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**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047  
**2012**  
Open to Public Inspection

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

**A** For the 2012 calendar year, or tax year beginning **JUL 1, 2012** and ending **JUN 30, 2013**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>CHILDREN'S HOME SOCIETY OF MINNESOTA</b>		<b>D</b> Employer identification number <b>41-0693906</b>
	Doing Business As		<b>E</b> Telephone number <b>651-646-7771</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>9,311,964.</b>
	1605 EUSTIS STREET		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
City, town, or post office, state, and ZIP code <b>ST. PAUL, MN 55108</b>		<b>H(c)</b> Group exemption number ▶	
F Name and address of principal officer: <b>JODI HARPSTEAD</b> <b>SAME AS C ABOVE</b>			
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ <b>WWW.CHSFS.ORG</b>			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: <b>1889</b> M State of legal domicile: <b>MN</b>	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: <b>TO HELP CHILDREN THRIVE AND TO BUILD, STRENGTHEN AND SUSTAIN INDIVIDUAL, FAMILY AND COMMUNITY LIFE.</b>		
	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)	16
	4	Number of independent voting members of the governing body (Part VI, line 1b)	16
	5	Total number of individuals employed in calendar year 2012 (Part V, line 2a)	296
	6	Total number of volunteers (estimate if necessary)	164
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.
7b	Net unrelated business taxable income from Form 990-T, line 34	0.	
<b>Revenue</b>	8 Contributions and grants (Part VIII, line 1h)		Prior Year: 2,293,918. Current Year: 2,232,553.
	9 Program service revenue (Part VIII, line 2g)		12,000,866. 6,183,839.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)		-86,027. 23,748.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		83,127. 381,466.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		14,291,884. 8,821,606.
	<b>Expenses</b>	13 Grants and similar amounts paid (Part IX, column (A), lines 13)	
14 Benefits paid to or for members (Part IX, column (A), line 14)		0. 0.	
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		10,381,224. 5,807,682.	
16a Professional fundraising fees (Part IX, column (A), line 11e)		0. 0.	
16b Total fundraising expenses (Part IX, column (D), line 25)		219,993.	
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)		6,361,979. 4,786,234.	
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		18,893,681. 11,156,211.	
19 Revenue less expenses. Subtract line 18 from line 12		-4,601,797. -2,334,605.	
<b>Net Assets or Fund Balances</b>	20 Total assets (Part X, line 16)		Beginning of Current Year: 18,910,606. End of Year: 17,073,350.
	21 Total liabilities (Part X, line 26)		4,076,677. 4,409,208.
	22 Net assets or fund balances. Subtract line 21 from line 20		14,833,929. 12,664,142.

**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.

<b>Sign Here</b>	Signature of officer <b>JODI HARPSTEAD, CEO</b>	Date			
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>XIAOYAN LUO</b>	Preparer's signature <i>Xiao Yan Luo</i>	Date <b>03/14/14</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P01305207</b>
	Firm's name <b>CLIFTONLARSONALLEN LLP</b>	Firm's EIN <b>41-0746749</b>	Firm's address <b>220 SOUTH SIXTH STREET, SUITE 300 MINNEAPOLIS, MN 55402</b>		
Phone no. <b>612-376-4500</b>					

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

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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: TO HELP CHILDREN THRIVE AND TO BUILD, STRENGTHEN AND SUSTAIN INDIVIDUAL FAMILY AND COMMUNITY LIFE.

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 [X] No

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

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 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 \$ 5,488,455. including grants of \$ 562,295.) (Revenue \$ 3,445,307.)

ADOPTION AND POST-ADOPTION SERVICES: THE ORGANIZATION'S ADOPTION PROGRAM INCLUDES THE DOMESTIC INFANT PROGRAM, MINNESOTA'S WAITING CHILDREN PROGRAM, AND INTERNATIONAL PROGRAMS IN MORE THAN A DOZEN COUNTRIES. ONE-THIRD OF THE CHILDREN ADOPTED INTERNATIONALLY ARE ADOPTED THROUGH THE ORGANIZATION'S WAITING INTERNATIONAL CHILDREN PROGRAM. THE ORGANIZATION MAINTAINS OFFICES IN THE ST. PAUL-MINNEAPOLIS AND WASHINGTON METROPOLITAN AREAS TO SERVE FAMILIES IN MINNESOTA, WISCONSIN, MARYLAND, VIRGINIA AND THE DISTRICT OF COLUMBIA. USING A NETWORK OF PARTNER AGENCIES, THE ORGANIZATION SERVES FAMILIES THROUGHOUT THE U.S. WITH COOPERATIVE ADOPTION. THE ORGANIZATION'S POST-ADOPTION SERVICES WAS THE FIRST OF ITS KIND IN THE U.S., AND PROVIDES DOMESTIC SEARCH AND BACKGROUND SERVICES;

4b (Code ) (Expenses \$ 3,118,947. including grants of \$ 0.) (Revenue \$ 2,727,741.)

EARLY CHILDHOOD CARE AND EDUCATION: THE ORGANIZATION OPERATES SIX EARLY LEARNING CENTERS LOCATED IN SCHOOLS, ON COLLEGE AND CORPORATE CAMPUSES, AND A DROP-IN PROGRAM FOR RAMSEY COUNTY. THESE CENTERS OFFER PROFESSIONAL EARLY CHILDHOOD CARE AND EDUCATION IN AN ENVIRONMENT THAT PROVIDES HIGH QUALITY EARLY LEARNING EXPERIENCES TO PROMOTE KINDERGARTEN READINESS AND FUTURE SUCCESS IN SCHOOL. EMOTIONAL AND SOCIAL HEALTH IS RECOGNIZED AS CRUCIAL TO THE CHILD'S DEVELOPMENT AND SCHOOL READINESS. THEREFORE, A COMPREHENSIVE ARRAY OF SUPPORT SERVICES FOR CHILDREN AND PARENTS IS EASILY ACCESSIBLE AND AVAILABLE. IN MAY 2012, THE ORGANIZATION'S BOARD OF DIRECTORS ADOPTED A REVISED BUSINESS PLAN THAT INCLUDED THE DECISION TO TRANSFER THE EARLY CHILDHOOD CARE AND EDUCATION PROGRAMS TO OTHER

4c (Code ) (Expenses \$ 0. including grants of \$ 0.) (Revenue \$ 0.)

