



*Report of Independent Auditors and
Consolidated Financial Statements with
Supplementary Information*

California Masonic Foundation

*October 31, 2021 (with comparative totals for
the year ended October 31, 2020)*

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Report of Independent Auditors

To the Board of Trustees
California Masonic Foundation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of California Masonic Foundation and its supporting entity (the "Organization"), which comprise the consolidated statement of financial position as of October 31, 2021, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of California Masonic Foundation and its supporting entity as of October 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated April 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The financial information as of and for the year ended October 31, 2021, included in the accompanying consolidating statement of financial position and consolidating statement of activities and changes in net assets is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The financial information as of and for the year ended October 31, 2021, included in the accompanying combining statement of financial position, excluding Temple; combining statements of activities, excluding Temple; and categorizations of financial position based upon donor restrictions is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. This information is the responsibility of the Organization's management. We did not audit or apply limited procedures to such information, and we do not express an opinion or any form of assurance on them.



San Francisco, California
April 14, 2022

Consolidated Financial Statements

California Masonic Foundation
Consolidated Statements of Financial Position
October 31, 2021 and 2020

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 822,583	\$ 926,676
Contributions receivable	-	14
Accounts receivable	635,917	334,609
Current portion of pledges receivable, net	959,190	939,586
Due from related entities	303,645	50,827
Current portion of note receivable from related party	53,580	51,483
Prepaid expenses and other assets	61,021	169,183
Total current assets	<u>2,835,936</u>	<u>2,472,378</u>
Investments, at fair value	51,078,938	41,944,930
Long-term portion of pledges receivable, net	775,810	1,358,323
Note receivable from related party, net of current portion	330,520	384,100
Property and equipment, net of accumulated depreciation	6,524,558	6,459,129
Total assets	<u>\$ 61,545,762</u>	<u>\$ 52,618,860</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 267,998	\$ 250,702
Due to related entities	520,529	578,112
Current portion of grant payable to related party	548,416	548,416
Advanced deposits	-	2,729
Total current liabilities	<u>1,336,943</u>	<u>1,379,959</u>
Long-term portion of grant payable to related party, net	526,717	824,522
Note payable to related party	665,115	665,115
Total liabilities	<u>2,528,775</u>	<u>2,869,596</u>
Net assets		
Without donor restrictions	28,881,723	24,441,250
With donor restrictions	30,135,264	25,308,014
Total net assets	<u>59,016,987</u>	<u>49,749,264</u>
Total liabilities and net assets	<u>\$ 61,545,762</u>	<u>\$ 52,618,860</u>

California Masonic Foundation
Consolidated Statement of Activities and Changes in Net Assets
Year Ended October 31, 2021

(With Summarized Comparative Information for the Year Ended October 31, 2020)

	Without donor restrictions	With donor restrictions	October 31, 2021 Total	October 31, 2020 Total
				(Consolidated Comparative Totals only)
Revenue and support				
Contributions	\$ 104,537	\$ 1,324,595	\$ 1,429,132	\$ 1,967,115
Interest and dividends	358,224	434,109	792,333	437,462
Net realized gains (losses) on investments	1,116,515	1,476,363	2,592,878	(341,851)
Net unrealized gains on equity investments	1,152,260	4,260,496	5,412,756	737,035
Rent from related parties	715,262	-	715,262	692,610
Auditorium and related services	1,247,873	-	1,247,873	1,232,556
Other	120,514	-	120,514	92,243
Net assets released from restrictions	2,825,144	(2,825,144)	-	-
Total revenues, gains and other support	<u>7,640,329</u>	<u>4,670,419</u>	<u>12,310,748</u>	<u>4,817,170</u>
Expenses				
Operations	1,813,347	-	1,813,347	1,711,478
Program expenses	3,011,548	-	3,011,548	2,216,420
General and administrative expenses	469,692	-	469,692	368,845
Total expenses	<u>5,294,587</u>	<u>-</u>	<u>5,294,587</u>	<u>4,296,743</u>
Excess of revenues over expenses	<u>2,345,742</u>	<u>4,670,419</u>	<u>7,016,161</u>	<u>520,427</u>
Net unrealized gains on non-equity investments	<u>2,094,731</u>	<u>156,831</u>	<u>2,251,562</u>	<u>1,110,200</u>
Change in net assets	4,440,473	4,827,250	9,267,723	1,630,627
Net assets at beginning of year	<u>24,441,250</u>	<u>25,308,014</u>	<u>49,749,264</u>	<u>48,118,637</u>
Net assets at end of year	<u>\$ 28,881,723</u>	<u>\$ 30,135,264</u>	<u>\$ 59,016,987</u>	<u>\$ 49,749,264</u>

California Masonic Foundation
Consolidated Statements of Cash Flows
Years Ended October 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,267,723	\$ 1,630,627
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	390,890	386,178
Net unrealized gains on investments	(7,664,318)	(1,847,235)
Provision for uncollectible accounts	(51,368)	(28,441)
Discount on pledges receivable	(29,627)	(36,388)
Changes in assets and liabilities		
Contributions receivable	14	383,152
Accounts receivable	(301,308)	(218,680)
Pledges receivable, net	643,904	756,212
Due from related entities	(201,335)	80,703
Prepaid expenses and other assets	108,162	(13,105)
Accounts payable and accrued liabilities	17,296	(137,281)
Grant payable to related party	(297,805)	(382,616)
Due to related entities	(57,583)	(104,195)
Advance deposits	(2,729)	(80,449)
Net cash from operating activities	<u>1,821,916</u>	<u>388,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(456,319)	(208,380)
Proceeds from sale of investments	3,747,325	3,448,776
Purchases of investments	<u>(5,217,015)</u>	<u>(3,444,603)</u>
Net cash used in investing activities	<u>(1,926,009)</u>	<u>(204,207)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(104,093)	184,275
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of year	<u>926,676</u>	<u>742,401</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of year	<u>\$ 822,583</u>	<u>\$ 926,676</u>
SUPPLEMENTARY DISCLOSURES OF CASH-FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 49,736</u>	<u>\$ 52,302</u>

California Masonic Foundation

Notes to Consolidated Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and organization – The California Masonic Foundation (the “Foundation” or “Organization”) was established in 1968 by the Grand Lodge of Free and Accepted Masons of the State of California (the “Grand Lodge”). The Foundation operates as a public charity under 509(a) of the Internal Revenue Code (“IRC”). The California Masonic Memorial Temple, Inc. (the “Temple”), a public charity, operates as a supporting organization of the Foundation, as defined in Section 509(a)(3) of the IRC. As a result, the Foundation effectively controls and has an economic interest in the Temple.

The Foundation believes that it has appropriate support for any tax positions taken under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740, “Income Taxes,” and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

The Temple is a California not-for-profit corporation. The Temple is comprised of an auditorium, exhibit hall, a parking garage, and office space located in San Francisco, California. The restated articles of incorporation for the Temple provide that income, less operating expenses and reserves, is to be transferred to the Foundation. The amount and proportions of such distributions are at the sole discretion of the Board of Trustees. For the years ended October 31, 2021 and 2020, no such transfers were made.

On October 30, 2008, the Temple signed a 10-year lease agreement with Live Nation. Under the agreement, Live Nation is committed to pay the Temple a base rent of \$83,333 per month, subject to annual increase, for the lease of the Temple’s auditorium, Exhibition Hall, and conference rooms. The lease commencement date was January 1, 2009, while the payments started in July 2009.

In June of 2009, Amendment One was executed, extending the Live Nation opt-out date to December 31, 2009. In December 2009, Amendment Two was executed, extending the Live Nation opt-out date to May 31, 2010, which was extended through a memorandum for an additional 30 days to June 30, 2010. In June of 2010, Amendment Three was executed extending the Live Nation opt-out date to December 31, 2010. In addition, Amendment Three committed the Temple to contribute \$285,000 toward capital improvements in the building.

In December of 2010, Amendment Four was executed, extending the Live Nation opt-out date to April 1, 2011. Amendment Four also extended the lease term by five years to December 31, 2026, and the modified rent schedule to the effect that on April 1, 2011, Live Nation would begin paying the Temple rent at an annual rate of \$600,000. The rent will increase annually until it caps in 2019 at \$850,000 per year. Amendment Four also increased the capital contribution requirement of the Temple from \$285,000 to \$1,500,000.

In March 2011, Amendment Five was executed, extending the Live Nation opt-out date to April 1, 2014. Amendment Five extended the lease term to March 31, 2028. This amendment modified the rent schedule to the effect that Live Nation would pay Temple the total amount of \$285,000 for the period of April 1, 2011, through December 31, 2011, and \$480,000 for calendar years 2012 and 2013. Beyond calendar year 2013, the rent will increase incrementally through March 31, 2020, to a maximum annual rent of \$875,500. Thereafter through March 31, 2028, rent will increase by 3% per year. Amendment Five also established a minimum annual parking revenue guarantee of \$300,000 per year for 2012 and 2013.

California Masonic Foundation

Notes to Consolidated Financial Statements

In January 2013, Amendment Six was executed whereby the Temple and Live Nation agreed to enter into the Settlement Agreement with the Nob Hill Coalition, the Nob Hill Association, David Harmer, William Terrell, Amy Harmer, Rich Hanson, David Chow, Adria Price, Lee Saylor, Donna Muse, and Elizabeth Pomada to settle all disputes among them to ensure the operation of the Premises as a lawful entertainment and assembly venue and permit the Improvements to the Premises. The settlement agreement includes Contingent Obligations to which Live Nation agreed to: (a) establish and fund a preservation fund managed by the Nob Hill Foundation for the preservation of Huntington Park; (b) establish, fund, and manage a school music program; (c) establish and manage a cultural and community concert promotion program; (d) provide Level 4 box tickets for each Music Concert or Comedy Event; and e) participate in a community liaison group.

In January 2014, Live Nation began the renovation of the Temple Auditorium, Exhibition Hall, California Room, and related areas. The renovation was completed in August 2014. In May 2015, Amendment Seven was executed whereby the Temple agreed to increase its capital contribution requirement by \$75,000, to a total of \$1,575,000. This requirement was met. The Temple paid \$75,000 and \$1,500,000 capital contributions in 2015 and 2014, respectively.

In April 2018, under Amendment Eight, Live Nation and the Temple agreed to establish a portion of the Exhibit Hall which the Temple intended to remodel as an event, social, and supporting space (“Masonic Event Space” or “MES”). If the construction of the MES did not commence prior to December 31, 2020, the MES would become part of the Premises under the lease. The MES construction was completed in early 2020.

