



TRANSMITTAL LETTER

Area Member
Grand Lodge Auditing and Accounting Committee

Dear Committee Member:

In accordance with Section 13.040, Laws of the Order, we are enclosing the results of the examination of the books and records for the fiscal year ending March 31st, 2012 of lodge:

Lodge Name, Number & District: **1896**
Address, City, State, Zip: **P.O. Box 1281, Wildwood, NJ 08260**

The enclosures consist of the following:

- 1. Transmittal Letter and Page 1 through 10A of Grand Lodge Forms
- 2. Copies of all of Accountant's Financial Statements.
- 3. Copies of recommendations of Accountant.
- 4. Copy of Federal Income Tax Return(s) (Form 990/990T) and any applicable State Returns as required.

The Lodge's records are maintained utilizing the Uniform Chart of Accounts as required by Sec. 13.040: Yes No

All entities of the Lodge are included in this report: Yes No (If no, explain below.)

The report was prepared by **O'Connell & Company**, an independent accountant. The report was presented to the Lodge membership on the **14th** day of **June**, 2012.

The last date our insurance was reviewed was on the **31st** day of **March**, 2012. The review was made by the Board of Trustees of the Lodge and found to be Adequate Inadequate.

Lodge Auditing & Accounting Committee Members:

Name	Address	Phone Number
Cynthia Pashley	118 W. 22nd Ave, North Wildwood, NJ 08260	2158050552
Dottie Cataldi	245 Belmont Ave., Ambler, PA 19002	2156410517
Jim Sutliff	91 Dilworth Lane, Langhorne, PA 19047	2158918135

Exalted Ruler:

Name	Address
Joe Magilton	4302 Susquehanna Ave., Wildwood, NJ 08260

Secretary:

Name	Address
Bonnie O'Kane	50 W. Rising Sun Drive, Ocean View, NJ 08230

Send copies to the following: <input type="checkbox"/> 1. G.L. Auditing & Account Comm. Area Member <input type="checkbox"/> 2. D.D.G.E.R. <input type="checkbox"/> 3. Retain for Lodge File <input type="checkbox"/> 4. Auditing File	Fraternally, Chairman, Lodge Auditing & Accounting Committee Year Ending 2012
--	---

DO NOT SEND ANY COPY TO GRAND SECRETARY

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
COMBINED BALANCE SHEET	2
STATEMENT OF LODGE FUND REVENUE, EXPENSES	3 - 3A
STATEMENT OF CLUB FUND REVENUE, EXPENSES	4 - 4A
STATEMENT OF ALL OTHER FUNDS REVENUE, EXPENSES	5
COMBINED STATEMENT OF CASH FLOW	6
NOTES TO FINANCIAL STATEMENTS	7 - 7D
SUPPLEMENT SCHEDULES	8
SCHEDULE OF INSURANCE COVERAGE AND FIDELITY BONDS	9
ACCOUNTANT'S RECOMMENDATIONS AND SUGGESTIONS	10 - 10A

O'CONNELL & COMPANY

Certified Public Accountants

Suite 213
8101 Washington Lane
Wyncote, PA 19029

June 27, 2012

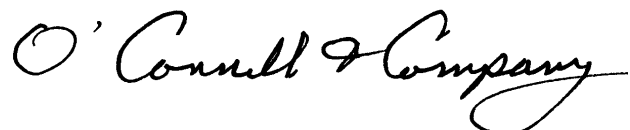
INDEPENDENT AUDITOR'S REPORT

Board of Trustees and the Audit Committee
Greater Wildwood Elks Lodge #1896
Benevolent and Protective Order of the Elks of
the United States of America
Wildwood, New Jersey 08260

We have audited the accompanying statements of financial position of Greater Wildwood Elks Lodge #1896 Benevolent and Protective Order of the Elks of the United States of America as of March 31, 2012 and 2011 and the related statements of activities, functional expenses, and cash flows for the years ended. These financial statements are the responsibility of the Elks Lodge #1896 management. 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Wildwood Elks Lodge #1896 Benevolent and Protective Order of the Elks of the United States of America as of March 31, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Certified Public Accountants

