443	240	220	69
Total expenses	\$ 415,494	\$ 366,336	\$ 64,116	\$ 19,738

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF FITNESS DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Income		
Fitness fees	\$ 1,109	\$ 1,250
Total income	1,109	1,250
Expenses		
Supplies	1,243	1,040
Equipment repairs	559	1,337
Total expenses	1,802	2,377
Net loss	<u>\$ (693)</u>	<u>\$ (1,127)</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF SWIM AND TENNIS DEPARTMENT INCOME AND EXPENSES

Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Income		
Swim and tennis fees	\$ 2,310	\$ 1,378
Total income	2,310	1,378
Expenses		
Wages and benefits	10,871	10,812
Utilities	6,181	5,489
Supplies	2,324	628
Chemicals	882	-
Building and grounds maintenance	645	7,141
Equipment repairs	512	774
Taxes	150	150
Services purchased	-	38
Total expenses	<u>21,565</u>	<u>25,032</u>
Net loss	<u>\$ (19,255)</u>	<u>\$ (23,654)</u>

Alto Lakes Golf and Country Club, Inc.

SCHEDULES OF COST EVENTS INCOME AND EXPENSES

Years Ended March 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Income		
Food sales	\$ 32,040	\$ 30,738
Beverage sales	17,242	10,463
Non-inventory sale items	<u>7,715</u>	<u>3,250</u>
Total income	56,997	44,451
Expenses		
Cost events expense	<u>46,373</u>	<u>45,381</u>
Total expenses	<u>46,373</u>	<u>45,381</u>
Net income (loss)	<u>\$ 10,624</u>	<u>\$ (930)</u>