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Form 990

OMB No 1545-0047

Return of Organization Exempt From Income Tax

2011

Department of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)Open to Public
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2011 calendar year, or tax year beginning 7/01, 2011, and ending 6/30, 2012

B Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

KNIGHTS OF COLUMBUS
MN STATE COUNCIL
820 SECOND AVENUE SW
HUTCHINSON, MN 55350

D Employer Identification Number

41-0656992

E Telephone number

(608) 317-8434

G Gross receipts \$ 1,268,401.

F Name and address of principal officer

Same As C Above

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included?

If 'No,' attach a list (see instructions) ☐ Yes ☒ NoI Tax-exempt status ☐ 501(c)(3) ☒ 501(c) (8) (insert no) 4947(a)(1) or 527

J Website: N/A

H(c) Group exemption number ▶

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of Formation 1940

M State of legal domicile MN

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <u>WE ARE A CATHOLIC, FAMILY, FRATERNAL, SERVICE ORGANIZATION DEDICATED TO THE VALUES AND FAITH OF THE ROMAN CATHOLIC CHURCH THROUGH THE ACTIVITIES OF MEMBERS AND THEIR COUNCILS THAT PROMOTE CHARITY, UNITY, FRATERNITY AND PATRIOTISM.</u>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	7
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	22,000
Revenue	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	783,416.	1,185,936.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,838.	10,168.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	39,742.	49,939.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	27,258.	22,358.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	857,254.	1,268,401.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	479,006.	419,804.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		2,700.
Expenses	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	234,883.	261,167.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	716,589.	680,971.
Net Assets or Fund Balances	19	Revenue less expenses Subtract line 18 from line 12	140,665.	587,430.
	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	797,037.	1,352,744.
	22	Net assets or fund balances Subtract line 21 from line 20	93,315.	61,592.
			703,722.	1,291,152.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date

JOE KONRARDY

STATE OFFICER

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

KIMBERLY A SATERBAK, CPA

KIMBERLY A. SATERBAK, CPA

P00545981

Firm's name ▶ Anfinson Thompson & Company P.A.

Firm's address ▶ 1604 South 1st Street

Willmar, MN 56201

Firm's EIN ▶ 41-1857770

Phone no (320) 235-7491

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

BAA For Paperwork Reduction Act Notice, see the separate instructions.

TEEA0113L 08/18/11

Form 990 (2011)

913 19

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ X**1** Briefly describe the organization's mission:

WE ARE A CATHOLIC, FAMILY, FRATERNAL, SERVICE ORGANIZATION DEDICATED TO THE VALUES
AND FAITH OF THE ROMAN CATHOLIC CHURCH THROUGH THE ACTIVITIES OF MEMBERS AND THEIR
COUNCILS THAT PROMOTE CHARITY, UNITY, FRATERNITY AND PATRIOTISM.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 298,882. including grants of \$) (Revenue \$ 309,467.)

CAMPAIGN FOR PEOPLE WITH INTELLECTUAL DISABILITIES (M.R. PERSONS FUND) THE MN
KNIGHTS OF COLUMBUS CONDUCTS AN ANNUAL FUNDRAISER WHERE A CANDY BAR, OFTEN A TOOTSIE
ROLL, IS OFFERED TO THE PUBLIC AND FREE WILL DONATIONS ARE RECEIVED BY THE COUNCIL.
THE HIGH VISIBILITY OF THIS PROGRAM HAS LED TO THE CAMPAIGN BEING REFERRED TO AS THE
"TOOTSIE ROLL DRIVE." THEY THEN DESIGNATE THESE CONTRIBUTIONS TO THE SPECIAL OLYMPICS
AND OTHER PROGRAMS FOR PEOPLE WITH INTELLECTUAL AND/OR PHYSICAL DISABILITIES. THIS
YEAR \$309,467 WERE CONTRIBUTED TO THESE CHARITIES.

4b (Code:) (Expenses \$ 49,129. including grants of \$) (Revenue \$ 42,427.)

FALL CLASSIC SPECIAL OLYMPICS IS A THREE DAY EVENT THAT PROVIDES FOR TEAMS OF OVER
850 ATHLETES AND COACHES FROM ALL OVER THE STATE TO COMPETE IN BOWLING. THE LOCAL
COUNCILS DESIGNATE A PORTION OF THEIR "TOOTSIE ROLL CAMPAIGN" FUNDS TO SUPPORT THIS
EVENT.