GREATER WILDWOOD ELKS, Lodge No. 1896
Combined Balance Sheet
(All Entities)

	Prior Year March 31, 2011	Current Year March 31, 2012
ASSETS:		
Current Assets:		
1. Cash on Hand & in Bank	\$616,751.00	\$421,828.00
2. Prepaid Expenses	\$16,710.00	\$21,486.00
3. Inventories	\$22,640.00	\$23,839.00
4. Investments		
5. Total Current Assets:	\$656,101.00	\$467,153.00
Fixed Assets:		
6. Buildings	\$1,018,787.00	\$1,273,069.00
7. Personal Property	\$358,033.00	\$442,604.00
8. Total	\$1,376,820.00	\$1,715,673.00
9. Less: Accumulated Depreciation	\$716,817.00	\$782,019.00
10. Net Book Value	\$660,003.00	\$933,654.00
11. Land	\$998,892.00	\$998,892.00
12. Total Fixed Assets	\$1,658,895.00	\$1,932,546.00
Other Assets:		
13. Investments - Long Term		
14. Other		
15. Total Other Assets	\$0.00	\$0.00
16. TOTAL ASSETS	\$2,314,996.00	\$2,399,699.00
LIABILITIES AND EQUITY		
Current Liabilities:		
17. Accounts Payable	\$54,164.00	\$16,635.00
18. Note Payments - Due within One Year	\$15,179.00	\$15,347.00
19. Deferred Dues & Fees	\$184,225.00	\$187,641.00
20. Other Payables	\$0.00	
21. Total Current Liabilities	\$253,568.00	\$219,623.00
Term Liabilities:		
22. Note Payments - Due After One Year	\$763,111.00	\$748,613.00
23. Other Term Liabilities		
24. Total Term Liabilities	\$763,111.00	\$748,613.00
Deferred Income:		
25. Other		
26. Total Deferred Income	\$0.00	\$0.00
Restricted Funds:		
27. Charity	\$1,000.00	
28. Other		
29. Total Restricted Funds	\$1,000.00	\$0.00
Equity		
30. From Page 8, Schedule 2	\$1,297,317.00	\$1,431,463.00
31. TOTAL LIABILITIES AND EQUITY	\$2,314,996.00	\$2,399,699.00

NOTE: The Notes to Financial Statements Are An Integral Part of This Page.

GREATER WILDWOOD ELKS, Lodge No. 1896
Statement of Lodge Fund Revenue, Expenses
and Comparison to Approved Budget

