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Accountant's Compilation Report

March 20, 2019

State Council Officers
Knights of Columbus Oregon State Council.

Management is responsible for the accompanying financial statements of the Knights of Columbus Oregon State Council (a nonprofit organization), which comprise the statement of financial position – cash basis as of June 30, 2018, and the related statements of activities – cash basis and functional expenses – cash basis for the year then ended, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management, except as outlined in a separate agreed upon procedures engagement. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Council's assets, liabilities, equity, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

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**Independent Accountant's Report
on Applying Agreed Upon Procedures**

March 20, 2019

To the Knights of Columbus Oregon State Council and Knights of Columbus Supreme Council:

We have performed the procedures enumerated below, which were agreed to by the Knights of Columbus Oregon State Council and Knights of Columbus Supreme Council, solely to assist the Knights of Columbus Oregon State Council with respect to the subject matter listed in the agreed-upon procedures engagement letter dated October 23, 2018 for the period beginning July 1, 2017 and ending June 30, 2018. Knights of Columbus Oregon State Council is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either or the purpose for which this report has been requested or for any other purpose.

We performed the following services as outlined on Exhibit A "Agreed-Upon Procedures to be Performed" from the Supreme Council of the Knights of Columbus:

1. **Cash Accounts (checking, savings and certificates of deposit):**
 - a. **Obtain a reconciliation of the State Council's bank account(s) to its general ledger account(s).** We obtained the reconciliation of the Council's bank accounts to its general ledger accounts and no exceptions were found as a result of applying this procedure.
 - b. **Obtain confirmation(s) from the bank(s) for all accounts and agree the confirmed balance to the amount shown on the bank reconciliation maintained by the State Council.** We were unable to obtain confirmations from the banks for all accounts due to difficulties with Confirmation.com and First Federal. Supreme Council was consulted, following their guidance, we used the bank statements provided and extended substantive procedures to agree the confirmed balances to the amounts shown on the bank reconciliations maintained by the State Council and no exceptions were found as a result of applying this procedure.
 - c. **Trace deposits in transit to the subsequent bank statement and document the number of days required for each transaction to clear.** No deposits in transit were found in the accounting records or supporting documentation as a result of applying this procedure.

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- d. **Investigate deposits in transit that require more than five business days to clear.** No exceptions were found as a result of applying this procedure.
 - e. **Review the propriety of outstanding checks with particular emphasis on old items (greater than 60 days old).** We reviewed the propriety of outstanding checks with particular emphasis on items older than 60 days and found the following checks had not cleared as of the subsequent bank statement dated July 31, 2018: Check numbers 9246, 9436, 9549, 9626, 9672, 9773, 9804, 9846, 9874, 9855, 10068, 10162, 10043, and 10292. Upon investigation of these outstanding checks, it was discovered that most of them were written to individuals and local councils that had not deposited the checks. The aggregate amount of all outstanding checks was \$1,857.81, which is significantly below the level of materiality of \$4,500. No other exceptions found as a result of applying this procedure.
 - f. **Scan the bank reconciliation for reasonableness and trace any unusual or questionable items to supporting documentation.** We scanned the bank reconciliations for both bank accounts and found no unreasonable, unusual or questionable items.
 - g. **Obtain the state Council's original bank statement for the month following year-end and review the statement for reasonableness and trace any unusual or questionable items to supporting documentation.** We obtained the subsequent bank statement for both bank accounts and found no unreasonable, unusual or questionable items.
 - h. **Agree the beginning balance on the subsequent bank statement to the confirmation obtained in Step B.** We agreed the beginning balance on the subsequent bank statements for both bank accounts to the confirmations obtained in Step B and no exceptions were found as a result of applying this procedure.
2. **Investments, Money Market Accounts and Marketable Securities (if any) – Trace amounts reported to broker statements received from financial institutions, brokers or other third parties.** We found no investment, money market accounts, or marketable securities or transactions that involve these types of accounts during the application of these procedures.
3. **Accounts Receivable (if any) :**
- a. **Trace the amounts as reported on the State Council records to a detailed listing of amounts due.** As the council is on the cash basis of accounting, there were no accounts receivable recorded in the accounting records.
 - b. **Examine the supporting documentation for all items over \$1,000.** Not applicable.
4. **Notes Receivable (if any): Trace amounts reported to applicable amortization schedules or other supporting documentation.** We found no evidence of any notes receivable during the application of the procedures.