4c (Code:) (Expenses \$ 41,294. including grants of \$) (Revenue \$ 554,199.)

CHRISTOPHER FUND RECEIVES DONATIONS TO BE INVESTED WITH THE EARNINGS TO BE USED
EXCLUSIVELY FOR RELIGIOUS, CHARITABLE AND EDUCATIONAL PURPOSES.

4d Other program services (Describe in Schedule O.) See Schedule O(Expenses \$ 77,896. including grants of \$) (Revenue \$ 74,957.)**4e** Total program service expenses 467,201.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A		X
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If 'Yes,' complete Schedule D, Part V		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	X	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII		X
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII	X	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If 'Yes,' complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If 'Yes,' complete Schedule H		X
b If 'Yes' to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I		
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If 'Yes,' complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
28b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	X	

BAA

Form 990 (2011)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

	Yes	No
1 a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1 a 1	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1 b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1 c X	
2 a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2 a 0	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to file (see instructions).	2 b	
3 a Did the organization have unrelated business gross income of \$1,000 or more during the year?	3 a	X
b If 'Yes,' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.	3 b	
4 a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4 a	X
b If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5 a	X
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5 b	X
c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T?	5 c	
6 a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6 a X	
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6 b X	
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7 a	X
b If 'Yes,' did the organization notify the donor of the value of the goods or services provided?	7 b	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7 c	X
d If 'Yes,' indicate the number of Forms 8282 filed during the year.	7 d	
e Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7 e	X
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7 f	X
g If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7 g	
h If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7 h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?	9 a	
b Did the organization make a distribution to a donor, donor advisor, or related person?	9 b	
10 Section 501(c)(7) organizations. Enter		
a Initiation fees and capital contributions included on Part VIII, line 12.	10 a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10 b	
11 Section 501(c)(12) organizations. Enter		
a Gross income from members or shareholders.	11 a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11 b	
12 a Section 4947(a)(1) nonexempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12 a	
b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.	12 b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.		
a Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13 a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13 b	
c Enter the amount of reserves on hand.	13 c	
14 a Did the organization receive any payments for indoor tanning services during the tax year?	14 a	X
b If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O.	14 b	

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response to any question in this Part VI ☒**Section A. Governing Body and Management**

	Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year. If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	7	
1 b Enter the number of voting members included in line 1a, above, who are independent.	6	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?	X	
7 a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
7 b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or other persons other than the governing body?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10 a Did the organization have local chapters, branches, or affiliates?	X	
10 b If 'Yes,' did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	X	
11 a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
12 a Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O.		
12 b Did the organization have a written conflict of interest policy? If 'No,' go to line 13.		X
12 c Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
12 d Did the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done.		
13 Did the organization have a written whistleblower policy?		X
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official.		X
b Other officers of key employees of the organization.		X
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16 b If 'Yes,' did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed: None

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public during the tax year. See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.

► JOE KONRARDY 1700 SHOREWOOD LANE MOUND MN 55364 (952) 472-0596

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1 a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☒ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) FR KENNETH O'HOTO STATE CHAPLIN	5							0.	0.	0.
(2) ROBERT PENAS STATE WARDEN	10							0.	0.	0.
(3) RICARDO ACEVEDO PAST ST DEPUTY	10	X						0.	0.	0.
(4) CRAIG LARSON STATE DEPUTY	30	X						0.	0.	0.
(5) JOE KONRARDY STATE SECRETARY	15	X						0.	0.	0.
(6) JAMES TERWEDO STATE ADVOCATE	4	X						0.	0.	0.
(7) RAY WOJTYSIAK STATE TREASURER	10	X						0.	0.	0.
(8) _____										
(9) _____										
(10) _____										
(11) _____										
(12) _____										
(13) _____										
(14) _____										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15) _____										
(16) _____										
(17) _____										
(18) _____										
(19) _____										
(20) _____										
(21) _____										
(22) _____										
(23) _____										
(24) _____										
(25) _____										
1b Sub-total								0.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								0.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

	Yes	No
3		X
4		X
5		X

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes,' complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 0		