	Prior Year Ended March 31, 2011		Current Year Ended March 31, 2012	
	Actual	Actual	Budget	Over (Under)
REVENUE:				
1. Dues	\$224,112.00	\$233,893.00	\$230,000.00	\$3,893.00
2. Fees	\$34,020.00	\$30,645.00	\$41,000.00	(\$10,355.00)
3. Rent	\$2,261.00	\$195.00	\$2,000.00	(\$1,805.00)
4. Interest & Dividends	\$11,455.00	\$9,330.00	\$1,200.00	\$8,130.00
5. Contributions	\$13,660.00	\$9,274.00	\$0.00	\$9,274.00
6. Fund Raising	\$133,804.00	\$146,865.00	\$170,000.00	(\$23,135.00)
7. Other (Totals from Page 3A)	\$53,506.00	\$138,038.00	\$37,000.00	\$101,038.00
8. Total Revenue	\$472,818.00	\$568,240.00	\$481,200.00	\$87,040.00
EXPENSES: (List)				
9. Auditing & Legal	\$17,050.00	\$12,438.00	\$11,500.00	\$938.00
10. Audit	\$0.00	\$0.00	\$0.00	\$0.00
11. Bulletin	\$15.00	\$0.00	\$0.00	\$0.00
12. Convention	\$13,160.00	\$15,007.00	\$14,000.00	\$1,007.00
13. Data Processing	\$0.00	\$0.00	\$0.00	\$0.00
14. Dignitary Entertainment	\$680.00	\$206.00	\$0.00	\$206.00
15. Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00
16. Insurance/Fid. Bonds	\$18,508.00	\$19,494.00	\$20,000.00	(\$506.00)
17. Interest	\$35,090.00	\$48,069.00	\$0.00	\$48,069.00
18. Janitorial Expense	\$29,213.00	\$30,186.00	\$8,000.00	\$22,186.00
19. Supplies	\$5,603.00	\$5,414.00	\$10,000.00	(\$4,586.00)
20. Office Expense	\$26,867.00	\$24,611.00	\$17,000.00	\$7,611.00
21. Officer's Expense	\$9,564.00	\$2,379.00	\$0.00	\$2,379.00
22. Per Capita - Grand Lodge	\$47,306.00	\$50,708.00	\$44,000.00	\$6,708.00
23. Per Capita - State	\$3,379.00	\$3,622.00	\$3,200.00	\$422.00
24. Rent Expense	\$0.00	\$0.00	\$0.00	\$0.00
25. Repairs & Maintenance	\$11,900.00	\$30,442.00	\$50,000.00	(\$19,558.00)
26. Salaries & Wages	\$28,560.00	\$28,500.00	\$22,000.00	\$6,500.00
27. Taxes, Payroll	\$2,142.00	\$2,138.00	\$0.00	\$2,138.00
28. Taxes, Other	\$71,590.00	\$61,233.00	\$39,000.00	\$22,233.00
29. Telephone	\$1,980.00	\$1,294.00	\$0.00	\$1,294.00
30. Utilities	\$50,425.00	\$57,889.00	\$60,000.00	(\$2,111.00)
31. Fund Raising Expenses	\$172,696.00	\$162,233.00	\$126,000.00	\$36,233.00
32. Other (Totals from Page 3A)	\$15,842.00	\$16,845.00	\$18,000.00	(\$1,155.00)
33. Total Expenses	\$561,570.00	\$572,708.00	\$442,700.00	\$130,008.00
34. Increase/(Decrease) Before Depreciation Expense	(\$88,752.00)	(\$4,468.00)	\$38,500.00	(\$42,968.00)
35. Depreciation Expense	\$49,190.00	\$65,203.00	\$0.00	\$65,203.00
Increase/(Decrease) Equity (Page 8)	(\$137,942.00)	(\$69,671.00)	\$38,500.00	(\$108,171.00)

NOTE: The Notes to Financial Statements Are An Integral Part Of This Page.

FOR INTERNAL USE ONLY (revised 3/2011)

GREATER WILDWOOD ELKS, Lodge No. 1896
Statement of Club Fund Revenue, Expenses
and Comparison to Approved Budget