The COVID-19 pandemic of 2020 began in March 2020. On April 15, 2020, Amendment Nine was executed that established a Base Rent Deferral for the period commencing April 1, 2020, and ending June 30, 2020 (“Deferral Period”). During this period, Base Rent would be suspended and instead Live Nation would pay Temple \$25,800 per month. Commencing July 1, 2020, Base Rent was to be reinstated and Live Nation would pay \$12,900 per month for 12 consecutive months in addition to its payment of Base Rent then due. Live Nation would still be responsible for all other payment obligations under the Lease during the Deferral Period.

On September 1, 2020, Amendment Ten was executed by Live Nation and the Temple whereby a second Base Rent Deferral began September 1, 2020, and ending on the day before the Full Reinstatement Date (defined below). During this period, Base Rent was suspended and instead Live Nation would continue to pay the Temple \$25,800 per month. The difference between the Base Rent that would have been paid and the \$25,800 multiplied by the number of months of the deferral period is the Tenth Amendment Deferred Amount. The Temple agreed that the Tenth Amendment Deferred Amount would be combined with the amount of rent deferred in the Ninth Amendment and not repaid prior to the date of the Tenth Amendment. The combined total owed to the Temple would be paid, commencing on the first day of the month following the date Live Nation is permitted under applicable state, county, and local regulations and orders to operate the Premises at 85% or greater occupancy (such date to be the Full Reinstatement Date). At such time, Base Rent will be reinstated, and Live Nation shall pay the total deferred amount over 24 equal payments over 24 consecutive months in addition to payments of the Base Rent due. Live Nation remains responsible for all other payment obligations under the lease at all times.

Principles of consolidation – The consolidated financial statements include the accounts of California Masonic Foundation and California Masonic Memorial Temple, Inc. (collectively, the “Organization”). All significant inter-company accounts and transactions have been eliminated.

California Masonic Foundation Notes to Consolidated Financial Statements

Comparative information – The consolidated financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s consolidated financial statements for the year ended October 31, 2020, from which the summarized information was derived.

Net asset classifications – The accompanying consolidated financial statements have been prepared in accordance with ASC 958-605, “*Revenue Recognition*,” ASC 606, “*Revenue from Contracts with Customers*,” and ASC 958-205, “*Presentation of Financial Statements*,” and the guidelines set forth in the industry audit and accounting guide, “*Not-for-Profit Organizations*,” issued by the American Institute of Certified Public Accountants (“AICPA”). Under these guidelines, contributions of cash and other assets are classified as one of the following two categories:

Without donor restrictions – Net assets without donor restrictions are not subject to donor-imposed restrictions and are available for support of the Organization’s programs and supporting services.

With donor restrictions – Net assets with donor restrictions represent contributions whose use by the Organization is limited by donor-imposed restrictions. The restrictions can be fulfilled by incurring expenses satisfying the restricted purposes and/or expire with the passage of time. Endowed with donor restriction net assets represent contributions restricted by donors for investment in perpetuity. These endowed net assets with donor restriction consist of original corpus.

Use of estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments – The carrying amounts reported in the accompanying consolidated statements of financial position for cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and related entities receivables/payables approximate fair value due to their short-term nature. Discussion on the fair value of financial instruments is included in Note 3.

Fair valuation process – The Organization determines fair value measurement policies and procedures for assets under the supervision of the Investment Committee. These policies and procedures are reassessed annually to determine if the current valuation techniques are still appropriate. A variety of qualitative factors is used to subjectively determine the most appropriate valuation methodologies. Methodologies are consistent with the market, income, and cost approaches. Unobservable inputs used in fair value measurements are evaluated and adjusted on an annual basis, or as necessary based on current market conditions and other third-party information. In determining the reasonableness of the methodology, the Organization evaluates a variety of factors including a review of existing agreements, economic conditions, industry, and market developments. Certain unobservable inputs are assessed through review of contract terms while others are substantiated utilizing available market data including, but not limited to, market comparable, qualified opinions, and discount rates.

California Masonic Foundation
Notes to Consolidated Financial Statements

Cash, cash equivalents, and restricted cash – Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less at the time of purchase, with the exception of cash and cash equivalents held in the endowment fund as investments or whose use is restricted.

Accounts receivable – The Temple has contractually granted to Live Nation exclusive use of Temple facilities. Management believes these receivables are fully collectible. The Temple board has put in place a policy limitation for senior management that does not allow receivables to be unpursued after a 30-day period. There were no write-offs of receivables during 2021 and 2020.

Pledges receivable, net – Pledges receivable, net, are measured at their fair value and reported as an increase in net assets. The Foundation reports gifts of cash and other assets as donor-restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Pledges with payment terms in excess of one year are subject to discounting of 3%. Pledges are written off in the period deemed uncollectible.

Prepaid expenses and other assets – Prepaid expenses and other assets consist primarily of insurance premium prepayments.

Investments – Investments in fixed income and equity securities are stated at estimated fair values based on quoted market prices. Investments received through gifts are recorded at estimated fair values at the dates of donation. The fair value of alternative investments are recorded at the investment manager’s Net Asset Value (“NAV”), as the managers have the greatest insight into the investments of their funds and the related industries, and have the appropriate expertise to determine the NAV. The Organization assesses the NAV and takes into consideration events, such as suspended redemptions, restructuring, secondary sales, and investor defaults, to determine if an adjustment is necessary. Additionally, asset holdings are reviewed within investment managers’ audited financial statements, as are interim financial statements and fund manager communications, for the purposes of assessing valuation. Unrealized gains or losses that result from market fluctuations are recorded in the period in which such fluctuations occur. Realized gains or losses resulting from sales or maturities of securities are calculated on a cost basis.

Property and equipment – Property and equipment are carried at cost. Purchases of property and equipment amounting to \$1,000 and above are capitalized and depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 to 50 years
Equipment	3 to 7 years
Furniture and fixtures	5 to 20 years

The Organization evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Impairment losses on capital assets are measured using the method that best reflects the diminished service utility of the capital asset.

Advanced deposits – Advanced deposits consist primarily of unearned revenue from various third-party entities.

California Masonic Foundation Notes to Consolidated Financial Statements

Grants – Grants expense and payable represent amounts committed by the Foundation and approved by the Board of Trustees to be distributed to nonprofit organizations for their charitable activities. Grant refunds, rejections, and cancellations are recorded as a reduction of grants and awards expense at the time the grant is refunded or cancelled. Grants with payment terms in excess of one year are subject to discounting based on the Foundation's internal discount rate of 3%.

Revenue recognition

Contributions – Unconditional promises to give cash and other assets to the Organization are reported at estimated fair value at the date the promise is received. Contributions with donor-imposed restrictions that are met in the same year as received are reported as releases from net assets with donor restrictions to net assets without donor restrictions. Conditional promises to give and indications to give are reported at fair value at the date the condition is fulfilled, and the gift is received, respectively. When a donor restriction expires, that is, when a stipulated time restriction ends and/or purpose restriction is accomplished, net assets with donor restrictions are released as net assets without donor restrictions.

During 2021, the Organization adopted FASB Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to allow the Organization to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization has opted for the modified retrospective method for the transition. Under this approach, entities must elect to apply the new revenue recognition model in ASC Topic 606 to either all contracts or only those that are not completed as of the date of adoption. The Organization has elected to apply ASC Topic 606 to all contracts at the date of initial application. This approach would involve comparing how those contracts would have been recorded under ASC Topic 606 with how they were recorded under legacy generally accepted accounting principles. Any necessary adjustments would be recorded to opening net assets on the date of adoption (prior periods would not be restated).

As a result of management's review, there were no adjustments required to opening net assets on the date of adoption, November 1, 2020.

The Organization records certain revenue from contracts with customers in accordance with ASC Topic 606. Under ASC Topic 606, the Organization must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the Organization satisfies a performance obligation. Significant revenue has not been recognized in the current reporting period that results from performance obligations satisfied in previous periods.

California Masonic Foundation

Notes to Consolidated Financial Statements

Certain sources of revenue are derived from interest and dividends earned on investment securities and other financial instruments that are not within the scope of ASC Topic 606. Revenue from contracts with customers in the scope of ASC Topic 606 is recognized in noninterest income. Sources of revenue from contracts with customers that are in the scope of ASC Topic 606 include the following:

- Auditorium and related services – Temple earns revenue from the contract with Live Nation described above. Revenue is earned for services rendered as the contract transaction occurs. Auditorium revenue is charged to Live Nation on a monthly basis and is recognized as the performance obligation is satisfied or at the end of the service period. The performance obligation is met when services are performed and or when expenses are incurred.

Collection of books and nonvaluable contributions – The Foundation library contains a book collection of approximately 10,000 volumes. The collection includes approximately 8,500 works on Masonic and related philosophic topics and nearly 1,500 non-Masonic volumes, including historical, religious, scientific, political, and biographical works. Fewer than 50 works in the collection could be considered rare. The Foundation museum collection contains donated items from the membership of The Masonic Fraternity in California and elsewhere. Artifacts in the collection include works of art, Masonic regalia, and numerous historical pieces. The Foundation does not recognize books and nonvaluable contributions in its consolidated financial statements. The Foundation does not recognize these assets as contributions, as they are protected and preserved, held for public exhibition, and subject to an organizational policy that requires proceeds from the sale of collection items to be used to acquire other items for collections. Accessions and deaccessions of books and nonvaluable contributions during 2021 and 2020 were not significant.

Concentration of credit risk – Financial instruments potentially subjecting the Foundation to concentrations of credit risk consist primarily of bank demand deposits in excess of Federal Deposit Insurance Corporation (“FDIC”) insurance thresholds, cash held in money market accounts in excess of the amounts insured by the U.S. Treasury insurance for money market funds, and various debt and equity investments in excess of Securities Investor Protection Corporation (“SIPC”) insurance. Demand deposits are placed with a local financial institution, and management has not experienced any loss related to these demand deposits in the past. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible, given the level of risk associated with investment securities, that changes in the near term could materially affect the amount reported in the consolidated financial statements. The risk associated with the investments is mitigated through diversification.

New accounting pronouncements – During 2021, the Organization adopted FASB ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, including consideration of costs and benefits. This pronouncement is effective for fiscal years beginning after December 15, 2019. The adoption did not have a material impact on the Organization’s consolidated financial statements.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which simplifies the presentation of leases by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. This pronouncement is effective for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption on the consolidated financial statements, which will be effective for the Organization for fiscal year 2022.

California Masonic Foundation

Notes to Consolidated Financial Statements

Contingencies and commitments – In March 2021, the World Health Organization declared the novel coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization's operations are located in California, which has restricted gatherings of people due to the COVID-19 outbreak. Given the dynamic nature of these circumstances and business disruption, the Organization anticipates a significant short-term impact. The Organization will continue to monitor the situation closely, but given the uncertainty about the ongoing situation, an estimate of the impact to the consolidated financial statements cannot be made at this time.

