



Reverend Fathers, Worthy Members of the State Council, Worthy Master of the 4th Degree, Worthy Past State Deputies, Worthy Columbian Dignitaries, my Brothers all,

After the streamlining and modernization taken up from my predecessors, I was pleased to receive many forms, documents, and financial statements in good order. That streamlining and record keeping has continued and will provide the State Council and the jurisdiction a proper tracking of its funds moving forward.

Banking Account:

The DC State Council (DCSC) holds its banking account with the Branch Banking and Trust Corporation (TRUIST). As of the writing of this report, the current funds held in this account are: **\$6549.00**. We have the checks for payment in hand totaling **\$3662.50** Total funds available are **\$2886.50**.

Christopher Fund:

The Supreme Council maintains a charitable account for each state council called the ‘Christopher Fund.’ The Christopher Fund accumulates monies during the year and, at the end of the year, based on a report by the Supreme Council, the State Council is able to disperse funds for charitable purposes for a certain amount over the base principal. The current real value of the Fund stands at \$28,990.00 and the disbursement was requested last fraternal year which affords the State Council **\$1,090.66** for charitable giving. The chosen charity of the State Council (designated by Resolution at the 117th annual meeting) is: *DC Knights of Columbus Charities*.

Debts & Loans:

On June 30, 2012 a loan to the State Council was entered into by then State Deputy Gabauer by Washington Council 224 and Washington Council Home, Inc. to the State Council in the amount of \$3,000 with a 6% annual rate. As part of the terms of the loan, the State Council has the option to make repayment through the waiving of the annually assessed per capita dues and any other fees levied upon Washington Council #224 by the DC State Council. The balance owed by the State Council as of the beginning of the year is **\$2,359.97**. If the State Council continues upon the current repayment arrangement, it can be estimated that this loan would be repaid by the year 2029 if not sooner.

IRS Filing:

26 U.S. Code § 6033 states that every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws. As an IRS-defined and registered 501(c)(8) fraternal nonprofit organization, the State Council is required to file IRS Form 990-N every year by the 15th day of the 5th month after the close of the tax year. *This requirement will be fulfilled by the State Treasurer by April 29, 2022.*

Annual Audit:

The State Council is required by the Supreme Council to submit its financial records to a calendar-year audit each year. The Supreme Council permits State Councils with fewer assets, such as the DC State Council, to engage a Certified Public Accountant to perform an agreed upon procedures report. This is the method we have elected as it is more cost-effective. The agreed upon procedures report will take place after the State Convention and be made available for public consumption once completed.

Fraternally,

Merrill F. Armstrong

SK M. Fred “Jazz” Armstrong, PFN, FDD, PGK
State Treasurer, District of Columbia State Council