

**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



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**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Masonic Home and School of Texas  
dba: Masonic Children & Family Services of Texas  
Keller, Texas

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas, as of June 30, 2025 and 2024, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

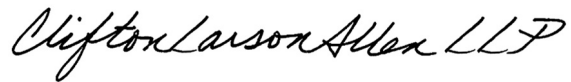
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors  
Masonic Home and School of Texas  
dba: Masonic Children & Family Services of Texas

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budget to actual summary information and budget to actual expenditures detail comparison, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for that portion marked “unaudited”, was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepared the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked “unaudited” has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



**CliftonLarsonAllen LLP**

Addison, Texas  
December 4, 2025

**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 168,264	\$ 239,123
Cash - Restricted	6,555	4,872
Accounts Receivable	317,833	202,499
Prepaid Expenses	131,056	114,050
Accrued Interest	276,809	203,225
Beneficial Interests in Perpetual Trusts	8,647,541	7,457,657
Pooled Investments	132,727,713	122,986,571
Nonpooled Investments	13,866,987	11,757,315
Property and Equipment, Net of Depreciation	39,309	28,604
Right-of-Use Asset - Operating	385,191	444,686
	\$ 156,567,258	\$ 143,438,602
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 1,379,940	\$ 1,100,497
Deferred Revenue	29,600	17,000
Lease Liability - Operating	395,916	453,859
Total Liabilities	1,805,456	1,571,356
<b>NET ASSETS</b>		
Without Donor Restrictions	37,540,541	34,712,274
With Donor Restrictions	117,221,261	107,154,972
Total Net Assets	154,761,802	141,867,246
Total Liabilities and Net Assets	\$ 156,567,258	\$ 143,438,602

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions, Bequests and Memorials	\$ 211,657	\$ -	\$ 211,657
Masonic Widows	139,902	-	139,902
Donations and Grants	-	100,025	100,025
Investment Income, Net	6,914,054	8,806,036	15,720,090
Investment Income from Beneficial Interests	301,739	73,370	375,109
Change in Value of Beneficial Interests	-	1,189,883	1,189,883
Fundraising Income	109,803	-	109,803
Rental and Leases	5,189	-	5,189
Special Events	48,869	-	48,869
Net Assets Released from Restrictions	<u>103,025</u>	<u>(103,025)</u>	<u>-</u>
Total Support and Revenues	<u>7,834,238</u>	<u>10,066,289</u>	<u>17,900,527</u>
<b>EXPENSES</b>			
Program Expenses:			
Children	3,463,610	-	3,463,610
Widows	708,823	-	708,823
Management and General	540,731	-	540,731
Marketing and Fundraising	<u>292,807</u>	<u>-</u>	<u>292,807</u>
Total Expenses	<u>5,005,971</u>	<u>-</u>	<u>5,005,971</u>
<b>INCREASE IN NET ASSETS</b>	2,828,267	10,066,289	12,894,556
Net Assets - Beginning of Year	<u>34,712,274</u>	<u>107,154,972</u>	<u>141,867,246</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 37,540,541</u>	<u>\$ 117,221,261</u>	<u>\$ 154,761,802</u>

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>			
Contributions, Bequests and Memorials	\$ 104,876	\$ -	\$ 104,876
Masonic Widows	202,220	-	202,220
Donations and Grants	-	254,620	254,620
Investment Income, Net	4,411,538	10,013,505	14,425,043
Investment Income from Beneficial Interests	305,796	40,974	346,770
Change in Value of Beneficial Interests	-	(1,198,508)	(1,198,508)
Fundraising Income	101,305	-	101,305
Rental and Leases	1,057,346	-	1,057,346
Special Events	63,693	-	63,693
Net Assets Released from Restrictions	<u>252,070</u>	<u>(252,070)</u>	<u>-</u>
Total Support and Revenues	6,498,844	8,858,521	15,357,365
<b>EXPENSES</b>			
Program Expenses:			
Children	3,591,330	-	3,591,330
Widows	827,966	-	827,966
Management and General	485,989	-	485,989
Marketing and Fundraising	<u>328,726</u>	<u>-</u>	<u>328,726</u>
Total Expenses	<u>5,234,011</u>	<u>-</u>	<u>5,234,011</u>
<b>INCREASE IN NET ASSETS</b>	1,264,833	8,858,521	10,123,354
Net Assets - Beginning of Year	<u>33,447,441</u>	<u>98,296,451</u>	<u>131,743,892</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 34,712,274</u>	<u>\$ 107,154,972</u>	<u>\$ 141,867,246</u>