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a				
	b Membership dues	1b 251,955.				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 933,981.				
	g Noncash contributions included in lns 1a-1f. \$					
	h Total. Add lines 1a-1f		1,185,936.			
PROGRAM SERVICE REVENUE	2a OTHER INCOME	Business Code 900099	10,168.	4,965.		5,203.
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue					
	g Total. Add lines 2a-2f		10,168.			
	OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		49,939.	49,939.	
4 Income from investment of tax-exempt bond proceeds						
5 Royalties						
6a Gross rents		(i) Real (ii) Personal				
b Less: rental expenses						
c Rental income or (loss)						
d Net rental income or (loss)						
7a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other				
b Less: cost or other basis and sales expenses						
c Gain or (loss)						
d Net gain or (loss)						
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a				
b Less: direct expenses		b				
c Net income or (loss) from fundraising events						
9a Gross income from gaming activities. See Part IV, line 19		a				
b Less: direct expenses		b				
c Net income or (loss) from gaming activities						
10a Gross sales of inventory, less returns and allowances		a				
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11a REIMBURSED EXPENSES	Business Code 900099	22,358.	22,358.			
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d		22,358.				
12 Total revenue. See instructions		1,268,401.	77,262.	0.	5,203.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	419,804.	419,804.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting	35,582.		35,582.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	5,529.		5,529.	
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	103,439.		103,439.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	971.			
23 Insurance	532.		532.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <u>Printing and Publications</u>	50,935.		50,935.	
b <u>TOOTSIE ROLLS</u>	47,397.	47,397.		
c <u>STATE OFFICER EXPENSES</u>	15,985.		15,985.	
d <u>MISC</u>	797.		797.	
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	680,971.	467,201.	212,799.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
ASSETS	1 Cash — non-interest-bearing	494,915.	1	530,035.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	8,653.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	13,705.	7	21,610.
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 16,702.		
	b Less accumulated depreciation	10b 9,256.	8,417.	10c 7,446.
	11 Investments — publicly traded securities		11	
	12 Investments — other securities See Part IV, line 11		12	
	13 Investments — program-related See Part IV, line 11	280,000.	13	785,000.
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34).	797,037.	16	1,352,744.	
LIABILITIES	17 Accounts payable and accrued expenses	93,315.	17	61,592.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	93,315.	26	61,592.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.			
	27 Unrestricted net assets	243,846.	27	295,068.
	28 Temporarily restricted net assets	459,876.	28	996,084.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	703,722.	33	1,291,152.
	34 Total liabilities and net assets/fund balances	797,037.	34	1,352,744.

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Form 990 (2011)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,268,401.
2	Total expenses (must equal Part IX, column (A), line 25)	2	680,971.
3	Revenue less expenses Subtract line 2 from line 1	3	587,430.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	703,722.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	1,291,152.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII ☐1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____

Yes No

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

2a X

b Were the organization's financial statements audited by an independent accountant?

2b X

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

2c X

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both.

☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

3a X

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

3b

BAA

Form 990 (2011)

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS

NOTE C INVESTMENTS

As of June 30, investments are summarized as follows.

	<u>2012</u>	<u>2011</u>
Christopher Fund	<u>\$ 785,000</u>	<u>\$ 280,000</u>

NOTE D BOARD DESIGNATIONS

Of the Council's unrestricted net assets balance, a portion totaling \$70,000 has been set aside by the Board as part of the Christopher Fund. As required by the *Not-for-Profit Entities – Presentation of Financial Statements* topic of the FASB Accounting Standards Codification, the portion of the fund that was created by the board from unrestricted net assets is classified as unrestricted.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

KNIGHTS OF COLUMBUS
MN STATE COUNCIL

Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990,
Part IV, lines 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Employer identification number

41-0656992

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition

d ☐ Loan or exchange programs

b ☐ Scholarly research

e ☐ Other _____

c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ▶ _____ %

b Permanent endowment ▶ _____ %

c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		
3a(ii)		
3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other		16,702.	9,256.	7,446.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				7,446.

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Schedule D (Form 990) 2011

Part VII Investments – Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990 Part X, column (B) line 12.)		

Part VIII Investments – Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) CHRISTOPHER FUND	785,000.	End of Year Market Value
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.)	785,000.	

Part IX Other Assets. See Form 990, Part X, line 15. N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25.)	