INTERNATIONAL CHILD WELFARE: TO DATE, THE ORGANIZATION HAS DISTRIBUTED \$4 MILLION TO 15 COUNTRIES THROUGH SPECIAL PROJECTS, FINANCIAL SUPPORT, AND VOLUNTEERS DONATING THEIR TIME FOR VARIOUS EFFORTS TO SUPPORT BOTH CHILDREN AND CAREGIVERS. ICW PROGRAMS ARE MAKING A DIFFERENCE IN THE LIVES OF THOUSANDS OF CHILDREN TODAY AND FOR GENERATIONS TO COME.

4d Other program services (Describe in Schedule O) (Expenses \$ 26,448. including grants of \$ ) (Revenue \$ 10,791.)

4e Total program service expenses 8,633,850.

**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)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	X	
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? <i>If "Yes," complete Schedule C, Part III</i>		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? <i>If "Yes," complete Schedule D, Part I</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? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	X	
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	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? <i>If "Yes," complete Schedule D, Part VI</i>	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? <i>If "Yes," complete Schedule D, Part VII</i>		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? <i>If "Yes," complete Schedule D, Part VIII</i>		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? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	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)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		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? <i>If "Yes," complete Schedule F, Parts I and IV</i>	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? <i>If "Yes," complete Schedule F, Parts II and IV</i>	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? <i>If "Yes," complete Schedule F, Parts III and IV</i>	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? <i>If "Yes," complete Schedule G, Part I</i>		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? <i>If "Yes," complete Schedule G, Part II</i>	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		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
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
<b>22</b> 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? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
<b>23</b> 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? <i>If "Yes," complete Schedule J</i>		X
<b>24a</b> 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, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
<b>25b</b> 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? <i>If "Yes," complete Schedule L, Part I</i>		X
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
<b>27</b> 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? <i>If "Yes," complete Schedule L, Part III</i>		X
<b>28</b> 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):		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>28c</b> 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? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
<b>35b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
<b>37</b> 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? <i>If "Yes," complete Schedule R, Part VI</i>		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

**Part V** Statements Regarding Other IRS Filings and Tax Compliance

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

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

**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
1a	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.		
1a	16		
b	Enter the number of voting members included in line 1a, above, who are independent		
1b	16		
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
7a	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
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
7b			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	
8a		X	
b	Each committee with authority to act on behalf of the governing body?	X	
8b		X	
9	Is there any officer, director, 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
10a	Did the organization have local chapters, branches, or affiliates?	X	
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	
10b		X	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b		X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c		X	
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	
15a		X	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
15b			X
16a	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
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 take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

**Section C. Disclosure**

- 17 List the states with which a copy of this Form 990 is required to be filed **MN, DC, VA, MD, WI, IA**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **KEN BORLE - 651-969-2300**  
**2485 COMO AVE, ST. PAUL, MN 55108**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

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

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** 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 (list any hours for related organizations below line)	(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) JENNIFER MARTIN BOARD CHAIR	1.00	X		X				0.	0.	0.
(2) JIMMY FOGEL BOARD MEMBER	1.00	X						0.	0.	0.
(3) MARK GABRIELE BOARD MEMBER	1.00	X						0.	0.	0.
(4) JOCELYN KNOLL BOARD MEMBER	1.00	X						0.	0.	0.
(5) STEPHEN KOWALKE BOARD MEMBER	1.00	X						0.	0.	0.
(6) PAT KRUEGER BOARD MEMBER	1.00	X						0.	0.	0.
(7) JAMICE OBIANYO BOARD MEMBER	1.00	X						0.	0.	0.
(8) PETER RAMME BOARD MEMBER	1.00	X						0.	0.	0.
(9) SALIN ROSE BOARD MEMBER	1.00	X						0.	0.	0.
(10) SHERI SCOTT-REDWOOD BOARD MEMBER	1.00	X						0.	0.	0.
(11) BILL SOTH BOARD MEMBER	1.00	X						0.	0.	0.
(12) JIM STEILEN BOARD MEMBER	1.00	X						0.	0.	0.
(13) JOAN SUWALSKY BOARD MEMBER	1.00	X						0.	0.	0.
(14) SANDY TOKACH BOARD MEMBER	1.00	X						0.	0.	0.
(15) PAUL VERRET BOARD MEMBER	1.00	X						0.	0.	0.
(16) STEVE ZENZ BOARD MEMBER	1.00	X						0.	0.	0.
(17) JODI HARPSTEAD CEO (EFFECTIVE 7/1/12)	1.00			X				0.	0.	0.