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS**  
**DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2025**

	Program Services			Support Services		Total Expenses
	Children	Widows	Programs Total	Management and General	Marketing and Fundraising	
Payroll	\$293,496	\$56,101	\$ 349,597	\$222,864	\$114,141	\$ 686,602
Payroll Taxes and Benefits	117,312	19,871	137,183	62,924	34,703	234,810
Total Payroll and Related Benefits	410,808	75,972	486,780	285,788	148,844	921,412
Dental Services	258,139	-	258,139	-	-	258,139
Fantastic Teeth Program	603,895	-	603,895	-	-	603,895
Parent Autism Training	695,294	-	695,294	-	-	695,294
Educational Services	267,809	-	267,809	-	-	267,809
Medical Services and Special Equipment	44,256	-	44,256	-	-	44,256
Special Needs (Food, Clothing, Shelter, Etc.)	296,878	-	296,878	-	-	296,878
Special Therapy	102,644	-	102,644	-	-	102,644
Scholarships Paid	503,000	-	503,000	-	-	503,000
Blue Slipper Program	-	127,126	127,126	-	-	127,126
Texas Masonic Retirement Center	-	477,745	477,745	-	-	477,745
Administrative Travel	1,446	877	2,323	3,533	1,235	7,091
Marketing Programs	-	-	-	-	83,399	83,399
Insurance/Property Liability	74,748	8,617	83,365	8,733	6,761	98,859
Legal and Professional	-	-	-	129,147	-	129,147
Contract Services	75,284	854	76,138	18,070	133	94,341
General and Furnishings	816	89	905	2,023	38	2,966
Office Supplies	6,251	640	6,891	4,889	745	12,525
Postage	4,440	518	4,958	4,409	1,078	10,445
Vehicle Repairs and Maintenance	4,427	481	4,908	1,714	281	6,903
Telephone Expense	3,915	791	4,706	2,417	889	8,012
Bank Charges	-	-	-	16,671	-	16,671
Rent	49,449	6,143	55,592	18,444	13,514	87,550
Ad Valorem Taxes	-	-	-	8,634	-	8,634
Computer and Network Services	50,559	7,497	58,056	14,854	18,061	90,971
Employee Licenses and Development	945	338	1,283	875	300	2,458
Utilities	6,828	915	7,743	2,822	1,366	11,931
Special Events	-	-	-	-	15,562	15,562
Employee Appreciation	1,767	220	1,987	707	483	3,177
Board and Committee Related Expense	-	-	-	10,456	118	10,574
Miscellaneous Expense	12	-	12	448	-	460
Total Expenses Before Depreciation	3,463,610	708,823	4,172,433	534,634	292,807	4,999,874
Depreciation	-	-	-	6,097	-	6,097
Total Expenses by Function	<u>\$ 3,463,610</u>	<u>\$ 708,823</u>	<u>\$ 4,172,433</u>	<u>\$ 540,731</u>	<u>\$ 292,807</u>	<u>\$ 5,005,971</u>

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS  
DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	Program Services			Support Services		Total Expenses
	Children	Widows	Programs Total	Management and General	Marketing and Fundraising	
Payroll	\$253,026	\$47,126	\$ 300,152	\$187,271	\$97,390	\$ 584,813
Payroll Taxes and Benefits	113,159	18,129	131,288	66,515	36,892	234,695
Total Payroll and Related Benefits	<u>366,185</u>	<u>65,255</u>	<u>431,440</u>	<u>253,786</u>	<u>134,282</u>	<u>819,508</u>
Dental Services	341,792	-	341,792	-	-	341,792
Fantastic Teeth Program	568,595	-	568,595	-	-	568,595
Parent Autism Training	755,388	-	755,388	-	-	755,388
Educational Services	232,127	-	232,127	-	-	232,127
Medical Services and Special Equipment	55,725	-	55,725	-	-	55,725
Special Needs (Food, Clothing, Shelter, Etc.)	346,486	-	346,486	-	-	346,486
Special Therapy	131,695	-	131,695	-	-	131,695
Scholarships Paid	507,663	-	507,663	-	-	507,663
Blue Slipper Program	-	65,640	65,640	-	-	65,640
Texas Masonic Retirement Center	-	620,316	620,316	-	-	620,316
Administrative Travel	1,229	233	1,462	2,360	399	4,221
Marketing Programs	-	-	-	-	84,221	84,221
Insurance/Property Liability	73,978	8,513	82,491	8,798	6,866	98,155
Legal and Professional	-	-	-	112,927	-	112,927
Contract Services	79,900	944	80,844	16,563	164	97,571
Office Supplies	3,396	1,072	4,468	3,983	61	8,512
Postage	-	426	426	3,290	-	3,716
Vehicle Repairs and Maintenance	2,946	457	3,403	2,120	12	5,535
Telephone Expense	2,945	635	3,580	1,557	654	5,791
Bank Charges	-	-	-	14,730	-	14,730
Rent	49,133	59,841	108,974	20,070	13,196	142,240
Ad Valorem Taxes	-	-	-	7,324	-	7,324
Computer and Network Services	62,880	3,381	66,261	14,674	7,566	88,501
Utilities	7,879	1,081	8,960	3,302	1,528	13,790
Special Events	-	-	-	-	79,268	79,268
Employee Appreciation	1,388	172	1,560	474	509	2,543
Board and Committee Related Expense	-	-	-	11,575	-	11,575
Miscellaneous Expense	-	-	-	1,193	-	1,193
Total Expenses Before Depreciation	<u>3,591,330</u>	<u>827,966</u>	<u>4,419,296</u>	<u>478,726</u>	<u>328,726</u>	<u>5,226,748</u>
Depreciation	-	-	-	7,263	-	7,263
Total Expenses by Function	<u>\$ 3,591,330</u>	<u>\$ 827,966</u>	<u>\$ 4,419,296</u>	<u>\$ 485,989</u>	<u>\$ 328,726</u>	<u>\$ 5,234,011</u>