2 FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1,268,401.
2	Total expenses (Form 990, Part IX, column (A), line 25)	680,971.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	587,430.
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV.)	
9	Total adjustments (net). Add lines 4 through 8	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	587,430.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	1,323,401.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	55,000.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	55,000.
3	Subtract line 2e from line 1	3	1,268,401.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	1,268,401.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	735,971.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	55,000.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	55,000.
3	Subtract line 2e from line 1	3	680,971.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	680,971.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV Supplemental Information *(continued)*

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered 'Yes' to Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization

KNIGHTS OF COLUMBUS

Employer identification number

41-0656992

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ **Yes** ☐ **No**

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II: Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered 'Yes' to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000.

Part II can be duplicated if additional space is needed

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non cash assistance	(h) Purpose of grant or assistance
(1) MINNESOTA CATHOLIC CONFERENCE -- 475 UNIVERSITY AVE WEST ST -- ST. PAUL, MN 55103	61-1664211	501 C(4)	10,000.	0.			DONATION FOR MARRIAGE AMENDMENT
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

3 Enter total number of other organizations listed in the line 1 table

0

1

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

TEEA3901L 06/01/11

Schedule I (Form 990) (2011)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						
Part IV	Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.					

Part IV - Additional Supplemental Information

LOCAL COUNCILS DESIGNATE THE ORGANIZATIONS THAT ARE TO RECEIVE ANY MONIES FROM THE

TOOTSIE ROLL PROGRAM

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization **KNIGHTS OF COLUMBUS
MN STATE COUNCIL**

Employer identification number
41-0656992

SCHEDULE R PART II B

THE GOAL OF THE FOUNDATION IS TO DONATED ITS INTEREST, ON A MATCHING GRANT BASIS TO
LOCAL AND STATEWIDE PROGRAMS THAT HELP CATHOLIC SCHOOLS, LOCAL PARISHES, RELIGIOUS
EDUCATION, VOCATIONS, PRO-LIFE AND DISASTERS

Form 990, Part III, Line 4d - Other Program Services Description

PENNIES FOR SEMINARIANS PROVIDES ANNUAL FUNDS TO EACH DIOCESE TO SUPPORT THE
EDUCATION OF SEMINARIANS TO THE PRIESTHOOD. DURING THE FISCAL YEAR OF THE ENTITY,
OVER \$42,220 OF DESIGNATED CONTRIBUTIONS WERE RECEIVED FOR THIS PROGRAM.

JIM CAMPBELL SCHOLARSHIP PROGRAM PROVIDES FUNDS TO EACH DIOCESE TO HELP PAY FOR THE
CONTINUING EDUCATION TO PRIESTS AND RELIGIOUS ORGANIZATIONS. CURRENT YEAR EXPENSES
OF \$12,037 AND REVENUE OF \$28,411.

MARRIAGE AMENDMENT PROGRAM WAS ESTABLISHED AS A RESOUC E AVAILABLE TO MEMBERS.

OTHER SMALL PROGRAMS:

KEEP CHRIST IN CHRISTMAS EXPENSE: \$5,203

CHURCH PROGRAM EXPENSE: \$7,042

YOUTH PROGRAM EXPENSE: \$2,708

OTHER MISC PROGRAM EXPENSES: \$2,406

ULTRA SOUND PROGRAM DONATES FUNDS TO ALLOW ULTRA SOUND EQUIPMENT TO BE PURCHASED IN
AREAS OF NEED. EXPENSES THIS YEAR OF \$3,500 AND REVENUE OF \$3,051.

Name of the organization **KNIGHTS OF COLUMBUS
MN STATE COUNCIL**

Employer identification number
41-0656992

Form 990, Part VI, Line 11b - Form 990 Review Process

KEY FINANCIAL OFFICERS REVIEW FORM 990 AND THE TREASURER SIGNS THE APPROVED FORM FOR FILING. ALL BOARD MEMBERS HAVE ACCESS TO VIEW FORM 990 UPON REQUEST.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

THE ORGANIZATION IS IN THE PROCESS OF DEVELOPING AND ISSUING WRITTEN CONFLICT OF INTEREST AND WHISTLEBLOWER. ALL OTHER GOVERNING DOCUMENTS, ETC. ARE AVAILABLE UPON REQUEST.

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2011

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered 'Yes' to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.