	Prior Year Ended March 31, 2011		Current Year Ended March 31, 2012	
	Actual	Actual	Budget	Over (Under)
REVENUE:				
1. Gross Profit (Page 8)	\$428,860.00	\$398,307.00	\$581,276.00	(\$182,969.00)
2. Facility Rental	\$1,560.00	\$2,010.00	\$0.00	\$2,010.00
3. Other (Totals from Page 4A)	\$16.00	\$0.00	\$0.00	\$0.00
8. Total Revenue	\$430,436.00	\$400,317.00	\$581,276.00	(\$180,959.00)
EXPENSES: (List)				
5. Advertising	\$0.00	\$0.00	\$0.00	\$0.00
6. Alarm Service	\$0.00	\$0.00	\$0.00	\$0.00
7. Accounting	\$0.00	\$0.00	\$0.00	\$0.00
8. Audit	\$0.00	\$0.00	\$0.00	\$0.00
9. Auto Expense	\$0.00	\$0.00	\$0.00	\$0.00
10. Cash Over/Short	\$0.00	\$0.00	\$0.00	\$0.00
11. Equipment Rental	\$1,413.00	\$2,453.00	\$0.00	\$2,453.00
12. Insurance	\$0.00	\$0.00	\$0.00	\$0.00
13. Janitorial Expense	\$0.00	\$0.00	\$0.00	\$0.00
14. Laundry	\$0.00	\$0.00	\$0.00	\$0.00
15. Payroll Taxes	\$0.00	\$0.00	\$0.00	\$0.00
16. Licenses	\$0.00	\$0.00	\$0.00	\$0.00
17. Repairs & Maintenance	\$1,959.00	\$2,703.00	\$0.00	\$2,703.00
18. Salaries	\$190,015.00	\$163,678.00	\$210,000.00	(\$46,322.00)
19. Supplies, Bar	\$10,720.00	\$10,234.00	\$0.00	\$10,234.00
20. Supplies, Kitchen	\$7,508.00	\$6,580.00	\$0.00	\$6,580.00
21. Telephone	\$0.00	\$0.00	\$0.00	\$0.00
22. Utilities	\$0.00	\$0.00	\$0.00	\$0.00
23. Pro-rated Overhead	\$0.00	\$0.00	\$0.00	\$0.00
24. Other (Totals from Page 4A)	\$4,108.00	\$10,852.00	\$0.00	\$10,852.00
25. Total Expenses	\$215,723.00	\$196,500.00	\$210,000.00	(\$13,500.00)
26. Increase/(Decrease) Before Depreciation Expense	\$214,713.00	\$203,817.00	\$371,276.00	(\$167,459.00)
27. Depreciation Expense	\$0.00	\$0.00	\$0.00	\$0.00
Increase/(Decrease) Equity (Page 8)	\$214,713.00	\$203,817.00	\$371,276.00	(\$167,459.00)

NOTE: The Notes to Financial Statements Are An Integral Part Of This Page.

**GREATER WILDWOOD ELKS, Lodge No. 1896
Statement of Club Fund Revenue, Expenses
and Comparison to Approved Budget**

	Prior Year Ended	Current Year Ended March 31, 2012		
	March 31, 2011	Actual	Budget	Over (Under)
REVENUE:				
Other: (Identify)				
Juke box income	\$16.00	\$0.00	\$0.00	\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
7. Transfer Totals to Page 4	\$16.00	\$0.00	\$0.00	\$0.00
EXPENSES: (List)				
Bar expenses	\$4,108.00	\$10,852.00	\$0.00	\$10,852.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
0. Transfer Totals to Page 4	\$4,108.00	\$10,852.00	\$0.00	\$10,852.00

GREATER WILDWOOD ELKS, Lodge No. 1896
RESTRICTED FUNDS
Statement of Restricted Funds Revenue, Expenses
and Comparison to Approved Budget
 (Use additional pages as necessary - Label Pages 5A, 5B, etc.)
 (Use separate statement for each entity - Bingo, Las Vegas, Lucky 7's, etc.)

**Combined Page 5's Must Equal Difference Between Prior and Current Year
 Restricted Fund on Balance Sheet, Page 2.**

Restricted Account Title:	Temporarily Restricted			
	Prior Year Ended March 31, 2011	Current Year Ended March 31, 2012		
	Actual	Actual	Budget	Over (Under)
REVENUE:				
Other: (Identify)				
Charity	\$1,000.00	\$0.00	\$0.00	\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
8. Total Other Revenue:	\$1,000.00	\$0.00	\$0.00	\$0.00
EXPENSES: (List)				
Charity	\$0.00	\$1,000.00	\$0.00	\$1,000.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
25. Total Other Expenses:	\$0.00	\$1,000.00	\$0.00	\$1,000.00
26. Restricted Fund Increase (Decrease)	\$1,000.00	(\$1,000.00)	\$0.00	(\$1,000.00)

Restricted Funds are NOT a Part of Equity!!!

Do NOT transfer to Page 8, Equity Reconciliation, Schedule 2

NOTE: The Notes to Financial Statements Are An Integral Part Of This Page.