**Part VIII Statement of Revenue**

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

			(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	1 a Federated campaigns	1a	459,231.				
	b Membership dues	1b					
	c Fundraising events	1c	29,006.				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,744,316.				
	g Noncash contributions included in lines 1a-1f \$		47,312.				
	<b>h Total. Add lines 1a-1f</b>			2,232,553.			
Program Service Revenue	2 a FEES FOR SERVICES	Business Code 624100	2,561,058.	2,561,058.			
	b INT'L ADOPTION FEES	624100	2,557,996.	2,557,996.			
	c GOV'T FEES AND GRANTS	624100	1,064,785.	1,064,785.			
	d						
	e						
	f All other program service revenue						
	<b>g Total. Add lines 2a-2f</b>			6,183,839.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		97,349.			97,349.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	353,238.				
		(ii) Personal					
		b Less: rental expenses	0.				
		c Rental income or (loss)	353,238.				
	d Net rental income or (loss)		353,238.			353,238.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	87,641.				
		(ii) Other	302,125.				
		b Less: cost or other basis and sales expenses	60,700.	402,667.			
		c Gain or (loss)	26,941.	-100,542.			
	d Net gain or (loss)		-73,601.			-73,601.	
	8 a Gross income from fundraising events (not including \$ 29,006. of contributions reported on line 1c). See Part IV, line 18	a	12,500.				
		b Less: direct expenses	26,991.				
c Net income or (loss) from fundraising events			-14,491.			-14,491.	
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses						
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a						
	b Less: cost of goods sold						
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11 a MISCELLANEOUS REVENUE	900099	42,719.			42,719.		
b							
c							
d All other revenue							
e Total. Add lines 11a-11d		42,719.					
<b>12 Total revenue. See instructions.</b>			8,821,606.	6,183,839.	0.	405,214.	

**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).

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				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	18,000.	18,000.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	544,295.	544,295.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	140,000.	56,000.	70,000.	14,000.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	3,808,393.	3,249,378.	520,296.	38,719.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	545,632.	457,476.	81,010.	7,146.
9 Other employee benefits	907,303.	466,350.	434,183.	6,770.
10 Payroll taxes	406,354.	340,569.	60,437.	5,348.
11 Fees for services (non-employees):				
a Management	325,433.	255,448.	61,287.	8,698.
b Legal	58,060.	43,475.	10,102.	4,483.
c Accounting	79,991.		79,991.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	700,901.	586,294.	60,672.	53,935.
12 Advertising and promotion				
13 Office expenses	282,960.	167,270.	53,630.	62,060.
14 Information technology	49,985.	37,850.	12,135.	
15 Royalties				
16 Occupancy	326,534.	188,658.	137,605.	271.
17 Travel	190,034.	179,887.	9,423.	724.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	284,168.	5,287.	278,881.	
23 Insurance	249,805.	203,972.	45,743.	90.
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 CLIENT/COMMUNITY SUPPORT	2,006,074.	1,699,432.	294,605.	12,037.
b STAFF DEVELOPMENT	96,595.	86,705.	9,694.	196.
c EQUIPMENT	85,724.	40,513.	39,714.	5,497.
d MISCELLANEOUS	49,970.	6,991.	42,960.	19.
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	11,156,211.	8,633,850.	2,302,368.	219,993.
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  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

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

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	1	Cash - non-interest-bearing	1,585,821.	1	576,035.
	2	Savings and temporary cash investments	0.	2	3,269,768.
	3	Pledges and grants receivable, net	242,484.	3	0.
	4	Accounts receivable, net	270,947.	4	343,333.
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Loans and other 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 instr). Complete Part II of Sch L		6	
	7	Notes and loans receivable, net	277,865.	7	269,560.
	8	Inventories for sale or use	2,132.	8	1,968.
	9	Prepaid expenses and deferred charges	510,628.	9	703,747.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 10,269,444.		
	b	Less: accumulated depreciation	10b 3,348,764.	10c	6,920,680.
	11	Investments - publicly traded securities	6,316,045.	11	3,128,339.
	12	Investments - other securities. See Part IV, line 11	210,155.	12	231,725.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	2,374,980.	15	1,628,195.
16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	18,910,606.	16	17,073,350.	
<b>Liabilities</b>	17	Accounts payable and accrued expenses	2,205,629.	17	3,627,153.
	18	Grants payable		18	
	19	Deferred revenue	350,685.	19	233,850.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Loans and other 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	1,520,363.	25	548,205.
	26	<b>Total liabilities.</b> Add lines 17 through 25	4,076,677.	26	4,409,208.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	-120,948.	27	-2,036,476.
	28	Temporarily restricted net assets	7,322,848.	28	6,780,447.
	29	Permanently restricted net assets	7,632,029.	29	7,920,171.
	Organizations that do not follow SFAS 117 (ASC 958), 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	<b>Total net assets or fund balances</b>	14,833,929.	33	12,664,142.	
34	<b>Total liabilities and net assets/fund balances</b>	18,910,606.	34	17,073,350.	

**Part XI Reconciliation of Net Assets**

Check 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	8,821,606.
2	Total expenses (must equal Part IX, column (A), line 25)	2	11,156,211.
3	Revenue less expenses. Subtract line 2 from line 1	3	-2,334,605.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	14,833,929.
5	Net unrealized gains (losses) on investments	5	-2,151.
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	166,969.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	12,664,142.

**Part XII Financial Statements and Reporting**

Check 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 \_\_\_\_\_  
 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?  
 If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?  
 If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- 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?  
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 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?
- 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

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2012)

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

**2012**

Open to Public Inspection

Name of the organization: **CHILDREN'S HOME SOCIETY OF MINNESOTA**  
Employer identification number: **41-0693906**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.  
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?		
(ii) A family member of a person described in (i) above?		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2012

232021  
12-04-12

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,630,314.	4,102,653.	3,457,699.	2,293,918.	2,232,553.	16,717,137.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	4,630,314.	4,102,653.	3,457,699.	2,293,918.	2,232,553.	16,717,137.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						154,531.
<b>6 Public support.</b> Subtract line 5 from line 4						16,562,606.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4	4,630,314.	4,102,653.	3,457,699.	2,293,918.	2,232,553.	16,717,137.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	448,725.	230,902.	265,273.	105,668.	450,587.	1,501,155.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	152,350.	-97,038.	-166,590.	55,732.	42,719.	-12,827.
<b>11 Total support.</b> Add lines 7 through 10						18,205,465.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					72,057,138.	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	90.98	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14	<b>15</b>	88.57	%
<b>16a 33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/>			
<b>b 33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>17a 10% -facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>b 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>			
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2012