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS**  
**DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 12,894,556	\$ 10,123,354
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	6,097	7,263
Realized (Gains) Losses on Sales of Investments	(138,143)	49,044
Unrealized Gains on Investments	(11,227,745)	(10,765,221)
(Increase) Decrease in Value of Beneficial Interests	(1,189,884)	1,198,508
Noncash Operating Lease Expense	1,552	3,575
Changes in Assets and Liabilities:		
(Increase) Decrease in Prepaid Expenses	(17,006)	61,209
(Increase) Decrease in Accrued Interest	(73,584)	218,625
Increase in Accounts Receivable	(115,334)	(188,841)
Increase in Accounts Payable and Accrued Liabilities	279,443	392,933
Increase (Decrease) in Deferred Revenue	12,600	(4,250)
Net Cash Provided by Operating Activities	432,552	1,096,199
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(16,802)	(10,140)
Proceeds from Sales of Investments	14,361,700	11,948,788
Purchases of Investments	(14,846,626)	(12,764,809)
Net Cash Used by Investing Activities	(501,728)	(826,161)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in Checks Issued in Excess of Bank Balance	-	(30,160)
Net Cash Used by Financing Activities	-	(30,160)
<b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	(69,176)	239,878
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	243,995	4,117
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>	\$ 174,819	\$ 243,995

See accompanying Notes to Financial Statements.

**MASONIC HOME AND SCHOOL OF TEXAS**  
**DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Masonic Home and School of Texas dba: Masonic Children & Family Services of Texas (the Organization) is a nonprofit organization and is an entity described in Internal Revenue Code (IRC) Section 501(c)(3), which is exempt from federal income taxes on related income under IRC Section 501(a). The Organization provides information, referral, and/or funding support for qualifying Texas children through third-party providers, scholarships for qualifying Texas children, and funding support for qualifying widows of Texas Master Masons who reside at the Texas Masonic Retirement Center in Arlington, Texas. The Organization's corporate offices are located in Keller, Texas.

**Basis of Accounting**

The accompanying financial statements are presented on the accrual basis of accounting in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) Topic No. 958-205, *Not-For-Profit Entities: Presentation of Financial Statements*. Under FASB ASC Topic No. 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

**Cash and Cash Equivalents**

The Organization considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains deposits primarily in one financial institution, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Organization has not experienced any losses related to amounts in excess of FDIC and SIPC limits.

As of June 30, 2025 and 2024, the total balance of restricted cash is \$6,555 and \$4,872, respectively. The total balance of unrestricted cash and cash equivalents is \$168,264 and \$239,123 as of June 30, 2025 and 2024, respectively, and the total cash, cash equivalents and restricted cash shown in the statements of cash flows is \$174,819 and \$243,995, respectively.

**Investments**

The Organization follows the provisions of FASB ASC Topic No. 958-320, *Not-for-Profit Entities: Investments – Debt and Equity Securities*, and FASB ASC Topic No. 958-325, *Not-for-Profit Entities: Investment – Other*, which requires investments with readily determinable fair values to be stated at their fair values with unrealized gains and losses from fluctuations in such fair values included in the statements of activities and changes in net assets of the respective period.