NOTE 2 – PLEDGES RECEIVABLE, NET

Pledges receivable, net consisted of the following at October 31:

	2021	2020
Pledges	\$ 1,924,066	\$ 2,567,970
Less - unamortized discount	(97,750)	(149,118)
Less - allowance for uncollectible pledges	(91,316)	(120,943)
Total pledges receivable, net	\$ 1,735,000	\$ 2,297,909
Pledges receivable due in:		
Less than one year	\$ 959,191	\$ 939,586
One to five years	964,875	1,619,009
More than five years	-	9,375
	\$ 1,924,066	\$ 2,567,970

Pledges receivable that are to be received over a period of time in excess of one year are recorded based on the present value of expected future cash flows. The discount rate used to calculate the present value of pledges receivable is 3%. The allowance for uncollectible accounts has been set at 5% based on management's evaluation of past experiences and analysis of current receivable balances.

NOTE 3 – INVESTMENTS

Investments are presented at fair value and consist of corporate stocks, fixed income securities, managed futures, and mutual funds that invest in a diversified portfolio of fixed income securities, corporate stocks, and real estate.

Investments consisted of the following as of October 31:

	2021	2020
Equity mutual funds	\$ 17,231,663	\$ 13,967,527
Fixed income mutual funds	12,819,043	10,921,787
Corporate stocks	12,592,795	10,170,515
Alternative investments	5,744,506	5,799,494
Private markets	2,690,931	1,085,607
Total investments	\$ 51,078,938	\$ 41,944,930

California Masonic Foundation

Notes to Consolidated Financial Statements

Equity mutual funds – These funds are comprised of both U.S. and Global Mutual Funds. The Organization’s investment policy states the Organization believes the capital markets are “mean-reverting” by nature. Therefore, it adheres to long-term asset allocation strategies and periodic, regular rebalancing. The Organization believes market timing is ineffective as a long-term investment strategy and will remain fully invested in all long-term mandates.

Fixed income mutual funds – This is a PIMCO All Asset All Authority Fund. The fund seeks long-term real returns. The fund invests in actively managed PIMCO mutual funds, including developed and emerging bonds and stocks, real estate, commodities, and absolute-return-oriented strategies.

Corporate stocks – These are U.S. equity, non-U.S. equity, global equity, and emerging market equity stocks. The fund seeks stocks with fundamentals of strong earnings, a relative low-cost structure, and growth potential. A sell decision focuses on the changes or a decline in the three factors.

Alternative investments – These funds are comprised of Credit Long/Short, Real Estate, Hedge Funds, and Opportunistic Futures. The Organization’s investment policy states that the Organization believes the capital markets are “mean-reverting” by nature. Therefore, it adheres to long-term asset allocation strategies and periodic, regular rebalancing. The Organization believes market timing is ineffective as a long-term investment strategy and will remain fully invested in all long-term mandates.

Alternative investments are less liquid than the Organization’s other investments. The following table summarizes these investments by investment strategy type at October 31:

		2021		2020
Alternative investment strategy	Number of funds		Number of funds	
Real estate	1	\$ 727,140	1	\$ 749,123
Global Macro (Caxton)	1	989,904	1	871,634
Credit Long / Short (Aspian)	1	1,454,883	1	1,204,075
EM Macro (Broad Reach)	1	1,161,787	1	835,022
Structured Credit (400 Capital)	1	1,410,792	1	1,087,858
Institutional Equities (Renaissance)	-	-	1	1,051,782
Total alternative investments	5	<u>\$ 5,744,506</u>	6	<u>\$ 5,799,494</u>

California Masonic Foundation Notes to Consolidated Financial Statements

The following table shows the gross unrealized losses and fair value of investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category, and length of time that individual securities have been in a continuous unrealized loss position, at October 31:

	2021					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Fixed income mutual funds	\$ -	\$ -	\$ 3,061,381	\$ (212,442)	\$ 3,061,381	\$ (212,442)
Total temporarily impaired investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,061,381</u>	<u>\$ (212,442)</u>	<u>\$ 3,061,381</u>	<u>\$ (212,442)</u>
	2020					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
	Fixed income mutual funds	\$ -	\$ -	\$ 2,511,380	\$ (621,999)	\$ 2,511,380
Equity mutual funds	1,980,712	(14,630)	439,302	(383,921)	2,420,014	(398,551)
Alternative investments	1,886,804	(99,409)	-	-	1,886,804	(99,409)
Total temporarily impaired investments	<u>\$ 3,867,516</u>	<u>\$ (114,039)</u>	<u>\$ 2,950,682</u>	<u>\$ (1,005,920)</u>	<u>\$ 6,818,198</u>	<u>\$ (1,119,959)</u>

The fair market value of these investments has declined due to a number of reasons, including changes in interest rates, changes in economic conditions, and changes in market outlook for various industries, among others. The securities disclosed above have not met the criteria for recognition of other-than-temporary impairment under management's policy of evaluating securities for impairment. This review considers the severity and duration of the decline in market value, the volatility of the security's market price, third-party analyst reports, credit rating changes, and regulatory or legal action changes, among other factors. Once a decline in fair value is determined to be other than temporary, an impairment charge is recorded to investment income (loss) and a new cost basis in the investment is established. For the years ended October 31, 2021 and 2020, no securities were determined to be other-than-temporarily impaired.

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

California Masonic Foundation

Notes to Consolidated Financial Statements

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying consolidated financial statements, as well as the general classification of such instruments pursuant to the valuation hierarchy:

Corporate stocks/mutual funds – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include exchange traded equities. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with identical characteristics, or discounted cash flows. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the ASC 820 fair value hierarchy in which the fair value measurements fall at October 31:

	2021				Held at NAV
	Fair Value	Level 1	Level 2	Level 3	
Investments					
Corporate stocks					
Domestic stocks	\$ 7,585,320	\$ 7,585,320	\$ -	\$ -	\$ -
Foreign stocks	5,007,475	2,494,219	-	-	2,513,256
Equity mutual funds					
Domestic equity	5,400,395	369,759	-	-	5,030,636
Foreign equity	11,831,268	6,653,975	-	-	5,177,293
Alternative investments	5,744,506	-	-	-	5,744,506
Fixed income mutual funds	12,819,043	3,318,605	-	-	9,500,438
Private markets	2,690,931	-	-	-	2,690,931
Total	\$ 51,078,938	\$ 20,421,878	\$ -	\$ -	\$ 30,657,060
	2020				Held at NAV
	Fair Value	Level 1	Level 2	Level 3	
Investments					
Corporate stocks					
Domestic stocks	\$ 6,082,447	\$ 6,082,447	\$ -	\$ -	\$ -
Foreign stocks	4,088,068	2,045,938	-	-	2,042,130
Equity mutual funds					
Domestic equity	4,687,994	753,406	-	-	3,934,588
Foreign equity	9,279,533	5,262,558	-	-	4,016,975
Alternative investments	5,799,494	-	-	-	5,799,494
Fixed income mutual funds	10,921,787	2,792,990	-	-	8,128,797
Private markets	1,085,607	-	-	-	1,085,607
Total	\$ 41,944,930	\$ 16,937,339	\$ -	\$ -	\$ 25,007,591

There were no significant transfers between Levels 1, 2, and 3 in the fiscal years ended October 31, 2021 and 2020.

California Masonic Foundation Notes to Consolidated Financial Statements

The following table provides the fair value and redemption terms and restrictions for certain investments calculated with a NAV at October 31:

Fund Type	Fair Value	Fair Value	Unfunded Commitments	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period	Redemption Restriction
	October 31, 2021	October 31, 2020	October 31, 2021	October 31, 2020			
Corporate stocks							
Foreign stocks	\$ 2,513,256	\$ 2,042,129	\$ -	\$ -	Monthly	30 days	None
Equity mutual funds							
Domestic equity	5,030,636	3,934,588	-	-	Daily	1 to 5 days	None
Foreign equity	5,177,293	4,016,975	-	-	Daily-Monthly	0 days	None or minimum of \$250K
Alternative investments							
Global Macro (Caxton)	989,904	871,634	-	-	Quarterly	Quarterly	45 days, lock-up 1st year
Credit Long / Short (Caspian)	1,454,883	1,204,075	-	-	Quarterly	Quarterly	45 days
Broad Reach	1,161,787	835,022	-	-	Quarterly	Quarterly	90 days
Engadine	1,410,792	-	-	-	Quarterly	Quarterly	45 days
400 Capital	727,140	1,087,858	-	-	Quarterly	Quarterly	60 days
Real estate	-	749,124	-	-	Quarterly	Quarterly	60 days
Renaissance	-	1,051,782	-	-	Monthly	Monthly	30 days
Fixed income mutual funds	9,500,438	8,128,797	-	-	Daily	0 to 3 days	None
Private markets	2,690,931	1,085,607	2,553,054	1,740,943	n/a	n/a	n/a
	<u>\$ 30,657,060</u>	<u>\$ 25,007,591</u>	<u>\$ 2,553,054</u>	<u>\$ 1,740,943</u>			

Foreign stocks – This represents an investment in the Acadian Non-US All Cap Equity (USD Hedged) Fund. The fund’s objective is to seek long-term capital appreciation in investing primarily in common stocks of international issuers. This will include both large- and small-cap issuers as well as opportunistic exposure to issuers in the emerging markets. Acadian uses a quantitative model to invest in all cap international value equity.

Domestic equity – These common trust funds are invested and reinvested primarily in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization-weighted total rate of return of the entire United States market for publicly traded equity securities. The criterion for selection of investments is the Dow Jones U.S. Total Stock Market Index.

Foreign equity – This category represents investments in Global Equity Long-Only Fund LP, and the Lindsell Train Global Equity Fund.

The Global Equity Long-Only Fund LP’s investment objective is to invest primarily in a long-only portfolio of global equities. The Lindsell Train Global Equity Fund’s primary objective is to protect the real value of clients’ capital and income over time. The aim is to invest only in “exceptional” companies that have that rare ability to grow the real value of their profits and cash flows over long periods of time. The investments are spread across global markets, and the objective of the underlying funds is to provide investors with capital appreciation and dividend income, while charging a lower expense fee than traditional mutual funds.

Alternative investments

Global Macro (“Caxton Global Investment”) – The Fund’s objective is capital appreciation. Its principal activity is trading in the international currency, financial, commodities, and securities markets. The fund has a broad mandate to trade in all exchange and over-the-counter markets, and to trade in derivative products and other instruments. The fund pursues these activities through the investment of its capital in Caxton International Limited, a BVI business company, through Caxton Intermediate Fund L.P., a BVI international limited partnership, with the exception of certain short-term investments for cash management purposes, strategic investments, and currency-hedging transactions with respect to T-Euro Shares, T-GBP Shares, T-AUD Shares, and T-JPY Shares.