5. **Property and Equipment (if any):**
 - a. **Trace the amounts as reported on the State Council records to detailed lists or other supporting documentation.** There were no capitalized items recorded in the Council's accounting records or past tax returns.
 - b. **Review the documentation for reasonableness and inquire as to the propriety of items that appear unusual or questionable.** We reviewed the general ledger and Council vouchers for possible capitalized property and equipment purchases, but found none as a result of applying this procedure.
6. **Other Assets/Prepaid Expense (if any) – Trace the amounts as reported on the State Council records to supporting documentation.** There were no other assets or prepaid expenses recorded in the Council's accounting records and we found no transactions that should have been recorded as such during the application of these procedures.
7. **Accounts Payable (if any):**
 - a. **Trace the amounts as reported on the State Council records to a detailed listing of accounts payable by vendor.** There were no accounts payable recorded in the Council's accounting records as they are on the cash basis of accounting.
 - b. **Examine the supporting documentation for all items over \$1,000.** Not applicable.
8. **Other Liabilities (if any) – Trace the amounts as reported on the State Council records to supporting documentation.** There were no other liabilities reported on the Council's accounting records and there were no transactions found that should have been reported as such during the application of these procedures.
9. **Inter-entity Loans (if any):**
 - a. **Trace the amounts as reported on the State Council records to supporting documentation.** There were no inter-entity loans recorded in the Council's accounting records or found as a result of applying these procedures.
 - b. **Reconcile the balance to records maintained by the related entity.** Not applicable.
10. **Obtain a list of disbursements paid to members of the State Council's governing body and vouch the disbursement to underlying supporting documentation.** We obtained a list of disbursements paid to members of the Council's governing body and vouched the disbursements to underlying supporting documentation. No exceptions were found as a result of applying this procedure.
11. **Scan cash disbursement ledgers and receipts for year for reasonableness and trace any unusual or questionable items to supporting documentation.** We scanned the cash disbursement ledgers and receipts for the fiscal year for reasonableness and found no unusual

or questionable items as a result of applying this procedure.

- 12. Vouch to supporting documentation (award letters, check copy, bank deposits, etc.) for any material contributions received during the year.** We found no material contributions received by the council during the year as a result of applying this procedure. Materiality was determined to be \$4,500 during the engagement planning process.
- 13. Prepare analytical review procedures to test revenue and expenses by comparing current year amounts to prior year amounts noting any large variances (dollar or percentage). Inquire as to the reasonableness of any large variances and review documentation, if deemed necessary.** We prepared analytical review procedures to test revenue and expenses by comparing current year amounts to prior year amounts and noted any large variances that were over the level of tolerable misstatement of \$3,300 and 5%. Through review of the accounting records, documentation, and inquiry of the State Deputy, Francis Mohr, and State Treasurer, Steven Steele, we found all variances to be reasonable, and without exception, as a result of applying these procedures.
- 14. If the State Council sponsors and conducts a raffle, determine that the proper permits or licenses were obtained as required by local or state laws.** We found no evidence within the Council's accounting records that the State Council sponsors and conducts a raffle. We have also inquired of the State Deputy, Francis Mohr, if the Council sponsors and conducts a raffle and he confirmed that raffles are sponsored and conducted through a separate legal entity.
- 15. Obtain a standard management representation letter from the individual maintaining the records and the appropriate member of the State Council accepting the report.** We have obtained a standard management representation letter from State Deputy, Francis Mohr, who is the individual maintaining the accounting records and is accepting the report as the appropriate member of the State Council.
- 16. Based upon procedures performed, if additional procedures are deemed appropriate, we will contact the Supreme Council for approval as instructed by the Supreme Council.** Based upon the procedures performed, we have determined that no additional procedures are deemed appropriate.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Knights of Columbus Oregon State Council and Knights of Columbus Supreme Council and is not intended to be and should not be used by anyone other than the specified parties.