**MASONIC HOME AND SCHOOL OF TEXAS**  
**DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Investments (Continued)**

The fair values of investments in equity securities and debt securities (including mutual fund shares) with readily determinable fair values are based on the quoted market price of the shares owned at June 30, 2025 and 2024.

FASB ASC Topic No. 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic No. 820 are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

Mutual funds, common stock, and money market investments are valued based on quoted market prices provided by the custodian and are classified within Level 1 of the valuation hierarchy.

Bonds are valued based on their fair value which is determined by discounting the bond's expected cash flows using a discount rate that is consistent with similar instruments and are classified within Level 2 of the valuation hierarchy.

Investments in mineral interests are carried at fair value, as determined by the financial institution administering the investments and are classified within Level 3 of the valuation hierarchy. At June 30, 2025 and 2024, the fair value was determined by using the undiscounted future cash flows for the next five years utilizing the prior 12-month cash flow. The estimates, assumptions, and methodologies used in determining the fair values of the mineral interests may differ significantly from the values that would have been used had a ready market existed and may also differ significantly from the values at which such investments may be sold, and the differences could be material.

**MASONIC HOME AND SCHOOL OF TEXAS**  
**DBA: MASONIC CHILDREN & FAMILY SERVICES OF TEXAS**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2025 AND 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Investments (Continued)**

Investments in land are carried at fair value, as determined by an independent appraisal at the time the land was donated, and are classified within Level 3 of the valuation hierarchy.

The Organization invested in 14 and 13 investment partnerships during the years ended June 30, 2025 and 2024, respectively. The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**Split-Interest Agreements**

The Organization is the beneficiary of or holds a beneficial interest in various split-interest agreements which consist of perpetual trusts held by a third party.

Under a perpetual trust held by a third party, donors establish and fund a trust administered by an entity other than the Organization. Under the terms of the trust, the Organization has the irrevocable right to receive the income earned on the trust's assets in perpetuity, but in most cases, never receives the assets held in the trust. Under charitable remainder trusts held by a third party, donors establish and fund a trust with specific distributions to be made to beneficiaries over the life of the trust. Under the terms of the trust, the Organization is to receive all or a portion of the assets remaining in the trust when the last income beneficiary passes away. Distributions received by the Organization may be restricted by the donor.

The Organization records its beneficial interest in perpetual trusts and charitable remainder trusts held by third parties, which are classified within Level 3 of the valuation hierarchy. For the year ended June 30, 2024, the Organization estimated the year-end balance using the present value of future cash flows based on the average cash flows received over the prior five years, applying a risk-free discount rate of 4.51%, derived from 30-year U.S. Treasury bond yields. For the year ended June 30, 2025, the Organization changed its valuation methodology to use the fair market value of the trusts. This change was made to better reflect the economic value of the agreements and align with industry practices. The change is accounted for prospectively, and prior periods have not been restated.

**Trusts, Legacies, and Bequests**

The Organization is the beneficiary under various wills and trust agreements, the total realizable amount of which cannot presently be determined. Such amounts are excluded from the accompanying financial statements until clear title is established and the ultimate realizable amount is reasonably determinable.

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Property and Equipment**

Purchased assets in excess of \$1,000 and with useful lives of five year or more are recorded at cost when acquired. Property and equipment are stated at cost and depreciated over the estimated useful lives of the various assets using the straight-line method. Major renewals and improvements are capitalized while expenditures for maintenance and repairs are expensed as incurred. Assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the respective accounts and any resulting gain or loss is reflected in the accompanying statements of activities and changes in net assets of the respective period. The estimated useful lives are as follows:

Furniture and Fixtures	5 to 10 Years
Automobiles	5 Years
Office Equipment	5 Years

**Donated Assets and Services**

Donated marketable securities and other noncash donations are recorded at their estimated fair values, as determined by management, at the date of donation.

Donated services are recognized as contributions if the services, (a) create or enhance nonfinancial assets, or (b) require specialized skills, and are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization pays for most services requiring specialized services. However, a number of individuals volunteer their time and perform a variety of tasks that assist the Organization with specific program functions and various other activities that are not recognized as contributions in the financial statements, because the recognition criteria under U.S. GAAP were not met.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statements of financial position. Finance leases are included in property and equipment, and other liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Leases (Continued)**

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position. The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as Net Assets Released from Restrictions.