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17	<b>18</b>	%

- 19a 33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions



**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No 1545-0047

**2012**

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization is described below. ▶ Attach to Form 990 or Form 990-EZ.**  
▶ **See separate instructions.**

**Open to Public Inspection**

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), or Form 990-EZ, Part V, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization <b>CHILDREN'S HOME SOCIETY OF MINNESOTA</b>	Employer identification number <b>41-0693906</b>
---	---

**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ 0.
- 3 Volunteer hours 0.

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ 0.
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ 0.
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file Form 1120-POL for this year?  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule C (Form 990 or 990-EZ) 2012  
LHA

232041  
01-07-13

**Part II-A** Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B** Check  if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing organization's totals	(b) Affiliated group totals												
<b>1a</b>	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0.													
<b>b</b>	Total lobbying expenditures to influence a legislative body (direct lobbying)	0.													
<b>c</b>	Total lobbying expenditures (add lines 1a and 1b)	0.													
<b>d</b>	Other exempt purpose expenditures	10,936,218.													
<b>e</b>	Total exempt purpose expenditures (add lines 1c and 1d)	10,936,218.													
<b>f</b>	Lobbying nontaxable amount. Enter the amount from the following table in both columns.	696,811.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b>	Grassroots nontaxable amount (enter 25% of line 1f)	174,203.													
<b>h</b>	Subtract line 1g from line 1a. If zero or less, enter -0-	0.													
<b>i</b>	Subtract line 1f from line 1c. If zero or less, enter -0-	0.													
<b>j</b>	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

**Lobbying Expenditures During 4-Year Averaging Period**

Calendar year (or fiscal year beginning in)	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) Total
<b>2a</b> Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000.
<b>c</b> Total lobbying expenditures	20,000.				20,000.
<b>d</b> Grassroots nontaxable amount	250,000.	250,000.	250,000.	250,000.	1,000,000.
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000.
<b>f</b> Grassroots lobbying expenditures	9,500.				9,500.

Schedule C (Form 990 or 990-EZ) 2012

**Part II-B** Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

For each "Yes," response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?			
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
<b>c</b> Media advertisements?			
<b>d</b> Mailings to members, legislators, or the public?			
<b>e</b> Publications, or published or broadcast statements?			
<b>f</b> Grants to other organizations for lobbying purposes?			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
<b>i</b> Other activities?			
<b>j</b> Total. Add lines 1c through 1i			
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

**Part III-A** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?		
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
<b>3</b> Did the organization agree to carry over lobbying and political expenditures from the prior year?		

**Part III-B** Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) nondeductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (see instructions)	<b>5</b>	

**Part IV** Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, line 2; and Part II-B, line 1. Also, complete this part for any additional information.

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**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 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

**2012**  
Open to Public Inspection

Name of the organization

CHILDREN'S HOME SOCIETY OF MINNESOTA

Employer identification number  
41-0693906

**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).

Preservation of land for public use (e.g., recreation or education)  Preservation of an historically important land area

Protection of natural habitat  Preservation of a certified historic structure

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 XIII, 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 XIII, 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 ▶ \$ 0.

(ii) Assets included in Form 990, Part X ▶ \$ 312,710.

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
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 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 XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**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	6,211,029.	7,767,839.	6,077,769.	6,174,940.	8,306,417.
b Contributions	14,380.	91,992.	426,983.	65,374.	52,364.
c Net investment earnings, gains, and losses	132,023.	72,482.	1,269,572.	684,269.	-1,907,320.
d Grants or scholarships					
e Other expenditures for facilities and programs		1,721,284.	6,485.	486,101.	276,521.
f Administrative expenses				360,713.	
g End of year balance	6,357,432.	6,211,029.	7,767,839.	6,077,769.	6,174,940.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  .00 %
  - b Permanent endowment  100.00 %
  - c Temporarily restricted endowment  .00 %
- 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:
- |                             | Yes                                 | No                                  |
|-----------------------------|-------------------------------------|-------------------------------------|
| (i) unrelated organizations | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (ii) related organizations  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIII 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		573,040.		573,040.
b Buildings		7,216,298.	1,699,735.	5,516,563.
c Leasehold improvements		571,927.	191,429.	380,498.
d Equipment		1,595,469.	1,457,600.	137,869.
e Other		312,710.		312,710.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,920,680.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(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)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (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)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) CONTRIBUTIONS RECEIVABLE UNDER REMAINDER TRUST	65,456.
(2) BENEFICIARY INTEREST IN PERPETUAL TRUST	1,562,739.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	1,628,195.

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

(a) Description of liability	(b) Book value
1. (1) Federal income taxes	
(2) REFUNDABLE FEES AND DEPOSITS	226,799.
(3) LIABILITY UNDER TRUST	130,627.
(4) POST-RETIREMENT BENEFITS	190,779.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	548,205.

2. FIN 48 (ASC 740) Footnote. In Part XIII, 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). Check here if the text of the footnote has been provided in Part XIII

<b>Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return</b>			
1	Total revenue, gains, and other support per audited financial statements		1 6,088,358.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a -2,151.	
b	Donated services and use of facilities	2b 452,350.	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d 193,960.	
e	Add lines 2a through 2d		2e 644,159.
3	Subtract line 2e from line 1		3 5,444,199.
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 XIII.)	4b 3,377,407.	
c	Add lines 4a and 4b		4c 3,377,407.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5 8,821,606.

<b>Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return</b>			
1	Total expenses and losses per audited financial statements		1 6,857,239.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a 452,350.	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d 26,991.	
e	Add lines 2a through 2d		2e 479,341.
3	Subtract line 2e from line 1		3 6,377,898.
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 XIII.)	4b 4,778,313.	
c	Add lines 4a and 4b		4c 4,778,313.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5 11,156,211.

