

**Knights of Columbus
Newfoundland Labrador State
Council**



2024

2025

*On Mission! Knights... We continue to
take up the challenge of bringing Christ to
the world and do it with hope and joy.*

Audit

107th State Convention

May 02 – May 04, 2025

**KNIGHTS OF COLUMBUS STATE COUNCIL
NEWFOUNDLAND AND LABRADOR**

Financial Statements

Year Ended February 28, 2025

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR
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Year Ended February 28, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Knights of Columbus State Council Newfoundland and Labrador

Qualified Opinion

I have audited the financial statements of Knights of Columbus State Council Newfoundland and Labrador (the organization), which comprise the statement of financial position as at February 28, 2025, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at February 28, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended February 28, 2025, current assets and net assets as at February 28, 2025. My audit opinion on the financial statements for the year ended February 29, 2024 was modified accordingly because of the possible effects of this limitation of scope.

In addition, I was unable to confirm whether there was any change or allocation in the Christopher fund held by Supreme Council as the statement of benefits has not been issued for 2023. Therefore, I was not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended February 29, 2024, current assets and net assets as at February 29, 2024.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Independent Auditor's Report to the Members of Knights of Columbus State Council Newfoundland and Labrador *(continued)*

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Clareville, Newfoundland and Labrador
May 3, 2025

Chartered Professional Accountant
Richard K Power, FCPA, Professional Corporation

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR
Statement of Financial Position
February 28, 2025

	Operating Fund	Hostel Fund	Charity Fund	2025	2024
ASSETS					
CURRENT					
Cash	\$ 159,731	\$ 99	\$ 598	\$ 160,428	\$ 167,105
Restricted funds - Canning Funds	-	-	101,315	101,315	100,550
Restricted funds - Christopher Funds	-	85,086	-	85,086	85,086
Accounts receivable (Note 4)	8,149	-	-	8,149	10,901
Prepaid expenses (Note 5)	4,574	-	-	4,574	4,409
	172,454	85,185	101,913	359,552	368,051
Interfunds	-	971	21,311	22,282	25,500
	\$ 172,454	\$ 86,156	\$ 123,224	\$ 381,834	\$ 393,551
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable	\$ 3,500	\$ -	\$ -	\$ 3,500	\$ 3,500
	22,282	-	-	22,282	25,500
Interfunds	25,782	-	-	25,782	29,000
	146,669	86,157	123,224	356,050	364,551
NET ASSETS	\$ 172,454	\$ 86,156	\$ 123,224	\$ 381,834	\$ 393,551

ON BEHALF OF THE BOARD

State Deputy

State Treasurer

The accompanying notes are an integral part of these financial statements

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR

Statement of Revenues and Expenditures

Year Ended February 28, 2025

	Operating Fund	Hostel Fund	Charity Fund	2025	2024
REVENUES					
Assessment fees	\$ 41,454	\$ 11,550	\$ -	\$ 53,004	\$ 53,623
Fall lottery - net (Note 7)	18,412	-	-	18,412	25,753
State Lottery - net (Note 6)	22,880	-	-	22,880	19,974
Donations (Note 8)	-	-	1,650	1,650	16,649
State convention	10,025	-	-	10,025	8,475
Other	4,380	-	-	4,380	3,989
Interest and benefits	2,152	-	6,885	9,037	3,248
	99,303	11,550	8,535	119,388	131,711
EXPENSES					
Advertising and promotion	507	-	-	507	753
Bank charges	188	390	410	988	662
Donations (Note 9)	400	-	13,750	14,150	26,260
Doubtful assessment fees	-	-	-	-	4,410
Fraternal services	512	-	-	512	2,842
Insurance	8,932	-	-	8,932	8,649
Members medical travel	-	10,175	-	10,175	10,627
Membership	600	-	-	600	-
Office, postage and supplies	7,829	-	-	7,829	3,130
Professional fees	4,830	-	-	4,830	4,830
Scholarship	-	-	8,000	8,000	8,000
State convention	36,125	-	-	36,125	30,002
Supreme convention	8,455	-	-	8,455	16,193
Telephone	2,430	-	-	2,430	2,655
Travel and meetings	23,816	-	-	23,816	24,208
Youth activities	117	-	-	117	1,947
Travel fund	423	-	-	423	-
	95,164	10,565	22,160	127,889	145,168
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 4,139	\$ 985	\$ (13,625)	\$ (8,501)	\$ (13,458)

The accompanying notes are an integral part of these financial statements

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR
Statement of Changes in Net Assets
Year Ended February 28, 2025

	Operating Fund	Hostel Fund	Charity Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 142,530	\$ 85,172	\$ 136,849	\$ 364,551	\$ 378,009
Excess (Deficiency) of revenues over expenses	4,139	985	(13,625)	(8,501)	(13,458)
NET ASSETS - END OF YEAR	\$ 146,669	\$ 86,157	\$ 123,224	\$ 356,050	\$ 364,551