Name of the organization

KNIGHTS OF COLUMBUS MN STATE COUNCIL

Employer identification number

41-0656992

Part I Identification of Disregarded Entities (Complete if the organization answered 'Yes' to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) ----- ----- ----- -----					
(2) ----- ----- ----- -----					
(3) ----- ----- ----- -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Sec 512(b)(13) controlled entity?
(1) MINNESOTA KNIGHTS FOUNDATION 3700 WEST 220TH STREET JORDAN, MN 55352	SEE SCHEDULE O	MN	501 (c) (3)	EXEMPT	N/A	X
(2) ----- ----- ----- -----						
(3) ----- ----- ----- -----						
(4) ----- ----- ----- -----						

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Dispropor- tionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												

(2) -----												

(3) -----												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) -----							

(2) -----							

(3) -----							

Part V Transactions With Related Organizations (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule**1** During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)		X
e Loans or loan guarantees by related organization(s)		X
f Sale of assets to related organization(s)		X
g Purchase of assets from related organization(s)		X
h Exchange of assets with related organization(s)		X
i Lease of facilities, equipment, or other assets to related organization(s)		X
j Lease of facilities, equipment, or other assets from related organization(s)		X
k Performance of services or membership or fundraising solicitations for related organization(s)		X
l Performance of services or membership or fundraising solicitations by related organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		X
n Sharing of paid employees with related organization(s)		X
o Reimbursement paid to related organization(s) for expenses		X
p Reimbursement paid by related organization(s) for expenses		X
q Other transfer of cash or property to related organization(s)		X
r Other transfer of cash or property from related organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered 'Yes' to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 Form (1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													

(2) -----													

(3) -----													

(4) -----													

(5) -----													

(6) -----													

(7) -----													

(8) -----													

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

Area for supplemental information with horizontal dashed lines.

AnfinsonThompson & Co.

certified public accountants & financial planners

INDEPENDENT AUDITORS' REPORT

To The State Officers
Minnesota State Council Knights of Columbus
Minnesota

We have audited the accompanying statements of financial position of Minnesota State Council Knights of Columbus (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's 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 audit provides 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 Minnesota State Council Knights of Columbus as of June 30, 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.

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. The supplemental information reported in Schedules I and II 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.

Anfinson Thompson & Company, P.A.

ANFINSON THOMPSON & COMPANY, P.A.
Certified Public Accountants
Willmar, Minnesota

November 27, 2012

David C. Anfinson, CPA • Mark E. Thompson, CPA • Lindsay A. Nelson, CPA • Kimberly A. Saterbak, CPA • Susan K. Anfinson, EA

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MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and Cash Equivalents	\$ 530,035	\$ 494,915
Accounts Receivable	8,653	-
Christopher Fund (Note C)	785,000	280,000
Accrued Interest Receivable	21,610	13,705
Equipment	7,446	8,417
TOTAL ASSETS	<u><u>\$ 1,352,744</u></u>	<u><u>\$ 797,037</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 61,592	\$ 93,315
TOTAL LIABILITIES	61,592	93,315
 NET ASSETS		
Unrestricted Net Assets	225,068	173,846
Board Designated Net Assets (Note D)	70,000	70,000
Temporarily Restricted Net Assets (Note E)	996,084	459,876
TOTAL NET ASSETS	<u><u>1,291,152</u></u>	<u><u>703,722</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,352,744</u></u>	<u><u>\$ 797,037</u></u>