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KNIGHTS OF COLUMBUS OREGON STATE COUNCIL
STATEMENT OF FINANCIAL POSITION - CASH BASIS
June 30, 2018

(See Accountant's Compilation Report)

ASSETS		<u>Total</u>
Current Assets:		
Cash and Cash Equivalents		<u>\$ 115,092</u>
Total Assets		<u><u>\$ 115,092</u></u>
 NET ASSETS		
Net Assets		
Unrestricted Net Assets		<u>\$ 115,092</u>
Total Net Assets		<u><u>\$ 115,092</u></u>

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KNIGHTS OF COLUMBUS OREGON STATE COUNCIL
STATEMENT OF ACTIVITIES - CASH BASIS
For the Year Ended June 30, 2018

(See Accountant's Compilation Report)

	Total
Support & Revenue:	
Assessments	\$ 99,164
Contributions	15,757
Convention & Meetings	7,899
Interest	136
Total Support & Revenue	122,956
 Expenses:	
Program Services	14,312
Management & General	86,743
Total Expenses	101,055
Change in Net Assets	21,901
Net Assets at Beginning of Year	93,191
Net Assets at End of Year	\$ 115,092

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KNIGHTS OF COLUMBUS OREGON STATE COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
For the Year Ended June 30, 2018

(See Accountant's Compilation Report)

	Program Services	Management & General	Total
Operating Expenses			
State Training	\$ 44	\$ -	\$ 44
Officer Meetings	-	8,402	8,402
Other Officer Expenses	-	392	392
Program Expense	1,952	-	1,952
Information Expense	1,112	-	1,112
Convention Expense	-	31,567	31,567
State Deputy Expense	-	1,891	1,891
Communication Expense	1,192	-	1,192
Liability Insurance	-	20,632	20,632
Billboards	6,999	-	6,999
Pro-Life	768	-	768
Recruiting Incentive	147	-	147
Spiritual Growth	1,012	-	1,012
Office Equipment & Supplies	-	6,276	6,276
Accounting Fees	-	2,750	2,750
Bereavement	547	-	547
Miscellaneous	328	-	328
Dues to Supreme Council	211	-	211
Summer/Winter Meeting Expense	-	14,833	14,833
Total Expenses	\$ 14,312	\$ 86,743	\$ 101,055

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Oregon State Knights of Columbus
Balance Sheet Prev Year Comparison
 As of June 30, 2018

	Jun 30, 18	Jun 30, 17	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Cash Adjustment	0.00	147.64	-147.64
First federal Savings- Newberg	21,397.32	21,269.02	128.30
6950 · Wells Fargo Bank	93,694.59	71,774.20	21,920.39
Total Checking/Savings	115,091.91	93,190.86	21,901.05
Total Current Assets	115,091.91	93,190.86	21,901.05
TOTAL ASSETS	115,091.91	93,190.86	21,901.05
LIABILITIES & EQUITY			
Equity			
3900 · Retained Earnings	63,988.95	71,743.36	-7,754.41
3950 · Designated Funds			
3950A · Liability Insurance	2,429.30	1,101.30	1,328.00
3950B · Ceremonials	8,083.43	4,783.43	3,300.00
3950C · Billboards	0.00	1,013.00	-1,013.00
3950L · ProLife	8,471.10	5,814.40	2,656.70
3950M · Recruiting Incentive	5,020.88	4,867.80	153.08
3950N · Mission of Mercy	1,050.00	0.00	1,050.00
3950R · State Chaplain Videos	200.00	200.00	0.00
3950S · Spiritual Growth	3,947.20	0.00	3,947.20
Total 3950 · Designated Funds	29,201.91	17,779.93	11,421.98
Net Income	21,901.05	3,667.57	18,233.48
Total Equity	115,091.91	93,190.86	21,901.05
TOTAL LIABILITIES & EQUITY	115,091.91	93,190.86	21,901.05