FOR INTERNAL USE ONLY (revised 3/2011)

GREATER WILDWOOD ELKS, Lodge No. 1896
Combined Statement of Cash Flow
(all funds)
Year Ended March 31, 2012

CASH FLOW FROM OPERATIONS ACTIVITIES:

1. Lodge - Net Income (Page 3)	(\$69,671.00)	
2. Club - Net Income (Page 4)	\$203,817.00	
3. Total Net Income		\$134,146.00

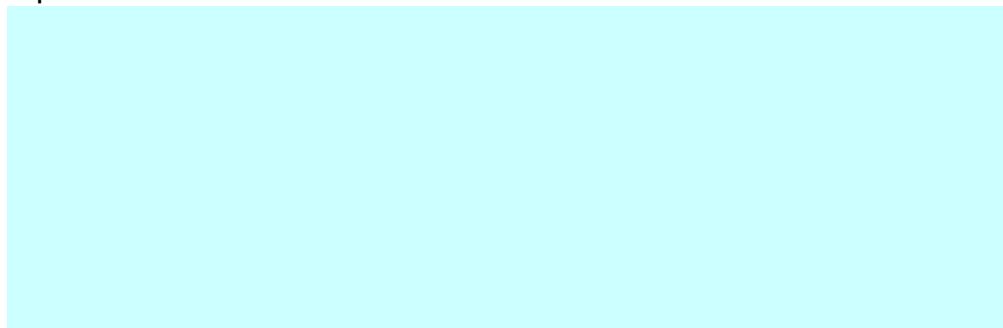
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

4. Depreciation	\$65,203.00	
5. Easement proceeds	-\$90,000.00	
6. Increase/Decrease in Prepaid Expenses	-\$4,776.00	
7. Increase/Decrease in Inventories	-\$1,199.00	
8. Increase/Decrease in Other Assets		
9. Increase/Decrease in Accounts Payable	-\$37,529.00	
10. Increase/Decrease in Notes Due Within One Year		
11. Increase/Decrease in Prepaid Dues	\$3,416.00	
12. Increase/Decrease in Other Payables		
13. Increase/Decrease in Deferred Income		
14. Increase/Decrease in Restricted Funds	-\$1,000.00	
15. Adjustments (Page 8)--Attach Explanation		
16. Total Adjustments		(\$65,885.00)
17. NET CASH PROVIDED BY OPERATIONS		\$68,261.00

CASH FLOW INVESTING ACTIVITIES:

18. Purchase of Fixed Assets	-\$338,854.00	
19. Reduction of Long Term Debt	-\$14,330.00	
20. Easement proceeds	\$90,000.00	
21. Capital Improvement to Building		
22. Adjustments - Attach Explanation		
23. Total Investing Activities		(\$263,184.00)
NET CHANGE IN CASH		(\$194,923.00)
CASH AVAILABLE- MARCH 31, 40633		\$616,751.00
CASH AVAILABLE- MARCH 31, 40993		\$421,828.00

Explanation for Lines 15 & 22:



GREATER WILDWOOD ELKS LODGE #1896
BENEVOLENT AND PROTECTIVE ORDER OF THE ELKS
OF THE UNITED STATES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

The Greater Wildwood Elks Lodge #1896 (Lodge) is a community based organization located in Wildwood, New Jersey, and dedicated to fostering charitable, patriotic and benevolent acts within the local community. It is part of a national organization known as the Benevolent and Protective Order of the Elks. Specifically the organization's charitable and benevolent activities focus on youth, veteran's affairs, and handicapped children. The organization is a membership-based organization sponsoring various community charitable events to support these undertakings. Additionally, the Lodge functions as a social club for its members as a place to gather and share fellowship. The Lodge qualifies as a tax-exempt organization under the existing provision of the Internal Revenue Code 501 (c) 8; accordingly, there is no income tax applicable to its activities.

1 Summary of Significant Accounting Policies

Basis of Accounting -- The financial statements of the Lodge have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivable, payable and other liabilities.

Cash and Cash Equivalents -- Cash and other highly liquid investments with maturities of three months or less are considered to be cash equivalents.

Certificates of Deposit -- Includes all certificates of deposit regardless of their date of maturity.