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Total
SUPPORT, REVENUES, AND GAINS			
Per Capita Dues	\$ 251,955	\$ -	\$ 251,955
Interest Income	739	49,199	49,938
Mid-winter Meeting Fees	11,033	-	11,033
Mid-summer Meeting Fees	11,325	-	11,325
Miscellaneous Income	4,965	-	4,965
State Convention	-	-	-
Sales Income	5,203	-	5,203
Donated Professional Services	55,000	-	55,000
Charitable Collections	2,130	931,851	933,981
Net assets released from restrictions (Note E)	444,842	(444,842)	-
Total Support, Revenues, and Gains	787,192	536,208	1,323,400
EXPENSES			
Program Expenses:			
Pennies for Seminarians	30,000	-	30,000
Jim Campbell Scholarship	12,037	-	12,037
Fall Classic	49,129	-	49,129
M.R. Persons	47,397	-	47,397
Ultra Sound	3,500	-	3,500
Christopher Fund Charitable Gifts	41,294	-	41,294
Minnesota Catholic Conference	10,000	-	10,000
Donations	256,485	-	256,485
Keep Christ in Christmas	5,203	-	5,203
Church Program	7,042	-	7,042
Youth Program	2,708	-	2,708
Programs Misc	2,406	-	2,406
Total Program Services	467,201	-	467,201
Support services:			
State Officer Allowance	1,125	-	1,125
State Officer Expense	15,985	-	15,985
State Officer Supplies	5,529	-	5,529
Administrative Assistant	31,282	-	31,282
State Newsletter	50,935	-	50,935
Professional Services	55,000	-	55,000
Mid-summer	16,932	-	16,932
Mid-winter	21,833	-	21,833
Ceremonial Meetings	2,742	-	2,742
State Convention	38,782	-	38,782
Supreme Convention	5,064	-	5,064
Quarterly Officer	-	-	-
Seminars	-	-	-
Program/Membership Staff	1,455	-	1,455
Membership	1,652	-	1,652
Leadership Training	3,082	-	3,082
Incentives	4,511	-	4,511
Ceremonials	4,884	-	4,884
New Council Development	342	-	342
Meeting Gifts	535	-	535
Meetings Other	500	-	500
Insurance Bond	532	-	532
Audit	4,300	-	4,300
Depreciation Expense	971	-	971
Miscellaneous	796	-	796
Total Support Services	268,769	-	268,769
TOTAL EXPENSES	735,970	-	735,970
CHANGE IN NET ASSETS	51,222	536,208	587,430
NET ASSETS AT BEGINNING OF YEAR	243,846	459,876	703,722
NET ASSETS AT END OF YEAR	\$ 295,068	\$ 996,084	\$ 1,291,152

See accompanying notes and independent auditors' report.

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Total
SUPPORT, REVENUES, AND GAINS			
Per Capita Dues	\$ 261,370	\$ -	\$ 261,370
Interest Income	-	39,742	39,742
Mid-winter Meeting Fees	8,152	-	8,152
Mid-summer Meeting Fees	17,013	-	17,013
Miscellaneous Income	1,091	-	1,091
State Convention	2,093	-	2,093
Christmas Card Sales	5,747	-	5,747
Donated Professional Services	40,000	-	40,000
Charitable Collections	-	522,046	522,046
Net assets released from restrictions (Note E)	501,111	(501,111)	-
Total Support, Revenues, and Gains	836,577	60,677	897,254
EXPENSES			
Program Expenses:			
Pennies for Seminarians	42,000	-	42,000
Jim Campbell Scholarship	78,000	-	78,000
Fall Classic	32,646	-	32,646
M.R. Persons	315,178	-	315,178
Ultra Sound	7,250	-	7,250
Christopher Fund Charitable Gifts	26,037	-	26,037
Donations	6,083	-	6,083
Keep Christ in Christmas	10,599	-	10,599
Youth Program	4,381	-	4,381
Programs Misc	1,573	-	1,573
Total Program Services	523,747	-	523,747
Support services:			
State Officer Allowance	2,700	-	2,700
State Officer Expense	5,128	-	5,128
State Officer Supplies	5,774	-	5,774
State Office Expense	6,430	-	6,430
Administrative Assistant	30,900	-	30,900
State Newsletter	42,698	-	42,698
Professional Services	40,000	-	40,000
Mid-summer	16,542	-	16,542
Mid-winter	14,740	-	14,740
State Convention	39,430	-	39,430
Supreme Convention	4,617	-	4,617
Quarterly Officer	6,814	-	6,814
Seminars	2,914	-	2,914
Membership	3,590	-	3,590
Awards/Reports	2,211	-	2,211
Ceremonials	423	-	423
Meeting Gifts	593	-	593
Meetings Other	311	-	311
Insurance Bond	517	-	517
Audit	4,175	-	4,175
Depreciation Expense	868	-	868
Miscellaneous	1,467	-	1,467
Total Support Services	232,842	-	232,842
TOTAL EXPENSES	756,589	-	756,589
CHANGE IN NET ASSETS	79,988	60,677	140,665
NET ASSETS AT BEGINNING OF YEAR	163,858	399,199	563,057
NET ASSETS AT END OF YEAR	\$ 243,846	\$ 459,876	\$ 703,722

See accompanying notes and independent auditors' report.