California Masonic Foundation

Notes to Consolidated Financial Statements

Credit Long/Short (“Caspian”) – The investment objective of the Fund, the Intermediate fund, and the Master fund is to achieve long-term capital appreciation, on a favorable risk-adjusted basis, by applying a flexible and opportunistic approach to investing that involves evaluating the current attractiveness of various asset classes, including bank loans, bonds, equities, speculative investments, and cash equivalents, and investing its assets accordingly.

Broad Reach Fund – The Fund will generally focus on seeking an enhanced risk adjusted return through capital appreciation within a macro investment framework, investing primarily in global macro opportunities with a focus on emerging markets securities and related derivatives, across the complete universe of FX, rates, credit and equity, as well as commodities. The Fund expects to utilize discretionary macro processes, systematic macro processes, and special situation macro processes, and aims to deliver returns that are agnostic to the business cycle of emerging markets.

Engadine Equity Fund – The Fund’s primary investment focus will be long and short position in equity securities of issuers from developed markets. The Investment Manager will carry out detailed fundamental analysis and proprietary valuation assessments to construct a portfolio of high-conviction ideas, with gross and net market exposures managed carefully with the aim of generating positive returns in all market environments. The portfolio will be the result of a bottom-up analysis agnostic to sector or to geography. Both long and short positions are targeted to generate positive returns.

400 Capital Credit Opportunities Fund – The Fund seeks to achieve high absolute returns with low volatility and low correlation to traditional fixed income and equity markets by investing in credit investments across credit sectors and throughout an issuer’s capital structure with a primary focus on structured credit, which includes secured and structured commercial, consumer, and corporate assets. The Fund may also pursue direct lending opportunities, including joint ventures with third parties and debt and/or equity investments in newly formed lending companies. Further, the Fund may use a variety of instruments to manage credit spread duration, interest rate duration and market volatility. The execution of the Investment Manager’s strategy revolves around three core functions: (1) research and quantitative modeling, (2) portfolio and risk management, and (3) surveillance and loss mitigation.

Renaissance Equity Fund – Renaissance Technologies, LLC, uses a quantitatively heavy, systematic process to invest long and short in equities. Renaissance has state-of-the-art infrastructure to collect vast amounts of data, which the team analyzes in order to identify market anomalies. The end goal of the strategy is to produce alpha by applying mathematical insights to the liquid, listed equities markets. Renaissance Equity Fund seeks to capitalize on market inefficiencies to produce a differentiated return stream with low volatility and a high Sharpe ratio.

Real Estate (“UBS TPF”) – This is an investment in an actively managed core portfolio of equity real estate that seeks to provide attractive returns while limiting downside risk and has both relative and real return objectives. Its relative performance objective is to outperform the NFI-ODCE index over any given three- to five-year period. The fund’s real return performance objective is to achieve at least a 5% real rate of return (i.e., inflation-adjusted return), before advisory fees, over any given three- to five-year period.

California Masonic Foundation Notes to Consolidated Financial Statements

Fixed income mutual funds – This category includes the following funds: Columbus Unconstrained Bond Fund, BlackRock US TIPS, and Wellington CTF Opportunistic. These are commingled funds with an investment strategy that invests across the fixed income spectrum, including TIPS, Treasuries, investment-grade and high-yield credit, and asset-backed securities. These funds are valued monthly.

Private markets – In 2018-2021 allocations of \$152,000,000, split between private equity and private debt, and \$32,000,000 in private real assets, have been approved by the Investment Committee. In 2021, commitments of \$21,000,000 in private equity, \$10,000,000 in private debt and 11,000,000 in private real assets/real estate have been made. Additional commitments will be made throughout the coming years to further diversify the portfolio by strategy and vintage year. The Organizations allocated portion of these investments at October 31, 2021 and 2020, were \$2,690,931 and \$1,085,607, respectively. Unfunded commitments allocated to the Organizations at October 31, 2021 and 2020, were \$2,553,054 and \$1,740,943, respectively. The investments can only be redeemed upon liquidation of the underlying assets of the funds. These Funds are illiquid, however, a secondary market exists.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of October 31:

	2021	2020
Land and improvements	\$ 734,304	\$ 734,304
Buildings and improvements	19,970,517	19,835,508
Furniture and equipment	3,537,290	3,253,966
Work in progress	76,840	38,854
Total property and equipment	24,318,951	23,862,632
Less accumulated depreciation	(17,794,393)	(17,403,503)
Property and equipment, net	\$ 6,524,558	\$ 6,459,129

Depreciation expense for the years ended October 31, 2021 and 2020, totaled \$390,890 and \$386,178 respectively.

NOTE 5 – RELATED-PARTY TRANSACTIONS

The Grand Lodge provides general and administrative support to the Foundation and the Temple, for which it is reimbursed through an allocation of certain expenses. The allocations to the Foundation and the Temple for the years ended October 31, 2021 and 2020, were \$600,283 and \$1,147,121, respectively.

Beginning April 1, 2021, the Foundation has started processing and managing its payroll. The Grand Lodge Philanthropy department employees were transferred to the Foundation.

The Foundation provides fundraising support to the California Masonic Homes, for which it is reimbursed through an allocation of certain expenses. The allocation to the Homes for the year ended October 31, 2021, was \$602,722.

California Masonic Foundation

Notes to Consolidated Financial Statements

Beginning November 1, 2004, the Grand Lodge began renting office space from the Temple. Rents from the Grand Lodge for the space rented totaled \$97,599 and \$94,951 for the years ended October 31, 2021 and 2020, respectively. In addition, Nob Hill paid rent totaling \$617,663 and \$597,659 for the years ended October 31, 2021 and 2020, respectively.

Notes receivable from related party – On March 1, 2020, Nob Hill issued an aggregate of \$559,445 unsecured notes to the Temple for Nob Hill's Solar project. The notes bear an interest rate of 4% per annum, receivable monthly in cash. The notes will mature in February 2028. The total outstanding notes receivable balance was \$384,100 and \$435,583 as of October 31, 2021 and 2020, respectively.

Grant payable to related party – As part of the Foundation's Let's Write the Future fundraising campaign in 2018, the Foundation has a grant payable to the Masonic Homes of California for amounts designated by the grantors for the benefit of the Masonic Homes of California. The total outstanding grant payable balance was \$1,075,133 and \$1,372,938 as of October 31, 2021 and 2020, respectively.

Note payable to related party – The Temple issued a \$665,115 interest-bearing note to Grand Lodge for the purchase of Nob Hill's net assets. The note has been classified as long-term by management, bears an interest of 5% per annum, and is payable monthly in cash. The total outstanding note payable balance was \$665,115 as of October 31, 2021 and 2020.

NOTE 6 – COMMITMENTS

Scholarships are granted in the spring to incoming freshman. These scholarships are renewable annually through the completion of four years of education, if the applicant meets renewal criteria, and is approved for renewal by the Board of Trustees. The total potential scholarships for the 2021/2022 school year amount to \$979,174.

California Masonic Foundation
Notes to Consolidated Financial Statements

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at October 31:

	<u>2021</u>	<u>2020</u>
Cunningham	\$ 6,261,274	\$ 5,094,324
Fessman	5,119,238	4,218,284
Other endowment funds	4,065,066	3,344,737
Brown fund	2,524,094	2,054,946
Strohn	2,020,094	1,664,391
Amaranth	1,345,886	1,109,442
Masons for Public Education	2,007,551	1,347,239
Rainbow Scholarship	1,300,294	1,013,290
Wilson Wade Amaranth	1,010,873	833,101
Wilmont	949,376	788,351
McElwain	860,368	708,841
Lets Write the Future campaign	1,701,954	1,862,477
Distressed Worthy Brother relief fund	-	420,797
Other funds	<u>969,196</u>	<u>847,794</u>
Total	<u>\$ 30,135,264</u>	<u>\$ 25,308,014</u>

The Foundation's endowment consists of approximately 25 individual funds established for a variety of purposes.

Net assets with donor restrictions of \$2,825,144 and \$3,380,423 were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors during the years ended October 31, 2021 and 2020, respectively.

The Foundation expects to spend net assets with donor restrictions based on annual operating plans and associated budgets that incorporate their existence and purpose restrictions. Further, established and to-be-established spending policies will guide the spending from the endowment.

California Masonic Foundation

Notes to Consolidated Financial Statements

NOTE 8 – ENDOWMENT DISCLOSURES

Board interpretation of law – Interpretation of Relevant Law UPMIFA enacted by California, FMV preservation – The Board of Trustees of the California Masonic Foundation has interpreted the California Prudent Management of Institutional Funds Act (“CPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowed net assets with donor restrictions: (a) the original value of gifts donated to the endowment in perpetuity, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in endowed net assets with donor restrictions is classified as net assets with or without donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by CPMIFA. In accordance with CPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purposes of the Foundation and the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation

Spending policy, investing policy, and strategy

Return objectives and risk parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various market benchmarks appropriate to the investment classes utilized while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6.5% to 7.0% annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives – To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

California Masonic Foundation
Notes to Consolidated Financial Statements

Spending policy and how the investment objectives relate to spending policy – The Foundation had a past policy of appropriating for distribution 4.50% to 5.00% of its endowment fund’s average fair value over the prior 20 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2.00% annually. This is consistent with the Foundation’s objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Endowments by net asset class, in total and by fund

	October 31, 2021	
	Without Donor Restriction	With Donor Restriction
Donor-restricted endowment funds	\$ -	\$ 22,637,592
Total endowment funds	\$ -	\$ 22,637,592

	October 31, 2020	
	Without Donor Restriction	With Donor Restriction
Donor-restricted endowment funds	\$ -	\$ 18,766,888
Total endowment funds	\$ -	\$ 18,766,888

California Masonic Foundation

Notes to Consolidated Financial Statements

Reconciliation of beginning and ending balance by net asset class

	Without Donor Restrictions	With Donor Restriction	Total
Endowment net assets, October 31, 2019	\$ 20,139	\$ 18,735,076	\$ 18,755,215
Investment return:			
Investment Income	163	183,841	184,004
Net appreciation (realized and unrealized)	-	742,053	742,053
Total Investment Return	163	925,894	926,057
Contributions	300	-	300
Appropriation of net assets with donor restrictions for expenditure	(20,602)	(894,082)	(914,684)
Endowment net assets, October 31, 2020	-	18,766,888	18,766,888
Investment return:			
Investment Income	2	329,974	329,976
Net appreciation (realized and unrealized)	-	4,476,044	4,476,044
Total Investment Return	2	4,806,018	4,806,020
Contributions	450	-	450
Appropriation of net assets with donor restrictions for expenditure and restrictions	(452)	(935,314)	(935,766)
Endowment net assets, October 31, 2021	\$ -	\$ 22,637,592	\$ 22,637,592

Aggregate amount of deficiencies for donor-restricted endowments

Funds with deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, there were no deficiencies of this nature as of October 31, 2021 and 2020.