**Part XIII 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, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART III, LINE 4: THE ORGANIZATION'S ARTWORK ENHANCES THE BUILDING,**

**WHICH PROVIDES A NICE FACILITY TO HELP THE IMAGE WE CONVEY TO THE GENERAL PUBLIC.**

**PART V, LINE 4: THE ORGANIZATION MAINTAINS THE ENDOWMENT TO SUPPORT OPERATIONS EXPENSES OVER THE LONG TERM.**

**PART X, LINE 2: THE ORGANIZATION IS A TAX-EXEMPT ORGANIZATION UNDER**

**Part XIII** Supplemental Information (continued)

SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND APPLICABLE STATE STATUTES AND IS GENERALLY NOT SUBJECT TO INCOME TAXES. IT HAS BEEN CLASSIFIED AS AN ORGANIZATION THAT IS NOT A PRIVATE FOUNDATION UNDER THE INTERNAL REVENUE CODE. CHARITABLE CONTRIBUTIONS BY DONORS ARE TAX DEDUCTIBLE.

THE ORGANIZATION FOLLOWS THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITION. THE ORGANIZATION'S TAX RETURNS ARE SUBJECT TO REVIEW BY FEDERAL AND STATE AUTHORITIES. THE ORGANIZATION IS NOT AWARE OF ANY ACTIVITIES THAT WOULD JEOPARDIZE ITS TAX-EXEMPT STATUS. THE TAX RETURNS FOR THE FISCAL YEARS 2010 TO 2013 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN VALUE OF SPLIT INTEREST AGREEMENT	3,660.
CHANGE IN VALUE OF BENEFICIAL INTEREST COMMUNITY FOUNDATION HOLDING	141,739.
CHANGE IN VALUE OF TRUST	21,570.
SPECIAL EVENT EXPENSES	26,991.
TOTAL TO SCHEDULE D, PART XI, LINE 2D	193,960.

## PART XI, LINE 4B - OTHER ADJUSTMENTS:

LOSS ON SALE OF ASSETS	-100,542.
INCOME FROM DISCONTINUED OPERATIONS	3,477,949.
TOTAL TO SCHEDULE D, PART XI, LINE 4B	3,377,407.

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

SPECIAL EVENT EXPENSES	26,991.
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Part XIII Supplemental Information (continued)

PART XII, LINE 4B - OTHER ADJUSTMENTS:

EXPENSES FROM DISCONTINUED OPERATIONS 4,778,313.

**SCHEDULE F  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Statement of Activities Outside the United States**

▶ Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization: **CHILDREN'S HOME SOCIETY OF MINNESOTA**  
Employer identification number: **41-0693906**

**Part I** General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
EAST ASIA AND THE PACIFIC	1	1	PROGRAM SERVICES	PROVIDE INTERNATIONAL ADOPTION SERVICES	929,178.
SUB-SAHARAN AFRICA	1	0	PROGRAM SERVICES	PROVIDE INTERNATIONAL ADOPTION SERVICES	19,227.
SOUTH ASIA	0	0	PROGRAM SERVICES	PROVIDE INTERNATIONAL ADOPTION SERVICES	18,859.
RUSSIA AND THE NEWLY INDEPENDENT STATES	1	0	PROGRAM SERVICES	PROVIDE INTERNATIONAL ADOPTION SERVICES	38,876.
SOUTH AMERICA	0	0	PROGRAM SERVICES	PROVIDE INTERNATIONAL ADOPTION SERVICES	87,160.
<b>3 a</b> Sub-total	3	1			1,093,300.
<b>b</b> Total from continuation sheets to Part I	0	0			0.
<b>c</b> Totals (add lines 3a and 3b)	3	1			1,093,300.

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

Schedule F (Form 990) 2012

**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		SUB-SAHARAN AFRICA	FOSTER CARE ASSISTANCE	72,879.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	9,183.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	6,813.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	52,000.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	86,180.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	10,703.	WIRES	0.	N/A	N/A
		SUB-SAHARAN AFRICA	ORPHANAGE ASSISTANCE	41,000.	WIRE	0.	N/A	N/A
		RUSSIA & THE NEWLY INDEPENDENT STATES	ORPHANAGE ASSISTANCE	15,663.	WIRES	0.	N/A	N/A

**2** Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter **12**

**3** Enter total number of other organizations or entities **0**

Part II Continuation of Grants and Other Assistance to Organizations or Entities Outside the United States. (Schedule F (Form 990), Part II, line 1)									
1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			SOUTH ASIA	ORPHANAGE ASSISTANCE	17,948.	WIRES	0.	N/A	N/A
			SOUTH ASIA	ORPHANAGE ASSISTANCE	6,000.	WIRES	0.	N/A	N/A
			SOUTH ASIA	ORPHANAGE ASSISTANCE	10,000.	WIRES/CHECKS	0.	N/A	N/A
			EAST ASIA & THE PACIFIC	ORPHANAGE ASSISTANCE	9,627.	WIRES	0.	N/A	N/A

Part III Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.

Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
SPECIFIC ASSISTANCE	EAST ASIA & THE PACIFIC	16	88,851.	WIRES/CHECKS	0.	N/A	N/A
SPECIFIC ASSISTANCE	SOUTH ASIA	2	13,493.	WIRE	0.	N/A	N/A
SPECIFIC ASSISTANCE	RUSSIA & THE NEWLY INDEPENDENT STATES	2	40,375.	WIRE	0.	N/A	N/A
SPECIFIC ASSISTANCE	CENTRAL AMERICA & CARIBBEAN	2	13,160.	WIRE	0.	N/A	N/A
SPECIFIC ASSISTANCE	SOUTH AMERICA	3	50,420.	WIRE	0.	N/A	N/A

**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* .....  Yes  No
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* .....  Yes  No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* .....  Yes  No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* .....  Yes  No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* .....  Yes  No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report. (see Instructions for Form 5713)* .....  Yes  No

Schedule F (Form 990) 2012

**Part V** Supplemental Information

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information.