Fixed Assets -- Property and equipment are recorded at cost or at the estimated value at the date of gift, if donated. Depreciation is computed on a straight line basis over the estimated useful lives. Equipment with a unit cost of \$500 or more and improvements to buildings are capitalized. Estimated useful lives are as follows:

Furniture, fixtures and equipment	5-10 years
Building and improvements	5-40 years

Functional Allocation of Expenses -- The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Accounts Receivable -- The Lodge uses the allowance method in determining accounts receivable. However, accounts receivable are considered to be fully collectible, accordingly no allowance for doubtful accounts is required.

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

GREATER WILDWOOD ELKS LODGE #1896
BENEVOLENT AND PROTECTIVE ORDER OF THE ELKS
OF THE UNITED STATES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

1 Summary of Significant Accounting Policies (Continued)

Dues -- The Lodge mails the annual dues billing to its members in February of each year for the following fiscal year beginning April 1st. Member payments received prior to April 1st, are reported as "Deferred Dues" on the Statement of Financial Position.

Contributions -- The Lodge records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair market value of the assets received and are classified as either permanently restricted, temporarily restricted or unrestricted, depending on whether the donor has imposed a restriction on the use of such assets.

Temporarily Restricted -- The Lodge reports gifts as restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted gifts received and expensed in the same fiscal year are considered to be unrestricted.

Fair Value Measurements -- Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This guidance establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the same term of the financial instrument. Alternative investments fair value are based on their net asset value per unit as reported by their managers.

Level 3 - Inputs to the valuation methodology are unobservable.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

GREATER WILDWOOD ELKS LODGE #1896
BENEVOLENT AND PROTECTIVE ORDER OF THE ELKS
OF THE UNITED STATES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements (Continued)

Assets and liabilities that are measured at fair value are based on one or more of the three valuation techniques that follow:

Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost).

Income approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and option-pricing models).

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles 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.

Income Taxes - The Lodge adopted the accounting standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for the Lodge. The Lodge is no longer subject to federal and state tax examinations for the years prior to 2009.

2 Related Party Footnote

The Lodge is required to pay annual dues to the Grand Lodge. The amount paid was \$50,708 and \$47,306 as of March 31, 2012 and 2011, respectively.

3 Concentration of Risk

The Lodge maintains its cash and cash equivalents in bank deposit accounts, which, at times, may exceed federally insured limits. The Lodge has not experienced any losses in such accounts. Management believes the Lodge is not exposed to any significant credit risk related to cash and cash equivalents.

GREATER WILDWOOD ELKS LODGE #1896
BENEVOLENT AND PROTECTIVE ORDER OF THE ELKS
OF THE UNITED STATES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

4 Fixed Assets

Property and equipment consist of the following:

	2012	2011
Land	\$ 998,892	\$ 998,892
Building and improvements	1,273,069	837,915
Furniture, fixtures and equipment	440,104	358,033
Construction in progress	2,500	180,872
	2,714,565	2,375,712
Less: accumulated depreciation	(782,019)	(716,817)
	\$ 1,932,546	\$ 1,658,895

Depreciation expense was \$65,203 and \$49,190 for the years ended March 31, 2012 and 2011, respectively.

5 Notes Payable

The Lodge entered into a promissory note agreement for \$790,000 on June 11, 2010. Beginning on July 1, 2010, the note will be repaid in 59 regular monthly payments of \$5,200 each, including interest at a rate of 6.125% per annum, and a lump sum payment of \$715,570.28, due on June 1, 2015. The balance at March 31, 2012 and 2011 was \$763,960 and \$778,290, respectively.

Future principal payments are as follows:

March 31, 2013	\$ 15,347
March 31, 2014	16,329
March 31, 2015	16,714
June 1, 2015	715,570
	\$ 763,960

6 Temporarily Restricted

Temporarily restricted net assets are available for the following purposes as of March 31, 2012 and 2011:

	2012	2011
Volunteers in Medicine	\$ -	\$ 1,000

GREATER WILDWOOD ELKS LODGE #1896
BENEVOLENT AND PROTECTIVE ORDER OF THE ELKS
OF THE UNITED STATES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

7 Satisfaction of Program Restrictions

Temporarily restricted net assets were reduced by incurring expenses satisfying the restricted purpose or by occurrences of other events specified by donors.