California Masonic Foundation Notes to Consolidated Financial Statements

NOTE 9 – FUNCTIONAL CLASSIFICATION OF EXPENSES

Expenses by function were as follows for the years ended October 31, 2021 and 2020:

	2021					2020	
	California Masonic Temple Operation	California Masonic Foundation Program Expenses	Eliminations	Total Operation and Program	General and Administration	Total Expenses	Summarized Comparative Total Only
Scholarship and grants	\$ -	\$ 2,383,828	\$ (103,927)	\$ 2,279,901	\$ -	\$ 2,279,901	\$ 1,406,395
Maintenance	489,065	-	-	489,065	-	489,065	426,066
Salaries and wages	-	431,555	-	431,555	-	431,555	-
Employee benefits	-	44,895	-	44,895	-	44,895	-
Payroll taxes	-	34,368	-	34,368	-	34,368	-
Fund raising	-	31,159	-	31,159	-	31,159	-
Utilities	223,565	-	-	223,565	-	223,565	273,285
Depreciation	390,339	552	-	390,891	-	390,891	386,178
Insurance	329,621	-	-	329,621	-	329,621	294,463
Property taxes	107,669	-	-	107,669	-	107,669	102,282
Other outside services/professional fees	-	153,927	-	153,927	1,021	154,948	40,147
Masonic symposiums	-	9,000	-	9,000	-	9,000	1,773
Travel	-	28,556	-	28,556	1,300	29,856	13,931
Printing postage and other office expenses	-	101,526	-	101,526	22,924	124,450	44,568
Software	-	7,152	-	7,152	-	7,152	-
Donor recognition	-	15,328	-	15,328	-	15,328	-
Miscellaneous	-	3,295	-	3,295	4,300	7,595	36,267
Interest expense	-	-	-	-	49,736	49,736	52,302
Audit and tax fees	-	26,706	-	26,706	26,656	53,362	51,832
Shared services	272,536	(158,323)	-	114,213	363,755	477,968	1,147,121
Legal fees	-	2,503	-	2,503	-	2,503	20,133
	<u>\$ 1,812,795</u>	<u>\$ 3,116,027</u>	<u>\$ (103,927)</u>	<u>\$ 4,824,895</u>	<u>\$ 469,692</u>	<u>\$ 5,294,587</u>	<u>\$ 4,296,743</u>

Expenses, such as depreciation, supplies, personnel, and occupancy costs, are allocated among program services and supporting services classifications on the basis of time records and on estimates made by the Organization's management.

NOTE 10 – LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of October 31, 2021 and 2020, available for general expenditure within one year:

Financial assets	2021	2020
Cash and cash equivalents	\$ 822,583	\$ 926,676
Accounts receivable	635,917	334,609
Current portion of pledges receivable, net	959,190	939,586
Due from related entities	303,645	50,827
Current portion of note receivable from related party	<u>53,580</u>	<u>51,483</u>
Financial assets available to meet cash needs for general expenditure within on year	<u>\$ 2,774,915</u>	<u>\$ 2,303,181</u>

Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization has adequate liquid assets without donor restrictions to ensure it can meet its current and future obligations. The Organization will be making expenditures on several major long-term capital projects in the next year. These future expenditures are not included in current assets as the amounts are interminable and are included in investments as of October 31, 2021.

California Masonic Foundation

Notes to Consolidated Financial Statements

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before consolidated financial statements are available to be issued. The Organization recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Organization's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of financial position but arose after the consolidated statement of financial position date and before consolidated financial statements are available to be issued.

In March 2022, conflict between Russia and Ukraine began, which has led to global sanctions being placed against Russian entities. The Organization holds investments with holdings in Russian assets and may experience losses against those assets. Given the dynamic nature and uncertainty of the circumstances, an estimate of the impact on the consolidated financial statements cannot be made at this time.

The Organization has evaluated subsequent events through April 14, 2022, which is the date the consolidated financial statements are available to be issued.

Supplementary Information

California Masonic Foundation
Consolidating Statement of Financial Position
October 31, 2021 (With Summarized Comparative Totals as of October 31,2020)

	California Masonic Foundation	California Masonic Memorial Temple	Eliminations	2021 Consolidated	2020 Total (Summarized Comparative Total)
ASSETS					
Current assets					
Cash and cash equivalents	\$ 503,742	\$ 318,841	\$ -	\$ 822,583	\$ 926,676
Contributions receivable	-	-	-	-	14
Accounts receivable	-	635,917	-	635,917	334,609
Current portion of pledges receivable, net	959,190	-	-	959,190	939,586
Due from related entities	-	334,006	(30,361)	303,645	50,827
Current portion of note receivable from related party	-	53,580	-	53,580	51,483
Prepaid expenses and other assets	24,374	36,647	-	61,021	169,183
Total current assets	1,487,306	1,378,991	(30,361)	2,835,936	2,472,378
Investments, at fair value					
	46,238,446	4,840,492	-	51,078,938	41,944,930
Long-term portion of pledges receivable, net	775,810	-	-	775,810	1,358,323
Note receivable from related party, net of current portion	-	330,520	-	330,520	384,100
Property and equipment, net of accumulated depreciation	1,613	6,522,945	-	6,524,558	6,459,129
Total assets	<u>\$ 48,503,175</u>	<u>\$ 13,072,948</u>	<u>\$ (30,361)</u>	<u>\$ 61,545,762</u>	<u>\$ 52,618,860</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued liabilities	\$ 124,019	\$ 143,979	\$ -	\$ 267,998	\$ 250,702
Due to related entities	94,757	456,133	(30,361)	520,529	578,112
Current portion of grant payable to related party	548,416	-	-	548,416	548,416
Advanced deposits	-	-	-	-	2,729
Total current liabilities	767,192	600,112	(30,361)	1,336,943	1,379,959
Long-term portion of grant payable to related party, net					
	526,717	-	-	526,717	824,522
Note payable to related party	-	665,115	-	665,115	665,115
Total liabilities	<u>1,293,909</u>	<u>1,265,227</u>	<u>(30,361)</u>	<u>2,528,775</u>	<u>2,869,596</u>
Net assets					
Without donor restrictions	17,074,002	11,807,721	-	28,881,723	24,441,250
With donor restrictions	30,135,264	-	-	30,135,264	25,308,014
Total net assets	<u>47,209,266</u>	<u>11,807,721</u>	<u>-</u>	<u>59,016,987</u>	<u>49,749,264</u>
Total liabilities and net assets	<u>\$ 48,503,175</u>	<u>\$ 13,072,948</u>	<u>\$ (30,361)</u>	<u>\$ 61,545,762</u>	<u>\$ 52,618,860</u>

California Masonic Foundation
Consolidating Statement of Activities and Changes in Net Assets
Year Ended October 31, 2021
(With Summarized Comparative Totals for the Year Ended October 31, 2020)

	Without Donor Restrictions				With Donor Restrictions	2021 Consolidated	2020 Total (Consolidated Comparative Totals Only)
	Temple	Foundation	Eliminations	Total	Foundation		
REVENUE, GAINS AND OTHER SUPPORT							
Contributions	\$ 104,413	\$ 104,051	\$ (103,927)	\$ 104,537	\$ 1,324,595	\$ 1,429,132	\$ 1,967,115
Interest and dividends	92,030	266,194	-	358,224	434,109	792,333	437,462
Net realized gains (losses) on investments	304,173	812,342	-	1,116,515	1,476,363	2,592,878	(341,851)
Net unrealized gains on equity investments	460,079	692,181	-	1,152,260	4,260,496	5,412,756	737,035
Rent from related parties	715,262	-	-	715,262	-	715,262	692,610
Auditorium and related services	1,247,873	-	-	1,247,873	-	1,247,873	1,232,556
Other	112,248	8,266	-	120,514	-	120,514	92,243
Net assets released from restrictions	-	2,825,144	-	2,825,144	(2,825,144)	-	-
Total revenues, gains and other support	<u>3,036,078</u>	<u>4,708,178</u>	<u>(103,927)</u>	<u>7,640,329</u>	<u>4,670,419</u>	<u>12,310,748</u>	<u>4,817,170</u>
EXPENSES							
Operations expenses	1,812,795	552	-	1,813,347	-	1,813,347	1,711,478
Total operations expenses	<u>1,812,795</u>	<u>552</u>	<u>-</u>	<u>1,813,347</u>	<u>-</u>	<u>1,813,347</u>	<u>1,711,478</u>
Program expenses							
Educational scholarships	-	409,935	-	409,935	-	409,935	434,287
Masonic Public Education	-	62,728	-	62,728	-	62,728	98,036
Grant to California Masonic Temple	-	103,927	(103,927)	-	-	-	-
Other grants	-	172,009	-	172,009	-	172,009	210,730
Grant expense to related party	-	1,175,921	-	1,175,921	-	1,175,921	333,321
Raising a Reader	-	512,000	-	512,000	-	512,000	458,000
Fund raising	-	265,175	-	265,175	-	265,175	364,515
Library and museum	-	84,576	-	84,576	-	84,576	61,793
Historic sites and other program expenses	-	329,204	-	329,204	-	329,204	255,738
Total program expenses	<u>-</u>	<u>3,115,475</u>	<u>(103,927)</u>	<u>3,011,548</u>	<u>-</u>	<u>3,011,548</u>	<u>2,216,420</u>
General and administrative expenses							
Other general and administrative	313,810	155,882	-	469,692	-	469,692	368,845
Total general and administrative expenses	<u>313,810</u>	<u>155,882</u>	<u>-</u>	<u>469,692</u>	<u>-</u>	<u>469,692</u>	<u>368,845</u>
Total expenses	<u>2,126,605</u>	<u>3,271,909</u>	<u>(103,927)</u>	<u>5,294,587</u>	<u>-</u>	<u>5,294,587</u>	<u>4,296,743</u>
EXCESS OF REVENUES OVER EXPENSES	<u>909,473</u>	<u>1,436,269</u>	<u>-</u>	<u>2,345,742</u>	<u>4,670,419</u>	<u>7,016,161</u>	<u>520,427</u>
Net unrealized gains on non-equity investments	235,985	1,858,746	-	2,094,731	156,831	2,251,562	1,110,200
Change in net assets	1,145,458	3,295,015	-	4,440,473	4,827,250	9,267,723	1,630,627
NET ASSETS AT BEGINNING OF YEAR	<u>10,662,263</u>	<u>13,778,987</u>	<u>-</u>	<u>24,441,250</u>	<u>25,308,014</u>	<u>49,749,264</u>	<u>48,118,637</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,807,721</u>	<u>\$ 17,074,002</u>	<u>\$ -</u>	<u>\$ 28,881,723</u>	<u>\$ 30,135,264</u>	<u>\$ 59,016,987</u>	<u>\$ 49,749,264</u>

California Masonic Foundation
Combining Statement of Financial Position, Excluding Temple (Unaudited)
October 31, 2021