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 587,430	\$ 140,665
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation and Amortization	971	868
(Increase) in Accrued Interest Receivable	(8,653)	-
(Increase) in Accrued Interest Receivable	(7,905)	(13,705)
Increase/(Decrease) in Trade Accounts Payable	(31,723)	74,152
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>540,120</u>	<u>201,980</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	<u>-</u>	<u>(1,411)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>(1,411)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>540,120</u>	<u>200,569</u>
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>774,915</u>	<u>574,346</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 1,315,035</u></u>	<u><u>\$ 774,915</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest Expense	<u>\$ -</u>	<u>\$ -</u>
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS

NOTE A NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Minnesota State Council of the Knights of Columbus (the Council) is a fraternal organization operating in the State of Minnesota. Its elected officers come from various local Knights of Columbus councils located throughout the state. The Council's goal is to promote the teachings of the Catholic Church, to provide religious grants and scholarships, and donates to organizations working with the mentally retarded.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Council and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Council. Generally, the donors of these assets permit the Council to use all or part of the income earned on any related investments for general or specific purposes. For the years ending June 30, 2012 and 2011, the Council did not have any permanently restricted net assets.

Reporting Entity

The financial statements include all the funds of the Minnesota State Council over which the council officers exercise responsibility. Organizations using the Knights of Columbus name, not under the control and responsibility of the State Council, such as the Knights of Columbus Student Loan Fund; the Knights of Columbus Squires; the Knights of Columbus Ladies' Auxiliary, and the Knights of Columbus Bowling, Golf, Software, and Hockey Associations are not included in these financial statements.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Cash restricted for long-term purposes (purchase of equipment or construction activities) or cash received with donor-imposed restrictions limiting its use to long-term purposes is not considered cash for purposes of the statements of cash flows.

Property, Equipment and Depreciation

All acquisitions of property and equipment, and all expenditures for repairs, maintenance, or improvements that significantly prolong the useful lives of the assets are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at fair value at date of gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS

Property, Equipment and Depreciation (continued)

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Council reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are depreciated using the straight-line method over the estimated useful life of assets. The class lives of the more significant items with each property classification are as follows:

Furniture and fixtures	5 – 7 years
------------------------	-------------

Contributed Services

The Council receives a substantial amount of services donated by its members in accomplishing its exempt purpose. Only those services that meet the criteria for recognition under the *Not-for-Profit Entities – Revenue Recognition* topic of the FASB Accounting Standards Codification, have been recorded.

Revenue Recognition

Sources of revenue include donations and bequests. Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a temporary 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.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change of net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of marketable securities with original maturities of twelve months or less. Long-term investments consist of marketable securities with original maturities greater than twelve months.

Income Taxes

The Council is a tax-exempt organization under the Internal Revenue Code Section 501(c)(8), classified as other than a private foundation. As such, no provision for income taxes has been provided

Concentrations Of Credit Risk

The Council maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2012, the Council had approximately \$278,557, in excess of FDIC insured limits. The Council has not experienced any losses in such accounts.

NOTE B PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2011 and 2010

	2012	2011
Furniture & Fixtures	\$ 11,027	\$ 11,027
Less accumulated depreciation	(3,581)	(2,610)
	\$ 7,446	\$ 8,417

Depreciation expense for the years ended June 30, 2012 and 2011 was \$971 and \$868 respectively

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS

NOTE F FAIR VALUE MEASUREMENTS

FASB ASC 820-10-51-1 *Fair Value Measurements* establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10-50-1 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted price for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth, by level within the fair value hierarchy, the plan's assets fair value as June 30, 2012:

	Total Fair Market Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market Funds	\$ 15,973	\$ 15,973	\$ -	\$ -
Corporate	547,720	-	547,720	-
Corporate	92,496	92,496	-	-
Preferred Stocks	128,811	128,811	-	-
Total Fair Value for Christopher Fund Portion	<u>\$ 785,000</u>	<u>\$ 237,280</u>	<u>\$ 547,720</u>	<u>\$ -</u>

MINNESOTA STATE COUNCIL KNIGHTS OF COLUMBUS

NOTES TO FINANCIAL STATEMENTS

NOTE G DATE OF MANAGEMENT'S REVIEW

The Council has evaluated events and transactions for potential recognition or disclosure in these financial statements through November 27, 2012, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.