	2012	2011
Volunteers in Medicine	\$ 1,000	\$ -

8 Administrative Expenses

The Lodge does not incur administrative expense because the administrative work is performed by members on a volunteer basis. These services do not qualify under accounting standards for being reported as contributed services.

9 Compensated Absences

Employees of the Lodge are entitled to paid vacations, sick days and other time off depending on length of services and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Lodge's policy is to recognize the costs of compensated absences when paid to employees.

10 Operating Leases

The Lodge entered into various leases for kitchen equipment. The leases qualify as operating leases and payments are charged to expense as they are incurred.

Future minimum lease payments under the existing leases are as follows:

2013	\$ 3,240
2014	3,240
2015	3,240
2016	1,890
2017	1,680
2018	675
	\$ 13,965

Lease expense was \$2,565 and \$1,620 for the years ended March 31, 2012 and 2011.

11 Subsequent Event

The Lodge has evaluated all subsequent events through May 25, 2012, the date the financial statements were available to be issued.

GREATER WILDWOOD ELKS, Lodge No. 1896
Supplemental Schedules
Year Ended March 31, 2012

SCHEDULE OF GROSS PROFIT: Schedule 1

	Bar	Dining Room	Total
Sales:			
1. Food		\$208,869.00	\$208,869.00
2. Liquor, Beer & Wine	\$538,481.00		\$538,481.00
3. Other Bar Sales			\$0.00
4. Total Sales:	\$538,481.00	\$208,869.00	\$747,350.00
Cost of Sales:			
5. Inventory, April 1, 2011	\$17,554.00	\$5,086.00	\$22,640.00
6. Purchases	\$204,203.00	\$101,128.00	\$305,331.00
7. Total	\$221,757.00	\$106,214.00	\$327,971.00
8. Less: Inventory, March 31, 2012	\$17,479.00	\$6,360.00	\$23,839.00
9. Cost of Sales	\$204,278.00	\$99,854.00	\$304,132.00
Gross Profit on Sales	\$334,203.00	\$109,015.00	\$443,218.00
Direct Expenses:			
10. Salaries & Wages			\$0.00
11. Employee Meals, at Cost			\$0.00
12. Payroll Taxes & Benefits			\$0.00
13. Music & Entertainment	\$44,911.00		\$44,911.00
14. Total Direct Expenses	\$44,911.00	\$0.00	\$44,911.00
GROSS PROFIT (Total to Page 4)	\$289,292.00	\$109,015.00	\$398,307.00
Ratios:			
15. Cost of Sales (% of Total Sales)	37.94%	47.81%	40.69%
16. Employee Expense (% of Total Sales)	0.00%	0.00%	0.00%
17. Music & Entertainment (% of Total Sales)	8.34%	0.00%	6.01%
18. Gross Profit	53.72%	52.19%	53.30%

RECONCILIATION - EQUITY ACCOUNT: Schedule 2

19. Balance, March 31, 40633	\$1,297,317.00
20. Net Increase/(Decrease), Page 3	(\$69,671.00)
21. Net Increase/(Decrease), Page 4	\$203,817.00
22. Adjustments-Increase(Decrease), Attach Explanation	
23. Balance, March 31, 40999	\$1,431,463.00

NOTE: The Notes to Financial Statements Are An Integral Part Of This Page.



Lodge Name: **Greater Wildwood Elks**, Lodge Number: **1896**

SCHEDULE OF INSURANCE COVERAGE AND FIDELITY BONDS

(see additional information, next page)