**Endowment Funds**

The Organization follows FASB ASC Topic No. 958-205, *Endowments of Not-for-Profit Entities: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, and *Enhanced Disclosures for all Endowment Funds*, for the net asset classification of donor-restricted and board-designated endowment funds.

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**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**Endowment Funds (Continued)**

The Organization has various endowments which provide funding for scholarships, operations, and other programs. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The fair value of certain funds with donor restrictions fell below the historical corpus of the related investments by approximately \$25,663 and \$-0- as of June 30, 2025 and 2024, respectively.

The Organization's management has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies the original value of all endowment gifts as net assets with donor restrictions. Accumulated net earnings on endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure in accordance with any applicable donor designations and in a manner consistent with the standard of prudence prescribed by the UPMIFA.

In accordance with the UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Organization and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Organization, and
- The investment policies of the Organization.

The Organization's primary investment objectives are growth with income and preservation of capital. Management defines risk as the probability of not meeting these objectives. Accordingly, the Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of income to support the donor restrictions in place while seeking to maintain the purchasing power of the endowment assets.

Under these policies, as approved by the Organization's board of directors, endowment assets are invested in a manner that is intended to minimize risk and produce results that exceed a benchmark that represents the Consumer Price Index plus 5%.

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**(CONTINUED)**

**Contributions**

The Organization accounts for contributions in accordance with FASB ASC Topic No. 958-605, *Not-for-Profit Entities: Revenue Recognition*. In accordance with FASB ASC Topic No. 958-605, contributions received are recorded without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets of the respective period as net assets released from restrictions. All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Certain donor restrictions may require that cash be held in separate accounts.

**Functional Allocation of Expenses**

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Organization is a nonprofit organization and is exempt from federal income taxes under Section 501(c)(3) of the IRC, except for net income derived from unrelated business activities, which is taxable to the Organization. There was no unrelated business income reflected in the accompanying financial statements for the years ended June 30, 2025 and 2024.

FASB ASC Topic No. 740, *Income Taxes*, prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions. Management of the Organization believes that it has not taken a tax position that, if challenged, would have a material effect on the Organization's financial statements. The Organization files Form 990 in the United States federal jurisdiction. No tax returns are currently under examination by any tax authorities. As of June 30, 2025, the Organization has not incurred any penalties or interest under FASB ASC Topic No. 740.

**Reclassifications**

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation.

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**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 168,264	\$ 239,123
Current Unrestricted Accounts Receivable	317,833	202,499
Accrued Interest	276,809	203,225
Investments, Pooled and Nonpooled	146,594,700	134,743,886
Distributions from Assets Held under Split-Interest Agreements	350,410	374,000
Total Financial Assets	147,708,016	135,762,733
Less Amounts Not Available for Use Within One Year:		
Investments in Nonliquid Investments	4,996,951	4,330,961
Investments in Perpetual Trusts	88,035,860	80,980,279
Other Investments	276,402	257,054
Total Financial Assets Not Available for Use Within One Year	93,309,213	85,568,294
Total Financial Assets Available to Meet General Expenditures Within One Year	\$ 54,398,803	\$ 50,194,439

The Organization follows Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, which requires the Organization to disclose both qualitative and quantitative information about how the Organization manages its liquid resources.

The Organization has periodically received significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It has also received gifts to establish endowments that will exist in perpetuity; the income from such endowments is used to fund programs. In addition, the Organization receives support without donor restrictions; such support has historically represented between 15% and 20% of annual program funding needs, with the remainder funded by investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

The Organization considers investment income without donor restrictions, appropriated earnings from donor-restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

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**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

The Organization manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Organization.

**NOTE 3 INVESTMENTS**

The majority of the Organization's investments were pooled and held by a financial institution as a master custodian, and are managed by outside investment managers. In addition, several of the Organization's designated or restricted funds have investments that are segregated and invested separately.

Investment management fees of approximately \$357,000 and \$312,000 for 2025 and 2024, respectively, are netted with investment income in the accompanying statements of activities and changes in net assets.

In order to track any restrictions on the use of the Organization's investments, a separate investment account is established and all income or loss from the pooled investments is generally allocated to these accounts based on the value of each account to the total of all accounts.