Oregon State Knights of Columbus

Profit & Loss

03/20/19

July 2018 through February 2019

Cash Basis

	Jul '18 - Feb 19
Ordinary Income/Expense	
Income	
1-Per Capita	44,269.95
2-Designated Funds	
2A-Liability Insurance	13,680.00
2B-Ceremonials	1,180.00
2C-Billboards	3,515.10
2L- ProLife	2,043.50
2S Spiritual Growth	1,631.50
Total 2-Designated Funds	22,050.10
2S - Summer Winter Meeting Income	6,703.28
3-Other Income	
3B-Interest (Check & Savings)	3.60
3D miscellaneous	15,284.45
3-Other Income - Other	7,061.31
Total 3-Other Income	22,349.36
5-M Convention Income	2,391.00
Total Income	97,763.69
Gross Profit	97,763.69
Expense	
E01C - State Training	2,001.61
E01-State Officer Expenses	
E1A-Travel	2,095.86
E1B-Food & Lodging	4,735.69
Total E01-State Officer Expenses	6,831.55
E02-Directors/Chairmen Expenses	
E2A-Travel	857.83
E2B-Food & Lodging	1,191.91
Total E02-Directors/Chairmen Expenses	2,049.74
E04-Program Expense	
E4A-Community	21,580.81
E4B-Church	308.80
E4C-Youth	409.86
E4E-Membership	103.00
E4IE Ethic Outreach	3.00
E4H - Pro Life	172.73
Total E04-Program Expense	22,578.20
E05-Information- Communication	
E5A-Catholic Sentinel	1,338.00
E5B-CDA, ACCW, Ore. Rt. to Life	45.00
E5C-Printing Expense	31.00
Total E05-Information- Communication	1,414.00
E07-Convention Expense	
E7A-Mileage & Per Diem	-159.64
E7D-Convention Printing	583.86
E7F-Awards/Plaques	43.00
E7J Miscellaneous	826.42
Total E07-Convention Expense	1,293.64
E09-State Deputy	
E9A - Miscellaneous	850.00
E9B - Supreme Conv. Food	1,793.14
E9C. Supreme Conv Misc	114.10

Oregon State Knights of Columbus
Profit & Loss
July 2018 through February 2019

	<u>Jul '18 - Feb 19</u>
Total E09-State Deputy	2,757.24
E10-Communication Exp.	
E10A-Postage	159.36
Total E10-Communication Exp.	159.36
E11-Designated Funds	
E11A-Liability Insurance	21,384.00
E11B-Ceremonials	1,051.50
E11C-Billboards	7,076.00
E11M- Prolife	6,275.00
E11V - State Deputy Videos	800.00
E-11W Spirtual Growth	983.30
Total E11-Designated Funds	37,569.80
E12-Operating Exp.	
E12A-Office Supplies Exp	602.75
E12C-Equip. Rental	432.00
E12G · Bereavement	62.96
Total E12-Operating Exp.	1,097.71
66900 · Reconciliation Discrepancies	50.00
E15 · Loan to Councils	335.00
E16 · Summer/Winter Meeting Expense	
E16B · Meeting Refreshments/Food	4,846.59
E16C · Facilities	500.00
E16E · State Officers Lod., Tra., Fd.	1,359.03
E16F · Dir/Ch. Lod., Tr., & Food	3,245.01
E16G · Miscellanousl	1,539.23
Total E16 · Summer/Winter Meeting Expense	11,489.86
Total Expense	89,627.71
Net Ordinary Income	8,135.98
Net Income	<u>8,135.98</u>

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03/20/19
Cash Basis

Oregon State Knights of Columbus
Balance Sheet
As of February 28, 2019

	<u>Feb 28, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
First federal Savings- Newberg	21,397.32
6950 · Wells Fargo Bank	101,830.57
Total Checking/Savings	<u>123,227.89</u>
Total Current Assets	<u>123,227.89</u>
TOTAL ASSETS	<u>123,227.89</u>
LIABILITIES & EQUITY	
Equity	
3900 · Retained Earnings	101,438.86
3950 · Designated Funds	
3950A · Liability Insurance	-5,274.70
3950B · Ceremonials	8,211.93
3950C · Billboards	-3,590.06
3950L · ProLife	4,239.60
3950M · Recruiting Incentive	5,020.88
3950N · Mission of Mercy	1,050.00
3950R · State Chaplain Videos	-600.00
3950S · Spiritual Growth	4,595.40
Total 3950 · Designated Funds	<u>13,653.05</u>
Net Income	<u>8,135.98</u>
Total Equity	<u>123,227.89</u>
TOTAL LIABILITIES & EQUITY	<u>123,227.89</u>