SCHEDULE F, PART I, LINE 2: CHILDREN'S HOME SOCIETY OF MINNESOTA (CHSMN)

WORKS COLLABORATIVELY WITH CONSULTANTS AND INTERNATIONAL NGO'S TO ENSURE ETHICAL ALLOCATION OF GRANT FUNDS. THE EXECUTIVE COMMITTEE OF THE CHSMN BOARD OF DIRECTORS APPROVES EACH PROJECT TO BE FUNDED AND DETERMINES THE MAXIMUM AMOUNT OF FUNDS TO BE GRANTED. THE EXECUTIVE COMMITTEE OF THE CHSMN BOARD OF DIRECTORS REVIEWS EACH PROJECT/PROGRAM'S UNIQUE BUDGET, SUSTAINABILITY, TRACKING METHODOLOGY AND GOALS. RECEIPT OF GRANTED FUNDS IS REQUIRED FOR ALL RECIPIENTS. WHEN POSSIBLE, CHSMN OBTAINS PHOTOGRAPHIC EVIDENCE OF FUND DISBURSEMENT OR ALLOCATION ABROAD. WHEN POSSIBLE, CHSMN STAFF PERSONALLY VISIT RECIPIENTS OF GRANT FUNDS AND OBSERVE THE FUNDED PROJECT/PROGRAM. MANDATORY UPDATES ARE PROVIDED BY GRANT RECIPIENTS ON EACH FUNDED PROJECT/PROGRAM.

SCHEDULE F, PART I, LINE 3: ACCRUAL

PART III - SPECIFIC ASSISTANCE DETAIL - SPECIFIC ASSISTANCE INCLUDES HUMANITARIAN AID, PROGRAM STARTUP COSTS INCLUDING RENT, SUPPLIES, TRAVEL AND OTHER SUPPLIES.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		WINE MAKERS DINNER		NONE		
		(event type)	(event type)	(total number)		
Revenue	1	Gross receipts	41,506.		41,506.	
	2	Less: Contributions	29,006.		29,006.	
	3	Gross income (line 1 minus line 2)	12,500.		12,500.	
Direct Expenses	4	Cash prizes				
	5	Noncash prizes	834.		834.	
	6	Rent/facility costs				
	7	Food and beverages	10,493.		10,493.	
	8	Entertainment				
	9	Other direct expenses	15,664.		15,664.	
	10	Direct expense summary. Add lines 4 through 9 in column (d)				( 26,991 )
	11	Net income summary. Combine line 3, column (d), and line 10				-14,491.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
		Revenue	1	Gross revenue		
Direct Expenses	2	Cash prizes				
	3	Noncash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary. Add lines 2 through 5 in column (d)				( )
	8	Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?  Yes  No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No

b If "Yes," explain: \_\_\_\_\_





**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
ADOPTION ASSISTANCE GRANT	1	18,000.	0.	N/A	N/A

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

SCHEDULE I, PART I, LINE 2: THE ORGANIZATION MAKES GRANTS TO OTHER EXEMPT PUBLIC CHARITIES. FOR THE YEAR ENDED JUNE 30, 2013, THERE WERE NO GRANTS AWARDED THAT EXCEEDED \$5,000 TO ANY ONE ORGANIZATION. THESE GRANTS ARE CONSIDERED CHARITABLE IN NATURE; NO FORMAL MONITORING OF THE FUNDS IS REQUIRED.

A CLIENT COMPLETES AN APPLICATION THAT INCLUDES A BUDGET ON MONTHLY EXPENSES AND IS REVIEWED BY A SOCIAL WORKER AND APPROVED BY A SUPERVISOR. IF NEEDED, THE CLIENT IS REFERRED TO FINANCIAL COUNSELING AND IN SOME CASES

**Part IV** Supplemental Information

IT IS FINANCIAL COUNSELING REQUESTING THE GRANT. THE CHECK REQUEST IS WRITTEN TO THE VENDOR INSTEAD OF THE CLIENT AND SENT DIRECTLY TO THE VENDOR. THIS ASSURES THAT THE VENDOR GETS THE MONEY AND PROTECTS THE ORGANIZATION IN ASSISTING THE CLIENT.

Lined area for supplemental information.

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2012**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.**

**Open to Public Inspection**

Name of the organization: **CHILDREN'S HOME SOCIETY OF MINNESOTA**  
Employer identification number: **41-0693906**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	3	41,345.	STOCK EXCHANGE
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ ( GIFT CARDS MI )	X	12	5,967.	DONOR DETERMINED
26	Other ▶ ( )				
27	Other ▶ ( )				
28	Other ▶ ( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** 0

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2012)

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, PART I, COLUMN (B): THE AMOUNT IN SCHEDULE M, PART I,

COLUMN (B) IS EQUAL TO THE NUMBER OF CONTRIBUTORS.

Multiple horizontal lines for supplemental information.

**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

**2012**

Open to Public  
Inspection

Name of the organization

CHILDREN'S HOME SOCIETY OF MINNESOTA

Employer identification number  
41-0693906

FORM 990, PART III, LINE 3, CHANGES IN PROGRAM SERVICES:

CHILD CARE CENTERS - DURING 2012, THE ORGANIZATION'S BOARD OF DIRECTORS  
MADE THE DECISION TO PHASE OUT OF THE ORGANIZATION'S OPERATION OF CHILD  
CARE CENTERS. AS OF JUNE 30, 2013, ALL CHILD CARE CENTERS HAD EITHER  
BEEN CLOSED OR TRANSFERRED TO OTHER AGENCIES.