**Pooled Investments**

The fair value of pooled investments consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Money Market Accounts	\$ 1,845,243	\$ 1,168,207
Equity - Stocks	47,313,657	42,167,826
Equity - Mutual Funds	35,634,843	32,861,609
Fixed Income - U.S. Government and U.S. Government Agency Bonds	3,115,745	411,888
Fixed Income - Bond Funds	12,578,172	11,869,186
Fixed Income - Corporate Bonds	6,386,420	7,389,467
Fixed Income - Municipal Bonds	254,105	259,040
Fixed Income - Foreign Bonds	3,583,344	3,138,476
Fixed Income - Short Term Investment Grade	544,822	507,296
Other - Mutual Funds	5,737,088	9,175,491
Private Equity Funds	15,734,274	14,038,085
Total Pooled Investments	<u>\$ 132,727,713</u>	<u>\$ 122,986,571</u>

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**NOTE 3 INVESTMENTS (CONTINUED)**

**Nonpooled Investments**

The fair value of the nonpooled investments consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Money Market Accounts	\$ 6,483,370	\$ 4,943,756
Equity - Stocks	867,341	909,484
Fixed Income - U.S. Government	100	53,888
Mineral Interests	4,996,951	4,330,962
Land	1,519,225	1,519,225
Total Nonpooled Investments	<u>\$ 13,866,987</u>	<u>\$ 11,757,315</u>

The total investment return from investments and mineral and royalty income for the years ended June 30 is as follows:

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment Income, Net:			
Interest and Dividend Income on Investments, Net	\$ 1,191,873	\$ 2,018,427	\$ 3,210,300
Mineral and Royalty Income, Net	1,114,214	29,688	1,143,902
Realized Gain (Loss) on Investments	212,877	(74,734)	138,143
Unrealized Gain on Investments	4,395,090	6,832,655	11,227,745
Total Investment Income, Net	<u>6,914,054</u>	<u>8,806,036</u>	<u>15,720,090</u>
Investment Income from Beneficial Interests	301,739	73,370	375,109
Change in Value of Beneficial Interests	-	1,189,883	1,189,883
Total	<u>\$ 7,215,793</u>	<u>\$ 10,069,289</u>	<u>\$ 17,285,082</u>
	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Investment Income, Net:			
Interest and Dividend Income on Investments, Net	\$ 1,091,311	\$ 1,835,088	\$ 2,926,399
Mineral and Royalty Income, Net	745,290	37,177	782,467
Realized Gain (Loss) on Investments	110,535	(159,579)	(49,044)
Unrealized Gain on Investments	2,464,402	8,300,819	10,765,221
Total Investment Income, Net	<u>4,411,538</u>	<u>10,013,505</u>	<u>14,425,043</u>
Investment Income from Beneficial Interests	305,796	40,974	346,770
Change in Value of Beneficial Interests	-	(1,198,508)	(1,198,508)
Total	<u>\$ 4,717,334</u>	<u>\$ 8,855,971</u>	<u>\$ 13,573,305</u>

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**NOTE 4 FAIR VALUE OF INVESTMENTS**

The following table details the Organization's investments at fair value by level, within the fair value hierarchy, at June 30, 2025:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<b>Pooled Investments</b>					
Money Market Accounts	\$ 1,845,243	\$ -	\$ -	\$ -	\$ 1,845,243
Equity - Stocks:					
Growth	47,313,657	-	-	-	47,313,657
Equity - Mutual Funds:					
Small Cap	3,208,615	-	-	-	3,208,615
Mid Cap	12,878,618	-	-	-	12,878,618
Inflation Hedge Equity	5,170,042	-	-	-	5,170,042
Emerging Market	4,092,342	-	-	-	4,092,342
International Large Cap	5,357,200	-	-	-	5,357,200
International Small Cap	4,928,026	-	-	-	4,928,026
Fixed Income:					
Individual Bonds:					
U.S. Government Agency Bonds	1,977,459	1,138,286	-	-	3,115,745
Corporate Bonds	-	6,386,420	-	-	6,386,420
Municipal Bonds	-	254,105	-	-	254,105
Short-Term Investment Grade	544,822	-	-	-	544,822
High Income Bond Fund	12,578,172	-	-	-	12,578,172
Global/Foreign Bond Fund	3,583,344	-	-	-	3,583,344
Other - Mutual Funds:					
Natural Resources Fund	4,699,726	-	-	-	4,699,726
Real Estate Fund	1,037,362	-	-	-	1,037,362
Total	<u>109,214,628</u>	<u>7,778,811</u>	<u>-</u>	<u>-</u>	<u>116,993,439</u>
Private Equity Funds	-	-	-	15,734,274	15,734,274
Total Pooled Investments	<u>109,214,628</u>	<u>7,778,811</u>	<u>-</u>	<u>15,734,274</u>	<u>132,727,713</u>
<b>Nonpooled Investments</b>					
Money Market Accounts	6,483,370	-	-	-	6,483,370
U.S. Large Cap Stocks	867,341	-	-	-	867,341
Corporate Bonds	-	100	-	-	100
Mineral Interests	-	-	4,996,951	-	4,996,951
Land	-	-	1,519,225	-	1,519,225
Total Nonpooled Investments	<u>7,350,711</u>	<u>100</u>	<u>6,516,176</u>	<u>-</u>	<u>13,866,987</u>
Beneficial Interests in Perpetual Trusts	-	-	8,647,541	-	8,647,541
Total Investments	<u>\$ 116,565,339</u>	<u>\$ 7,778,911</u>	<u>\$ 15,163,717</u>	<u>\$ 15,734,274</u>	<u>\$ 155,242,241</u>