MANDATORY PROGRAMS

- | | Yes | No |
|---|-------------------------------------|--------------------------|
| 1. GRAND LODGE MASTER LIABILITY INSURANCE. (Providing general liability/liquor coverage) (Mandatory program – premium paid as part of annual per capita – no additional premium due – nor is any audit required.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. GRAND LODGE PROPERTY PLUS? (Mandatory program – premium billed directly to Lodge.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Has Property Plus free appraisal been obtained? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. ELKS DIRECTORS & OFFICERS/EMPLOYMENT PRACTICES? (This discounted program is offered on a voluntary basis) | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. DIRECTORS & OFFICERS COVERAGE WITH OUTSIDE CARRIER? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Insurance Carrier: Great American Insurance | | |
| 5. WORKER'S COMPENSATION INSURANCE? (It is recommended that every Lodge have such coverage – even if it has no regular employees.) (Worker's Compensation is the exclusive remedy for occupational injury claims – accident policies are not sufficient.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Name of Worker's Compensation Carrier: Sparta Insurance Company | | |
| 7. Worker's Compensation Policy Number & Expiration Date: 001WK00945 9/12/2012 | | |

FOR INFORMATIONAL PURPOSES ONLY – PLEASE PROVIDE THIS INFORMATION:

Number of Employees:

8. Lodge? 0 9. Bar? 20 10. Dining Room? 9 11. Other Area? 0

LODGE OFFICERS RECEIVING PAY:

- | | | |
|---|-------------------------------------|-------------------------------------|
| 12. Secretary | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. Treasurer | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Other Paid Officers? (list below) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. AUTOMOBILE INSURANCE? (If Lodge owns vehicle. The Master Liability Program does not provide coverage for owned vehicles.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16. OTHER INSURANCE? (Please explain in detail on separate sheet if necessary – Page 9a, 9b, etc. – indicate carrier and type of coverage.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Lodge Name: **Greater Wildwood Elks**, Lodge Number: **1896**

ACCOUNTANT'S RECOMMENDATIONS AND SUGGESTIONS
For Improvement of Financial Records and Controls
Year Ended March 31, 2012

In planning and performing our audit of the financial statements of the Greater Wildwood Elks Lodge #1896 Benevolent and Protective Order of the Elks of the United States of America (the "Lodge") as of and for the year ended March 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Lodge's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lodge's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lodge's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 27, 2012 on the financial statements of the Lodge. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows:

Annual Budget. During the audit, we noted the Lodge's annual budget line items are not comparable to the general ledger chart of accounts used in preparing financial statements. Also the budget does not include all categories of revenue and expense such as club, music & entertainment and license expenses. The budget therefore is not an effective tool for financial planning and cannot be compared to actual results.

We strongly recommend the annual budget be modified to agree to the format of the general ledger which is used to prepare the financial statements. We also suggest that budgets established for future years include all anticipated financial activity of the Lodge. Lastly, we recommend the annual budget be properly recorded into QuickBooks, so you will be able to easily access the budget versus actual variances throughout the year.

Timely Deposits. We noted at year end that there was a large amount of cash on hand totaling over \$17,400.74. This amount of cash kept on site leads to a serious risk of theft.

We recommend a policy be put in place to make deposits more frequently to reduce the amount of cash on hand at any time.

Certificates of Deposit. We noted interest earned on and maturities of certificates of deposit were not recorded during the year.

We recommend certificates of deposits be reconciled to the certificate of deposit statements when they are received. This will provide the Lodge an accurate value of their certificates of deposit during the fiscal year.

Cash Receipts. We noted that supporting documents for bar and food cash receipts are not signed by the bar cash manager. The Lodge policies/procedures require these documents be signed by the person who is responsible for documenting cash receipts. This documentation is an important part of an effective internal control system.

We recommend all policies/procedures be reviewed to verify they are being followed.

Personnel Files. We noted that salary authorization is not in writing and other various payroll related information was not available. Maintaining current personnel files is essential for strong internal control.

We recommend each employee's file contain an employment history, current federal and state withholding tax forms, Form I-9 (employment eligibility verification), appropriately authorized salary or hourly pay amount, and employee authorization for withholding or other deductions.

Cash Disbursements. We noted that there is not always evidence, on the face of an invoice, of approval, the general ledger account to which the invoice should be charged, date paid, and check number.

We recommend that this information be on the face of the invoice and that the organization consider purchasing a stamp which has a place for approval, account number, check number paying the invoice, the amount paid, and the date paid.

This communication is intended solely for the information and use of management, Officers and Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.