ETHIOPIA ACTIVITIES - CHILDREN'S HOME ACADEMY IN ETHIOPIA WAS CLOSED ON  
SEPTEMBER 4, 2012. IN ADDITION, THE SIPARA MATERNAL AND CHILD HEALTH  
CARE CENTER WAS CLOSED ON OCTOBER 25, 2012. DURING 2013, ESSENTIALLY  
ALL OTHER OPERATIONS COORDINATED BY THE ORGANIZATION IN ETHIOPIA WERE  
TERMINATED OR TRANSFERRED TO OTHER SPONSORS AS WELL.

SUBSEQUENT TO YEAR END, A LETTER OF UNDERSTANDING WAS SIGNED WITH  
ANOTHER NON-PROFIT FOUNDATION WHEREBY THEY WOULD ACQUIRE THE REMAINING  
ASSETS AND ACTIVITIES OF THE ETHIOPIA OPERATIONS AND ASSUME  
RESPONSIBILITY FOR ALL ACTIVITIES GOING FORWARD.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:  
INTERNATIONAL SEARCH AND OUTREACH SERVICES; BIRTHLAND TOURS; AND  
SUPPORT, COUNSELING AND EDUCATIONAL SERVICES TO ALL MEMBERS OF THE  
ADOPTIVE CIRCLE.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:  
AGENCIES. MANAGEMENT IDENTIFIED TWO ENTITIES TO ACCEPT THE TRANSFER,  
WHICH WAS COMPLETED ON MARCH 31, 2013.

Name of the organization CHILDREN'S HOME SOCIETY OF MINNESOTA	Employer identification number 41-0693906
--	--

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

DISCONTINUED OPERATIONS:

DISCONTINUED OPERATIONS INCLUDE CHILD & FAMILY SUPPORT SERVICES, WHICH WAS TRANSFERED TO ANOTHER AGENCY.

EXPENSES \$ 26,448. INCLUDING GRANTS OF \$ 0. REVENUE \$ 10,791.

FORM 990, PART VI, SECTION A, LINE 1: THE ORGANIZATION'S EXECUTIVE COMMITTEE CONSISTS OF THE BOARD CHAIR, VICE-CHAIRS, AND THE CHAIRS OF OTHER BOARD COMMITTEES. THE EXECUTIVE COMMITTEE HAS THE AUTHORITY TO ACT FOR AND ON BEHALF OF THE BOARD WHEN THE BOARD IS NOT IN SESSION, BUT IS ACCOUNTABLE TO THE BOARD FOR ALL ACTIONS TAKEN. ALL FORMAL ACTIONS TAKEN BY THE EXECUTIVE COMMITTEE ARE REPORTED TO THE BOARD FOR RATIFICATION DURING THE NEXT MEETING.

FORM 990, PART VI, SECTION A, LINE 3: EFFECTIVE JULY 1, 2012, THE ORGANIZATION ENTERED INTO A MANAGEMENT AGREEMENT WITH LUTHERAN SOCIAL SERVICE OF MINNESOTA, EFFECTIVE THROUGH JUNE 30, 2018.

FORM 990, PART VI, SECTION A, LINE 4: THE ORGANIZATION AMENDED ITS GOVERNING DOCUMENTS TO REFLECT A NAME CHANGE FROM CHILDREN'S HOME SOCIETY AND FAMILY SERVICES TO CHILDREN'S HOME SOCIETY OF MINNESOTA.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM AND REVIEWED BY THE AUDIT COMMITTEE. A COPY OF THE FORM 990 WAS PROVIDED TO EACH MEMBER OF THE BOARD PRIOR TO FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C: ANNUAL DISCLOSURE FORMS ARE

Schedule O (Form 990 or 990-EZ) (2012)

Name of the organization

CHILDREN'S HOME SOCIETY OF MINNESOTA

Employer identification number

41-0693906

REQUIRED TO BE COMPLETED BY ALL BOARD MEMBERS. IF A POTENTIAL CONFLICT ARISES, THE CONFLICTED INDIVIDUAL SHALL NOT PARTICIPATE IN THE DISCUSSION (EXCEPT TO DISCLOSE MATERIAL FACTS), VOTE, OR HAVE INVOLVEMENT IN ANY OTHER ACTION RELATED TO THE CONFLICTED TRANSACTION. CONFLICTS ARE DETERMINED BY UNCONFLICTED BOARD MEMBERS. ANY CONFLICT OF INTEREST PROCEEDINGS ARE DOCUMENTED IN THE MEETING MINUTES.

FORM 990, PART VI, SECTION B, LINE 15A: AS OF 7/1/12, UNDER THE MANAGEMENT AGREEMENT WITH LSSMN, JODI HARPSTEAD BECAME THE CEO OF CHSMN. HER COMPENSATION AND ANNUAL APPRAISAL IS PERFORMED BY THE EXECUTIVE COMMITTEE OF THE LSSMN BOARD OF DIRECTORS.

THE PRESIDENT/CEO IS RESPONSIBLE FOR THE VICE PRESIDENTS' (INCLUDING CFO) PERFORMANCE APPRAISALS AND RECOMMENDS THE SALARIES BASED ON SURVEY INFORMATION PROVIDED TO THE AGENCY THROUGH A COMPENSATION STUDY CONDUCTED BY AN OUTSIDE CONSULTANT IN 2007, AS WELL AS EACH INDIVIDUAL'S PERFORMANCE.

THE PERFORMANCE APPRAISALS AND SALARY RECOMMENDATIONS ARE REVIEWED BY THE BOARD CHAIR. THE DECISIONS ARE SUBSTANTIATED WITH THE BOARD CHAIR'S SIGNATURE ON THE PERFORMANCE APPRAISALS AND SALARY CHANGE FORM.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION DOES NOT MAKE ITS GOVERNING DOCUMENTS AVAILABLE TO THE PUBLIC. THE ORGANIZATION MAKES ITS CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 9, CHANGES IN NET ASSETS:

CHANGE IN VALUE OF SPLIT INTEREST AGREEMENT

3,660.