	<u>Amaranth Fund</u>	<u>Barton Fund</u>	<u>Baxter Fund</u>	<u>Blomseth Fund</u>	<u>Brotherhood Fund</u>	<u>CMMT Fund</u>	<u>Cazneaux Fund</u>	<u>Chowchilla Fund</u>	<u>Coalinga Fund</u>	<u>Decker Fund</u>	<u>Fessman Fund</u>	<u>Karmann Funds</u>	<u>Lister Fund</u>	<u>MacKechnie Funds</u>	<u>McElwain Fund</u>
Assets															
Current assets															
Cash and cash equivalents	\$ 9,285	\$ 1,985	\$ 489	\$ 1,342	\$ 386	\$ 1,401	\$ 361	\$ 329	\$ 672	\$ 440	\$ 27,092	\$ 945	\$ 1,841	\$ 3,507	\$ 4,027
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from (to) related entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current assets	9,285	1,985	489	1,342	386	1,401	361	329	672	440	27,092	945	1,841	3,507	4,027
Investments, at fair value	1,336,601	422,156	104,089	285,459	82,007	-	76,772	70,016	142,941	93,592	5,092,146	200,917	391,591	745,835	856,341
Long term portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,345,886	\$ 424,141	\$ 104,578	\$ 286,801	\$ 82,393	\$ 1,401	\$ 77,133	\$ 70,345	\$ 143,613	\$ 94,032	\$ 5,119,238	\$ 201,862	\$ 393,432	\$ 749,342	\$ 860,368
Liabilities and net assets															
Current liabilities															
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to (from) related entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of grant payable to related party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intrafund accounts	-	-	-	-	-	923	1,995	240	-	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	1,401	1,995	240	-	-	-	-	-	-	-
Long term portion of grant payable to related party	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	1,401	1,995	240	-	-	-	-	-	-	-
Net assets															
Without donor restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
With donor restrictions	1,345,886	424,141	104,578	286,801	82,393	-	75,138	70,105	143,613	94,032	5,119,238	201,862	393,432	749,342	860,368
Total net assets	1,345,886	424,141	104,578	286,801	82,393	-	75,138	70,105	143,613	94,032	5,119,238	201,862	393,432	749,342	860,368
Total liabilities and net assets	\$ 1,345,886	\$ 424,141	\$ 104,578	\$ 286,801	\$ 82,393	\$ 1,401	\$ 77,133	\$ 70,345	\$ 143,613	\$ 94,032	\$ 5,119,238	\$ 201,862	\$ 393,432	\$ 749,342	\$ 860,368

California Masonic Foundation
Combining Statement of Financial Position, Excluding Temple (Unaudited) (Continued)
October 31, 2021

	<u>Mural Fund</u>	<u>Robinson Fund</u>	<u>Sincerity Fund</u>	<u>Confidence Fund</u>	<u>Pacific - Starr King Fund</u>	<u>Strohn Fund</u>	<u>Trona Fund</u>	<u>Wilson Wade Fund</u>	<u>Whitaker Fund</u>	<u>Wilmott Fund</u>	<u>General Fund</u>	<u>Masons for Mitts Fund</u>	<u>GM Restoration Fund</u>
Assets													
Current assets													
Cash and cash equivalents	\$ 5,162	\$ 551	\$ 2,156	\$ 1,746	\$ 368	\$ 9,455	\$ 1,217	\$ 5,727	\$ 711	\$ 4,462	\$ 112,216	\$ 19,949	\$ 40,851
Accounts receivable	-	-	-	-	-	-	-	-	-	-	(200)	\$ 200	-
Due from (to) related entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	-	17,081	-	-
Total current assets	5,162	551	2,156	1,746	368	9,455	1,217	5,727	711	4,462	129,097	20,149	40,851
Investments, at fair value	-	117,284	458,395	371,646	78,246	2,010,639	258,728	1,005,146	151,181	949,720	16,965,727	-	-
Long term portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	1,613	-	-
Total assets	\$ 5,162	\$ 117,835	\$ 460,551	\$ 373,392	\$ 78,614	\$ 2,020,094	\$ 259,945	\$ 1,010,873	\$ 151,892	\$ 954,182	\$ 17,096,437	\$ 20,149	\$ 40,851
Liabilities and net assets													
Current liabilities													
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	124,215	\$ -	\$ -
Due to (from) related entities	-	-	-	-	-	-	-	-	-	-	61,420	-	-
Current portion of grant payable to related party	-	-	-	-	-	-	-	-	-	-	-	-	-
Intrafund accounts	(7,607)	-	-	1,240	-	-	-	-	1,362	4,806	(30,732)	(168,477)	-
Total liabilities	(7,607)	-	-	1,240	-	-	-	-	1,362	4,806	154,903	(168,477)	-
Grant payable to related party	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant payable to related party	(7,607)	-	-	1,240	-	-	-	-	1,362	4,806	154,903	(168,477)	-
Net assets													
Unrestricted	-	-	-	-	-	-	-	-	-	-	16,574,002	-	-
Temporarily restricted net assets	12,769	117,835	460,551	372,152	78,614	2,020,094	259,945	1,010,873	150,530	949,376	367,532	188,626	40,851
Total net assets	12,769	117,835	460,551	372,152	78,614	2,020,094	259,945	1,010,873	150,530	949,376	16,941,534	188,626	40,851
Total liabilities and net assets	\$ 5,162	\$ 117,835	\$ 460,551	\$ 373,392	\$ 78,614	\$ 2,020,094	\$ 259,945	\$ 1,010,873	\$ 151,892	\$ 954,182	\$ 17,096,437	\$ 20,149	\$ 40,851

California Masonic Foundation
Combining Statement of Financial Position, Excluding Temple (Unaudited) (Continued)
October 31, 2021

	Anna Lind Scholarship Fund	Masons for Public Education Fund	Joseph Barber Scholarship Fund	Hanson Fund	Cunningham Fund	Rainbow Scholarship Fund	Operating Reserve Fund	Masonic Youth Order Fund	Brown Memorial Fund	Lets Write the Future Campaign Fund	Distressed Worthy Brother Relief Fund	TOTAL Funds
Assets												
Current assets												
Cash and cash equivalents	\$ -	\$ 42,307	\$ 992	\$ 101	\$ 29,907	\$ 6,457	\$ 5,537	\$ -	\$ 19,647	\$ 126,700	\$ 13,421	\$ 503,742
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Due from (to) related entities	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	959,190	-	959,190
Prepaid expenses and other assets	-	2,034	-	-	-	-	-	-	-	3,000	2,260	24,375
Total current assets	-	44,341	992	101	29,907	6,457	5,537	-	19,647	1,088,890	15,681	1,487,307
Investments, at fair value	79,151	1,994,244	210,883	21,460	6,360,849	1,293,837	723,579	-	2,567,824	719,444	-	46,238,446
Long term portion of pledges receivable, net	-	-	-	-	-	-	-	-	-	775,810	-	775,810
Property and equipment, net of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	1,613
Total assets	\$ 79,151	\$ 2,038,585	\$ 211,875	\$ 21,561	\$ 6,390,756	\$ 1,300,294	\$ 729,116	\$ -	\$ 2,587,471	\$ 2,584,144	\$ 15,681	\$ 48,503,176
Liabilities and net assets												
Current liabilities												
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (674)	\$ -	124,019
Due to (from) related entities	-	(5,061)	-	-	-	-	-	-	-	22,717	15,681	94,757
Current portion of grant payable to related party	-	-	-	-	-	-	-	-	-	548,416	-	548,416
Intrafund accounts	-	(106)	4,761	-	129,482	-	229,116	(15,394)	63,377	(214,986)	-	-
Total liabilities	-	(5,167)	4,761	-	129,482	-	229,116	(15,394)	63,377	355,473	15,681	767,192
Grant payable to related party	-	-	-	-	-	-	-	-	-	526,717	-	526,717
Grant payable to related party	-	(5,167)	4,761	-	129,482	-	229,116	(15,394)	63,377	882,190	15,681	1,293,909
Net assets												
Unrestricted	-	-	-	-	-	-	500,000	-	-	-	-	17,074,002
Temporarily restricted net assets	79,151	2,043,752	207,114	21,561	6,261,274	1,300,294	-	15,394	2,524,094	1,701,954	-	30,135,265
Total net assets	79,151	2,043,752	207,114	21,561	6,261,274	1,300,294	500,000	15,394	2,524,094	1,701,954	-	47,209,267
Total liabilities and net assets	\$ 79,151	\$ 2,038,585	\$ 211,875	\$ 21,561	\$ 6,390,756	\$ 1,300,294	\$ 729,116	\$ -	\$ 2,587,471	\$ 2,584,144	\$ 15,681	\$ 48,503,176

California Masonic Foundation
Combining Statement of Activities, Excluding Temple (Unaudited)
Year Ended October 31, 2021