The accompanying notes are an integral part of these financial statements

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows

Year Ended February 28, 2025

	Operating Fund	Hostel Fund	Charity Fund	2025	2024
OPERATING ACTIVITIES					
Excess (deficiency) of revenues over expenses	\$ 4,139	\$ 985	\$ (13,625)	\$ (8,501)	\$ (13,458)
Changes in non-cash working capital:					
Accounts receivable	2,752	-	-	2,752	3,690
Prepaid expenses	(163)	-	-	(163)	(146)
Change in Interfunfds	(3,217)	(972)	4,189	-	-
	(628)	(972)	4,189	2,589	3,544
INCREASE (DECREASE) IN CASH FLOW					
	3,511	13	(9,436)	(5,912)	(9,914)
Cash - beginning of year	156,220	85,172	111,349	352,741	362,655
CASH - END OF YEAR	\$ 159,731	\$ 85,185	\$ 101,913	\$ 346,829	\$ 352,742
CASH CONSISTS OF:					
Bank account	\$ 61,404	\$ 99	\$ 598	\$ 62,101	\$ 70,894
Guaranteed Investment Certificate	98,327	-	101,315	199,642	196,762
Christopher Funds	-	85,086	-	85,086	85,086
	\$ 159,731	\$ 85,185	\$ 101,913	\$ 346,829	\$ 352,742

The accompanying notes are an integral part of these financial statements

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended February 28, 2025

1. NATURE OF OPERATIONS

The Knights of Columbus Newfoundland and Labrador State Council is a fraternal service organization that operates under the authority of the Knights of Columbus Supreme Council, New Haven, Connecticut. The Council operates in Newfoundland and Labrador and is comprised of local councils. The financial assets and operations of the local councils are not reflected in these financial statements.

The State Council is exempt from income taxes under the Income Tax Act of Canada as per Section 149.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

Knights of Columbus State Council Newfoundland and Labrador follows the restricted fund method of accounting for contributions.

The Charity Foundation Fund is a registered charity under the Income Tax Act of Canada and expenditures are limited to registered charities.

The Hostel Fund provides financial assistance for accommodations to members when a member's child is at a hospital. In addition, the fund provides support for medical travel to members and their spouses. State Council has set a maximum expenditure of \$15,000 for each Columbian year.

Managing capital

The capital structure of the State Council consists of net assets. Capital requirements are funded through fundraising, assessment fees and donations. The objective when managing capital is to ensure it maintains adequate capital to support its continued operations.

Revenue recognition

Knights of Columbus State Council Newfoundland and Labrador follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Fundraising revenues are recognized as revenue when they are received and assessment fees are recognized when they are due to the State Council.

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KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended February 28, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed services

Volunteers contribute a significant number of hours per year to assist the State Council in carrying out its objectives. In addition, the Organization receives donated materials and services throughout the year. Since no objective basis exists for recording or assigning value to the services, they are not reflected in the accompanying financial statements.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of February 28, 2025.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its councils and fundraising activities and other related sources, and accounts payable.

4. ACCOUNTS RECEIVABLE

Accounts receivable relate to assessments due from local councils.

	February 28 2025	February 29 2024
Accounts receivable	\$ 8,149	\$ 10,901

5. PREPAID EXPENSES

Prepaid expenses relate to insurance.

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR

Notes to Financial Statements

Year Ended February 28, 2025

6. STATE LOTTERY

	<i>February 28 2025</i>	<i>February 29 2024</i>
State Lottery proceeds	\$ 126,750	\$ 145,360
State Lottery payout	(103,870)	(125,386)
Allocation to Operating Fund	\$ 22,880	\$ 19,974

7. FALL LOTTERY

	<i>February 28 2025</i>	<i>February 29 2024</i>
Fall Lottery proceeds	\$ 63,913	\$ 74,842
Fall Lottery payout	(45,501)	(49,089)
Allocation to Operating Fund	\$ 18,412	\$ 25,753

8. DONATIONS RECEIVED

	<i>February 28 2025</i>	<i>February 29 2024</i>
<u>Charity Fund</u>		
Other	\$ 1,650	\$ 16,369
<u>Operating</u>		
Other	-	280
Grand total	\$ 1,650	\$ 16,649

KNIGHTS OF COLUMBUS STATE COUNCIL NEWFOUNDLAND AND LABRADOR**Notes to Financial Statements****Year Ended February 28, 2025****9. DONATIONS GIVEN**

	<i>February 28</i> 2025	<i>February 29</i> 2024
Charity Foundation		
Center for Life	\$ 6,500	\$ 6,870
Catholic Missions in Canada	2,000	2,000
EP Roach Assembly	1,500	5,000
Jean Hollohan	1,500	-
Special Olympics	1,450	1,225
Society of St. Vincent de Paul	600	-
Other	200	1,330
The Gathering Place	-	2,000
Tiffany Brazil Donations	-	4,135
	13,750	22,560
Operating Fund		
Other	400	500
Bishop Daniel	-	1,000
Catholic Near East Welfare	-	1,275
Military Tribute Dinner	-	300
RNCA Guide	-	275
Bay St. George Sick Children's Foundation	-	250
First Responders Prayer Service	-	100
	400	3,700
Grand total	\$ 14,150	\$ 26,260

10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.