Schedule O (Form 990 or 990-EZ) (2012)

Name of the organization

CHILDREN'S HOME SOCIETY OF MINNESOTA

Employer identification number

41-0693906

CHANGE IN VALUE OF BENEFICIAL INTEREST COMMUNITY FOUNDATION

HOLDING 141,739.

CHANGE IN VALUE OF TRUST 21,570.

TOTAL TO FORM 990, PART XI, LINE 9 166,969.

Multiple horizontal lines for additional entries.





**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, lines 34, 35b, 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?

- a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)
- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)
- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses
- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		X
1b		X
1c		X
1d		X
1e		X
1f		X
1g		X
1h		X
1i		X
1j		X
1k		X
1l		X
1m		X
1n		X
1o		X
1p		X
1q		X
1r		X
1s		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-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				





**Work Item 643401900023**  
**Original File Number 4026-NP**

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
FILED  
**02/01/2013 11:59 PM**

*Mark Ritchie*

Mark Ritchie  
Secretary of State

**RESTATED ARTICLES OF INCORPORATION  
OF  
CHILDREN'S HOME SOCIETY & FAMILY SERVICES**

**AMENDED AND RESTATED October 25, 2012**

The Articles of Incorporation of "Children's Home Society & Family Services," founded on September 11, 1889, and incorporated as a non-profit corporation on February 25, 1891, under the name Children's Aid Society of Minnesota, and which Articles were amended on May 22, 1980, on April 27, 1990, on May 7, 1999, on July 1, 2003, and on September 10, 2008 are hereby amended and restated in their entirety by striking all the provisions as now set forth in the Articles of Incorporation and substituting the following Restated Articles of Incorporation:

**ARTICLE 1 – NAME**

The name of the corporation shall be "Children's Home Society of Minnesota"

**ARTICLE 2 – LOCATION**

The location of the registered office of the corporation shall be 1605 Eustis Street, City of Saint Paul, County of Ramsey, State of Minnesota, Zip code 55108.

**ARTICLE 3 – PURPOSE**

The corporation is formed and operates exclusively for charitable and educational purposes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The corporation's purposes are further defined by its established mission: to help children thrive; to strengthen, build and sustain individual, family and community life; to provide quality human services to children and families that enable them to realize their potential and help them improve their own well-being; to establish, restore and preserve positive relationships within families and the community; to facilitate the education, social growth and emotional well-being of children and families; and to advocate for the rights and needs of children and families. A family consists of two or more people whether living together or apart, related by blood, marriage, adoption, or commitment to care for one another.

The corporation's charitable and educational purposes may include, but are not limited to:

- Providing care of children away from their homes
- Operating a child adoption service and information agency;
- Receiving the relinquishment of parental rights of releases and the obtaining of custody of children for the purpose of placing such children in adoptive homes;
- Providing, as deemed necessary, guidance and other assistance to parents of children for whom the Corporation will obtain custody for the purpose of placing them into adoptive homes,
- Making available of counseling, advice, guidance and other services as may be deemed appropriate to persons seeking to adopt children,
- Conducting or participating with others in the study of social and legal problems of adoption and seeking the development of solutions to these problems;

**ARTICLE 4 – NON-PROFIT**

The corporation shall not, incidentally or otherwise, afford or pay any pecuniary gain, dividends, or other pecuniary remuneration to its members as such, and no part of the net income or net earnings of the corporation shall, directly or indirectly, be distributable to or otherwise inure to the benefit of any member or private person.

No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. The corporation shall not participate in, intervene in, or publish or distribute statements in any political campaign on behalf of any candidate for political office.

**ARTICLE 5 – NO CAPITAL STOCK**

The corporation shall not have any capital stock or shares.

**ARTICLE 6 – MEMBERSHIP**

The corporation shall have no members

**ARTICLE 7 – BOARD OF DIRECTORS**

The management and direction of the business of this corporation shall be vested in a Board of Directors. The number, method of selection, term of office, powers, authority and duties of members of the Board of Directors, the time and place of their meetings, and such other regulations with respect to them as are not inconsistent with the express provisions of these Articles of Incorporation shall be as specified from time to time in the Bylaws of this corporation.

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken by written action signed, or consented to by authenticated electronic communication, by the number of Directors required to take the same action at a meeting of the Board of Directors at which all Directors were present. Any action required or permitted to be taken at a meeting of a committee may be taken by written action signed, or consented to by authenticated electronic communication, by the number of committee members that would be required to take the same action at a meeting of the committee at which all committee members were present. All directors or committee members, as the case may be, shall be notified immediately of the text and effective date of any such written action that is duly taken.

**ARTICLE 8 – DIRECTORS EMERITUS**

The purpose of the Directors Emeritus is to support the mission of the corporation.

Current, active Directors who have served at least nine years on the Board of Directors or have made a significant contribution to the corporation (or a predecessor organization) are eligible for selection as Directors Emeritus. Selection as Directors Emeritus shall take place at the Annual Meeting of the Corporation.

**ARTICLE 9 – DURATION**

The duration of the corporation shall be perpetual.

**ARTICLE 10 – DISSOLUTION**

The corporation may be dissolved in accordance with the laws of the State of Minnesota. Upon dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all expenses and liabilities of the corporation, distribute all remaining assets of the corporation to such organizations as the Board of Directors shall in its discretion determine, provided such organizations shall at the time qualify under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and be engaged in activities similar to those of this corporation.

**ARTICLE 11 – AMENDMENT**

These Articles of Incorporation may be amended in the manner prescribed by Section 317A.133, Minnesota Statutes, or by any future amendment of Section 317A.133, Minnesota Statutes.

Jodi Harpstead, CEO