	Amaranth Fund	Barton Fund	Baxter Fund	Blomseth Fund	Brotherhood Fund	CMMT Fund	Cazneau Fund	Chowchilla Fund	Coalinga Fund	Decker Fund	Fessman Fund	Karmann Funds	Lister Fund	MacKechnie Funds	McElwain Fund
With donor restriction net asset, beginning of year	\$ 1,109,442	\$ 349,421	\$ 85,886	\$ 236,068	\$ 67,873	\$ -	\$ 61,242	\$ 57,125	\$ 119,461	\$ 77,481	\$ 4,218,284	\$ 166,340	\$ 324,144	\$ 617,374	\$ 708,841
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and Dividends	20,465	6,463	1,599	4,368	1,256	-	1,162	1,074	2,205	1,433	77,972	3,077	5,995	11,419	13,111
Realized gain (loss) on investment	69,630	21,975	5,275	14,768	4,267	-	3,832	3,861	7,874	4,877	265,210	10,474	20,395	38,842	44,594
Unrealized gain (loss) on investment	208,144	65,748	16,253	44,503	12,772	-	11,958	10,740	22,095	14,574	793,005	31,285	60,983	116,150	133,362
Total with donor restriction change in net asset before the released from permanently restricted net asset	298,239	94,186	23,127	63,639	18,295	-	16,952	15,675	32,174	20,884	1,136,187	44,836	87,373	166,411	191,067
Released from restrictions based on spending guidelines	(53,850)	(16,957)	(4,075)	(11,211)	(3,288)	-	(3,056)	(2,695)	(5,833)	(3,777)	(204,967)	(8,119)	(15,756)	(30,012)	(34,450)
Other released (to) from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional released to (from) unrestricted net asset	(7,945)	(2,509)	(360)	(1,695)	(487)	-	-	-	(2,189)	(556)	(30,266)	(1,195)	(2,329)	(4,431)	(5,090)
Net change in net asset with donor restriction	236,444	74,720	18,692	50,733	14,520	-	13,896	12,980	24,152	16,551	900,954	35,522	69,288	131,968	151,527
With donor restriction net asset, end of year	\$ 1,345,886	\$ 424,141	\$ 104,578	\$ 286,801	\$ 82,393	\$ -	\$ 75,138	\$ 70,105	\$ 143,613	\$ 94,032	\$ 5,119,238	\$ 201,862	\$ 393,432	\$ 749,342	\$ 860,368
Without donor restriction net asset, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	2	-	-	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realized gain (loss) on investments - net	(7,946)	(2,509)	(620)	(1,695)	(487)	1	(450)	(417)	(855)	(556)	(30,267)	(1,195)	(2,328)	(4,432)	(5,090)
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income/receipts	-	-	-	-	-	450	-	-	-	-	-	-	-	-	-
Total revenue, net	(7,946)	(2,509)	(620)	(1,695)	(487)	453	(450)	(417)	(855)	(556)	(30,267)	(1,195)	(2,328)	(4,432)	(5,090)
Net assets released from donor restrictions based on spending guideline	53,850	16,957	4,075	11,211	3,288	-	3,056	2,695	5,833	3,777	204,967	8,119	15,756	30,012	34,450
Additional released from donor restrictions	7,945	2,509	360	1,695	487	-	-	-	2,189	556	30,266	1,195	2,329	4,431	5,090
Total donor restricted net asset released from restrictions	61,795	19,466	4,435	12,906	3,775	-	3,056	2,695	8,022	4,333	235,233	9,314	18,085	34,443	39,540
Other released (to) from other funds	-	-	-	-	-	126,860	(1,995)	(239)	-	-	-	-	-	-	-
Total net assets released/transferred	61,795	19,466	4,435	12,906	3,775	126,860	1,061	2,456	8,022	4,333	235,233	9,314	18,085	34,443	39,540
Expenses															
Program services															
Educational scholarships	43,079	13,565	3,000	8,969	2,630	-	-	1,500	6,000	3,022	163,973	6,495	12,605	24,009	27,560
Masonic Public Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant to California Masonic Temple	-	-	-	-	-	103,927	-	-	-	-	-	-	-	-	-
Other grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant expense to related party, net change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raising a Reader	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library and museum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Historic sites and other program expenses	10,770	3,392	815	2,242	658	23,386	611	539	1,167	755	40,993	1,624	3,152	6,002	6,890
General and administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	53,849	16,957	3,815	11,211	3,288	127,313	611	2,039	7,167	3,777	204,966	8,119	15,757	30,011	34,450
Net asset reclassification/transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in unrestricted net assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Without donor restriction net asset, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

California Masonic Foundation
Combining Statement of Activities, Excluding Temple (Unaudited) (Continued)
Year Ended October 31, 2021

	MELT Fund	Mural Fund	Robinson Fund	Sincerity Fund	Confidence Fund	Pacific - Starr King Fund	Strohn Fund	Trona Fund	Wilson Wade Fund	Whitaker Fund	Wilmott Fund	General Fund	Masons for Mitts Fund	GM Restoration Fund	University Partnership Fund
With donor restriction net asset, beginning of year	\$ -	\$ 12,769	\$ 97,078	\$ 379,444	\$ 303,594	\$ 64,777	\$ 1,664,391	\$ 214,167	\$ 833,101	\$ 123,260	\$ 788,351	\$ 367,607	\$ 1,325	\$ 40,821	\$ -
Contributions	-	-	-	-	-	-	-	-	-	-	-	100	187,301	-	-
Interest and Dividends	1	-	1,795	7,018	5,709	1,198	30,786	3,960	15,390	2,287	13,806	5	-	65	5
Realized gain (loss) on investment	212	-	6,107	23,871	19,574	4,077	104,732	13,475	52,375	7,925	44,590	355	-	-	804
Unrealized gain (loss) on investment	(211)	-	18,267	71,389	57,595	12,185	313,116	40,293	156,524	22,995	140,338	(338)	-	-	(786)
Total with donor restriction change in net asset before the released from permanently restricted net asset	2	-	26,169	102,278	82,878	17,460	448,634	57,728	224,289	33,207	198,734	122	187,301	65	23
Released from restrictions based on spending guidelines	-	-	(4,714)	(18,447)	(14,320)	(3,159)	(80,980)	(10,411)	(40,542)	(5,937)	(37,709)	-	-	-	-
Other released (to) from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional released to unrestricted net asset	(2)	-	(698)	(2,724)	-	(464)	(11,951)	(1,539)	(5,975)	-	-	(197)	-	(35)	(23)
Net change in net asset with donor restriction	-	-	20,757	81,107	68,558	13,837	355,703	45,778	177,772	27,270	161,025	(75)	187,301	30	-
With donor restriction net asset, end of year	\$ -	\$ 12,769	\$ 117,835	\$ 460,551	\$ 372,152	\$ 78,614	\$ 2,020,094	\$ 259,945	\$ 1,010,873	\$ 150,530	\$ 949,376	\$ 367,532	\$ 188,626	\$ 40,851	\$ -
Without donor restriction net asset, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,778,987	\$ -	\$ -	\$ -
Contributions	-	-	-	-	-	-	-	-	-	-	-	104,051	-	-	-
Interest and dividends	-	-	-	-	-	-	-	-	-	-	-	255,429	-	-	-
Realized gain (loss) on investments - net	-	-	(698)	(2,724)	(2,216)	(464)	(11,951)	(1,538)	(5,975)	(888)	(5,362)	955,226	-	(35)	(2)
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	-	-	-	-	2,435,238	-	-	-
Other income/receipts	-	-	-	-	-	-	-	-	-	-	-	7,816	-	-	-
Total revenue, net	-	-	(698)	(2,724)	(2,216)	(464)	(11,951)	(1,538)	(5,975)	(888)	(5,362)	3,757,760	-	(35)	(2)
Net assets released from donor restrictions based on spending guideline	-	-	4,714	18,447	14,320	3,159	80,980	10,411	40,542	5,937	37,709	-	-	-	-
Additional released from donor restrictions	2	-	698	2,724	-	464	11,951	1,539	5,975	-	-	197	-	35	23
Total donor restricted net asset released from restrictions	2	-	5,412	21,171	14,320	3,623	92,931	11,950	46,517	5,937	37,709	197	-	35	23
Other released (to) from other funds	131,709	-	-	-	(1,240)	-	-	-	-	(1,362)	(4,806)	92,656	-	-	8,113
Total net assets released/transferred	131,711	-	5,412	21,171	13,080	3,623	92,931	11,950	46,517	4,575	32,903	92,853	-	35	8,136
Expenses															
Program services															
Educational scholarships	-	-	3,771	14,758	8,000	2,527	64,784	8,329	32,433	2,500	20,000	(87,574)	-	-	-
Masonic Public Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant to California Masonic Temple	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other grants	131,711	-	-	-	-	-	-	-	-	-	-	40,298	-	-	-
Grant expense to related party, net change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raising a Reader	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-	-	-	-	-	-	265,175	-	-	-
Library and museum	-	-	-	-	-	-	-	-	-	-	-	84,576	-	-	-
Historic sites and other program expenses	-	-	943	3,689	2,864	632	16,196	2,083	8,109	1,187	7,541	96,689	-	-	8,134
General and administrative	-	-	-	-	-	-	-	-	-	-	-	155,882	-	-	-
Operation	-	-	-	-	-	-	-	-	-	-	-	552	-	-	-
Total expenses	131,711	-	4,714	18,447	10,864	3,159	80,980	10,412	40,542	3,687	27,541	555,598	-	-	8,134
Net asset reclassification/transfer	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Change in unrestricted net assets	-	-	-	-	-	-	-	-	-	-	-	2,795,015	-	-	-
Without donor restriction net asset, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,574,002	\$ -	\$ -	\$ -

California Masonic Foundation
Combining Statement of Activities, Excluding Temple (Unaudited) (Continued)
Year Ended October 31, 2021

	Anna Lind Scholarship Fund	Take Home Book Library Fund	Masons for Public Education Fund	Joseph Barber Scholarship Fund	Hanson Fund	Cunningham Fund	Rainbow Scholarship Fund	Operating Reserve Fund	Masonic Youth Order Fund	Brown Fund	Let's Write the Future Campaign	Distressed Worthy Brother Relief Campaign	Total Funds
With donor restriction net asset, beginning of year	\$ 79,151	\$ -	\$ 1,491,931	\$ 168,979	\$ 17,061	\$ 5,094,324	\$ 1,013,290	\$ -	\$ 15,394	\$ 2,054,943	\$ 1,862,477	\$ 420,797	\$ 25,308,014
Contributions	-	-	224,600	-	-	-	-	-	-	-	398,369	514,225	1,324,595
Interest and Dividends	-	-	28,381	3,150	318	96,425	20,398	-	-	38,853	12,960	-	434,109
Realized gain (loss) on investment	-	-	73,735	9,069	876	317,488	52,977	-	-	117,714	110,534	-	1,476,364
Unrealized gain (loss) on investment	-	-	298,517	33,396	3,429	991,681	222,548	-	-	410,660	84,157	-	4,417,327
Total with donor restriction change in net asset before the released from permanently restricted net asset	-	-	625,233	45,615	4,623	1,405,594	295,923	-	-	567,227	606,020	514,225	7,652,395
Released from restrictions based on spending guidelines	-	-	-	(7,480)	-	(238,644)	(1,000)	-	-	(98,076)	-	-	(959,465)
Other released (to) from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional released to unrestricted net asset	-	-	(73,412)	-	(123)	-	(7,919)	-	-	-	(766,543)	(935,022)	(1,865,679)
Net change in net asset with donor restriction	-	-	551,821	38,135	4,500	1,166,950	287,004	-	-	469,151	(160,523)	(420,797)	4,827,251
With donor restriction net asset, end of year	\$ 79,151	\$ -	\$ 2,043,752	\$ 207,114	\$ 21,561	\$ 6,261,274	\$ 1,300,294	\$ -	\$ 15,394	\$ 2,524,094	\$ 1,701,954	\$ -	\$ 30,135,265
Without donor restriction net asset, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,778,987
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	104,051
Interest and dividends	-	-	-	-	-	-	-	10,763	-	-	-	-	266,194
Realized gain (loss) on investments - net	-	-	(10,684)	(1,223)	(123)	(37,433)	(7,919)	25,624	-	(15,084)	(5,343)	-	812,342
Unrealized gain (loss) on investments	-	-	-	-	-	-	-	115,689	-	-	-	-	2,550,927
Other income/receipts	-	-	-	-	-	-	-	-	-	-	-	-	8,266
Total revenue, net	-	-	(10,684)	(1,223)	(123)	(37,433)	(7,919)	152,076	-	(15,084)	(5,343)	-	3,741,780
Net assets released from donor restrictions based on spending guideline	-	-	-	7,480	-	238,644	1,000	-	-	98,076	-	-	959,465
Additional released from donor restrictions	-	-	73,412	-	123	-	7,919	-	-	-	766,543	935,022	1,865,679
Total donor restricted net asset released from restrictions	-	-	73,412	7,480	123	238,644	8,919	-	-	98,076	766,543	935,022	2,825,144
Other released (to) from other funds	-	-	-	(4,761)	-	(129,482)	-	(152,076)	-	(63,377)	-	-	-
Total net assets released/transferred	-	-	73,412	2,719	123	109,162	8,919	(152,076)	-	34,699	766,543	935,022	2,825,144
Expenses													
Program services													
Educational scholarships	-	-	-	-	-	24,000	-	-	-	-	-	-	409,935
Masonic Public Education	-	-	62,728	-	-	-	-	-	-	-	-	-	62,728
Grant to California Masonic Temple	-	-	-	-	-	-	-	-	-	-	-	-	103,927
Other grants	-	-	-	-	-	-	-	-	-	-	-	-	172,009
Grant expense to related party, net change	-	-	-	-	-	-	-	-	-	-	240,899	935,022	1,175,921
Raising a Reader	-	-	-	-	-	-	-	-	-	-	512,000	-	512,000
Fund raising	-	-	-	-	-	-	-	-	-	-	-	-	265,175
Library and museum	-	-	-	-	-	-	-	-	-	-	-	-	84,576
Historic sites and other program expenses	-	-	-	1,496	-	47,729	1,000	-	-	19,615	8,301	-	329,204
General and administrative	-	-	-	-	-	-	-	-	-	-	-	-	155,882
Operation	-	-	-	-	-	-	-	-	-	-	-	-	552
Total expenses	-	-	62,728	1,496	-	71,729	1,000	-	-	19,615	761,200	935,022	3,271,909
Net asset reclassification/transfer	-	-	-	-	-	-	-	500,000	-	-	-	-	-
Change in unrestricted net assets	-	-	-	-	-	-	-	500,000	-	-	-	-	3,295,015
Without donor restriction net asset, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 17,074,002

California Masonic Foundation Categorizations of Financial Position Based Upon Donor Restrictions (Unaudited)

The Foundation categorizes its financial position by fund, based upon donor restrictions as follows:

General Funds – Resources are without donor restrictions and available for support of Foundation programs and supporting services.

Scholarship Funds – These funds were established by contributions or bequests from various donors. The principal of the funds cannot be expended, and the income from the funds is to be expended for scholarships in accordance with donor stipulations.

The terms of certain of the scholarship fund donation agreements permit the Foundation to allocate a portion of the cost of administering the scholarship program to those funds. The Foundation assesses a standardized 1% fee of each fund's five-year rolling average investment balance as of December 31 each year. Scholarship program expenses not allocated to those specific funds are absorbed by the General Fund.

Amaranth Fund – Resources are restricted by a trust agreement with the Amaranth Homes of California. The principal of the fund cannot be expended, and the income is to be used to provide educational grants to women under age 21.

Wilson Wade Fund – This fund was established by a bequest from W.O. Wade. The principal of the funds cannot be expended, and the income from the fund is to be expended for scholarships and other like purposes for female students seeking degrees from educational institutions in California.

F.M. Robinson Memorial Fund – This fund was established by contributions from Mrs. F.M. Robinson. The principal of the fund cannot be expended, and the income from the fund is to be expended for scholarships.

Harry Walker Lister Scholarship Fund – This fund was established from a contribution of a variable appreciable life insurance policy. The policy was redeemed during 1988. The principal of the fund cannot be expended, and the income of the fund can only be used to fund scholarships.

Pacific – Starr King Lodge No. 344 Scholarship Fund – This fund was established by the Starr King Lodge from the Robert Swartz Charitable Trust. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of Starr King members, their children, grandchildren, nieces, and nephews.

MacKechnie Fund – This fund was established by a bequest from Jack I. MacKechnie. The principal of the fund cannot be expended. The income of the fund is to be expended for scholarships for needy high school graduates of proven outstanding athletic achievement.

Coalinga Masonic Lodge Scholarship Fund – This fund was established by the Coalinga Lodge. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for Coalinga-area students.

Stanley and Gloria Cazneaux Scholarship Fund – This fund was established by contributions from Stanley and Gloria Cazneaux. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for students who are interested in the arts.

California Masonic Foundation Categorizations of Financial Position Based Upon Donor Restrictions (Unaudited)

George and Ethel McElwain Memorial Fund – This fund was established by contributions from Lester S. McElwain. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for worthy, needy, or middle-class young men and women.

Columbia Brotherhood Lodge Fund – This fund was established by contributions from the Brotherhood Lodge. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of Brotherhood members, their children, grandchildren, nieces, and nephews, or if at a particular time there are no qualified applicants, to residents of San Francisco or San Mateo counties.

Chowchilla Masonic Scholarship Fund – This fund was established by contributions from the Chowchilla Lodge. The principal cannot be expended, and income of the fund is to be expended for scholarships for deserving graduating seniors at Chowchilla Union High School and/or Le Grand High School.

Confidence Masonic Lodge for T. Fenton Ham Scholarship Fund – This fund was established by contributions from the Soquel-Pajaro Lodge. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for engineering students who are accepted into an Engineering Council for Professional Development (“ECPD”) accredited engineering program.

Warren J. Blomseth Scholarship Fund – This fund was established by contributions from Warren J. Blomseth. The principal of the fund cannot be expended, and the income from the fund is to be expended for scholarships.

Earold H. Barton and Merna I. Barton – This fund was established by a bequest from Earold H. and Merna I. Barton. The principal of the fund cannot be expended, and the income is to be expended for scholarships for worthy candidates selected by the Foundation, with preference to children and grandchildren of Master Masons preparing for a career in education who participate in extracurricular activities and attend summer school.

Arthur Wilmott Scholarship Fund – This fund was established by contributions from Arthur Wilmott. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of individuals nominated by the Greenleaf Gardens Masonic Lodge.

Cecil and Bonita Baxter Scholarship Fund – This fund was established by contributions from Cecil and Bonita Baxter. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of individuals nominated by the Confidence Masonic Lodge.

Sincerity Fund – This fund was established by contributions from Donald Nelson. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of individuals chosen by the Foundation Scholarship Committee.

Karmann Fund – This fund was established by contributions from the Carl and Elsie Karmann Charitable Remainder Unitrust. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of individuals chosen by the Foundation Scholarship Committee.

Trona Masonic Scholarship Fund – This fund was established by contributions from Trona Lodge #684. The principal of the fund cannot be expended, and income of the fund is to be used for scholarships for any California high school graduating senior.

California Masonic Foundation Categorizations of Financial Position Based Upon Donor Restrictions (Unaudited)

William and Irene Strohn Scholarship Fund – This fund was established by contributions from William and Irene Strohn. The principal of the fund cannot be expended, and income of the fund is to be used for scholarships for deserving graduating seniors at Watsonville High School and/or Hollister High School.

David and Nancy Decker Scholarship Fund – This fund was established by contributions from David and Nancy Decker. The principal of the fund cannot be expended, and the income is to be used for scholarships for any California high school graduating senior.

Whitaker Fund – This fund was established by donations from the Grand Lodge of California in honor of past Grand Master C. Ray Whitaker. The principal of the fund cannot be expended, and the income of the fund is to be used for scholarships for the benefit of individuals chosen by the Foundation Scholarship Committee, with preference for students with learning disabilities.

CMMT Building Fund – This fund was established by a grant received from the Temple. The principal and any earnings on this fund must be used for the preservation, improvement, and maintenance of the California Masonic Memorial Temple in San Francisco.

Masonic Education and Leadership Fund (“MELT”) – This fund was established by the California Masonic Foundation for the enrichment of education and leadership skills among Master Masons through workshops and focus groups.

Fessman Fund – This fund was established by contributions from Alfred J. and Florence D. Fessman. The principal of the fund cannot be expended, and the income of the fund is to be expended for scholarships for the benefit of individuals chosen by the Foundation Scholarship Committee.

Mural Fund – The fund was established by the California Masonic Foundation with the intent to raise \$500,000 to restore and renovate the endomosaic mural in the Grand Lodge lobby. The estimated cost for the renovation project itself is \$400,000, added to which is a \$100,000 restricted fund for periodic maintenance and upkeep in the future.

Cunningham Fund – The fund was established by contributions from the estate of Claire V. Cunningham. The principal of the fund cannot be expended, and the income of the fund is to be used for scholarships for students entering nursing programs or for nurses seeking continuing education.

University Partnership Fund – This fund was created to support graduate level work at UCLA in support of Freemasonry and its relationship to the development of civil societies. The fund is not endowed and will be spent down as needed to support the goals of the project.

Masons for Public Education – This annual fund option is for Masons supporting the California Masonic Foundation. Funds will be used to address the historic role Masons have played in supporting public education, including primary program support for priorities of the Foundation.

Rainbow Scholarship/Anna Lind – This is an award given each year by a recommendation of the Rainbow for Girls’ Executive Committee to a high school senior in memory of Anna Lind.

Operating Reserve Fund – This is a board-designated reserve fund to provide funding for the Foundation operations. There is a cap on the reserve of \$500,000.

California Masonic Foundation Categorizations of Financial Position Based Upon Donor Restrictions (Unaudited)

Heritage Restoration Fund – This is to ensure resources were available for the preservation and protection of important Masonic documents, materials, and artifacts. Established in 2006 with more than \$200,000 raised, the fund was initially used to purchase a document storage system for the library and museum.

Joseph Barber Scholarship Fund – This is an endowed scholarship fund established by a contribution from Joseph Barber.

Laura Hanson Fund – This is a scholarship fund initiated by Grand Master Russ Charvonja and other members of Channel Island.

Masonic Youth Order – This is a fund that allows members and donors to make a restricted gift to the Masonic Youth Orders (Nor Cal De Molay, Rainbow for Girls, So Cal De Molay, and Job's Daughters).

Masons for Mitts – This is a fund that supports the statewide program. The funds are raised in order to support three different sports charities.

Brown Fund – This fund is to be used to support children's education.

Let's Write the Future Campaign – This is a comprehensive, multi-year fundraising campaign designed to increase the size and number of leadership level gifts to our Grand Lodge charities. The \$5 million campaign has two primary charitable objectives:

1. \$2.5 million for Raising A Reader – in an effort to install the program in approximately 500 low-performing elementary school classrooms in underserved areas of California.
2. \$2.5 million to support the Masonic Homes in its work to provide advanced care services on the Organization's two campuses.

The campaign will include a combination of annual fund dollars and multi-year pledges from individuals and lodges.

Distressed Worthy Brother Relief Fund – This fund was created by the Masonic Homes to provide critical relief to Masons and their families.