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**NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)**

The following table details the Organization's investments at fair value by level, within the fair value hierarchy, at June 30, 2024:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<b>Pooled Investments:</b>					
Money Market Accounts	\$ 1,168,207	\$ -	\$ -	\$ -	\$ 1,168,207
Equity - Stocks:					
Growth	42,167,826	-	-	-	42,167,826
Equity - Mutual Funds:					
Small Cap	5,620,960	-	-	-	5,620,960
Mild Cap	3,156,792	-	-	-	3,156,792
Inflation Hedge Equity	11,503,433	-	-	-	11,503,433
Emerging Market	3,525,442	-	-	-	3,525,442
International Large Cap	4,810,057	-	-	-	4,810,057
International Small Cap	4,244,925	-	-	-	4,244,925
Fixed Income:					
Individual Bonds:					
U.S. Government Agency Bonds	-	411,888	-	-	411,888
Corporate Bonds	-	7,389,467	-	-	7,389,467
Municipal Bonds	-	259,040	-	-	259,040
Short-Term Investment Grade	507,296	-	-	-	507,296
High Income Bond Fund	11,869,186	-	-	-	11,869,186
Global/Foreign Bond Fund	3,138,476	-	-	-	3,138,476
Other - Mutual Funds:					
Natural Resources Fund	8,546,961	-	-	-	8,546,961
Real Estate Fund	628,530	-	-	-	628,530
Total	100,888,091	8,060,395	-	-	108,948,486
Private Equity Funds	-	-	-	14,038,085	14,038,085
Total Pooled Investments	100,888,091	8,060,395	-	14,038,085	122,986,571
<b>Nonpooled Investments</b>					
Money Market Accounts	4,943,756	-	-	-	4,943,756
U.S. Large Cap Stocks	909,484	-	-	-	909,484
Corporate Bonds	-	100	-	-	100
U.S. Government Bonds	-	53,788	-	-	53,788
Mineral Interests	-	-	4,330,962	-	4,330,962
Land	-	-	1,519,225	-	1,519,225
Total Nonpooled Investments	5,853,240	53,888	5,850,187	-	11,757,315
Beneficial Interests in Perpetual Trusts	-	-	7,457,657	-	7,457,657
Total Investments	\$ 106,741,331	\$ 8,114,283	\$ 13,307,844	\$ 14,038,085	\$ 142,201,543

The changes in the balances of Level 3 financial assets were as follows for the years ended June 30:

	2025	2024
<b>Beneficial Interests Held in Perpetual Trusts:</b>		
Beginning Balance	\$ 7,457,657	\$ 8,656,166
Change in Fair Value	1,189,884	(1,198,508)
Ending Balance	\$ 8,647,541	\$ 7,457,657
<b>Mineral Interests:</b>		
Beginning Balance	\$ 4,330,962	\$ 6,536,594
Change in Fair Value	665,989	(2,205,632)
Ending Balance	\$ 4,996,951	\$ 4,330,962

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**NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)**

There were no changes in the Level 3 investment in land for the years ended June 30, 2025 and 2024.

Purchases, sales, transfers in and transfers out of Assets Not Held at Fair Value investments consist of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Transfers In	\$ 1,513,718	\$ 4,413,887
Transfers Out	(807,363)	(590,980)

Fair value measurements of investments in certain funds that calculate net asset value per share (or its equivalent) as of June 30, 2025 is as follows:

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>
HPS Offshore Mezzanine Partners 2019, L.P.	(a) \$ 873,281	\$ 167,789
Golub Capital Partners Int'l 12, L.P.	(b) 918,507	100,000
CBRE US Core Partners, L.P.	(c) 2,428,802	-
HL SFV iCapital Offshore Access Fund, L.P.	(d) 698,053	490,942
Landmark Infrastructure Partners II Offshore, L.P.	(e) 639,702	396,459
HBK Multi-Strategy Fund Offshore	(f) 1,836,817	-
KKR Global Infrastructure IV	(g) 844,731	104,270
The Carlyle Group	(h) 1,999,350	-
Landmark Equity Partners XVII Offshore	(i) 856,582	1,199,304
HL SFVI iCapital Access Fd	(j) 567,017	1,019,507
Canyon Balanced HedgeFocus Fd Ltd	(k) 1,771,130	-
iCapMulti Strat Fund Verition	(l) 1,500,000	-
StepStone VC Global Partners XI	(m) 500,174	489,261
HPS Specialty Loan International Fund	(n) 300,128	721,368
Total	<u>\$ 15,734,274</u>	<u>\$ 4,688,900</u>

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**NOTE 4 FAIR VALUE OF INVESTMENTS (CONTINUED)**

Fair value measurements of investments in certain funds that calculate net asset value per share (or its equivalent) as of June 30, 2024 is as follows:

	Net Asset Value	Unfunded Commitments
HPS Offshore Mezzanine Partners 2019, L.P.	(a) \$ 972,417	\$ 199,564
Golub Capital Partners Int'l 12, L.P.	(b) 976,838	100,000
CBRE US Core Partners, L.P.	(c) 2,428,902	-
HL SFV iCapital Offshore Access Fund, L.P.	(d) 773,767	496,886
Landmark Infrastructure Partners II Offshore, L.P.	(e) 522,951	513,211
HBK Multi-Strategy Fund Offshore	(f) 1,682,032	-
KKR Global Infrastructure IV	(g) 617,129	214,354
The Carlyle Group	(h) 1,999,350	-
Landmark Equity Partners XVII Offshore	(i) 556,321	1,499,565
HL SFVI iCapital Access Fd	(j) 262,500	1,237,500
Canyon Balanced HedgeFocus Fd Ltd	(k) 1,581,759	-
iCapMulti Strat Fund Verition	(l) 1,500,000	-
StepStone VC Global Partners XI	(m) 164,119	840,000
Total	<u>\$ 14,038,085</u>	<u>\$ 5,101,080</u>

- (a) Limited Partner investments are locked up for the commitment period with no ability for redemption until the commitment period is terminated.
- (b) Limited Partners may only redeem their interest with the permission of the General Partner.
- (c) Limited Partners may redeem their interest on a quarterly basis with a 60-day notice period.
- (d) No notice period or restriction on redemption frequency.
- (e) Limited Partner investments are locked up until the Partnership is wound up.
- (f) Each investor is permitted to withdraw up to 25% of its capital account balance as of the end of the last day of any calendar quarter.
- (g) The investment period is six years from the date of the initial investment. The fund life is 12 years from the date of the initial investment.
- (h) The fund has a 10-year life, with a one-year extension at the discretion of the GP and thereafter with the consent of the LP advisory committee or a majority in interest of the limited partners.
- (i) The fund has a 10-year life with no right of redemption.
- (j) The fund has up to the 15-year term after the final capital call. No right of redemption.
- (k) Redemption limit is 25% per quarter.
- (l) Redemption limit is 25% per quarter.
- (m) The fund has a 15-year life with 3 one-year extensions. No right of redemption.
- (n) The fund has 7-year life with no right of redemption.

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**NOTE 5 BENEFICIAL INTERESTS IN PERPETUAL TRUSTS**

The Organization is the beneficiary of several perpetual trusts. Under terms of the agreements, the Organization is an income beneficiary ranging from 16.7% to 25% of the perpetual trusts.

Fair value of the beneficial interests in perpetual trusts is recorded using valuation methodologies appropriate to each reporting period. For the year ended June 30, 2024, the Organization calculated fair value as the present value of a perpetuity based on the five-year average of distributions received. The discount rate used was 4.51%, based on the 30-year U.S. Treasury Bond rate as of June 30, 2024. For the year ended June 30, 2025, the Organization changed its methodology to use the fair market value of the trusts. This approach reflects current market conditions and is considered more reliable than internal estimates or historical cost. The change is accounted for prospectively, and prior periods have not been restated.

Under the perpetual trusts, the Organization has recorded the carrying value of its beneficial interest in the assets of the trusts as net assets with donor restrictions. Income earned on the trusts' assets is recorded as investment income without donor restrictions from beneficial interests in the accompanying statements of activities and changes in net assets, unless otherwise restricted by the donor. Subsequent changes in the carrying values of the trusts' assets are reflected as changes in the value of beneficial interests in the net asset with donor restrictions class in the accompanying statements of activities and changes in net assets. The Organization is not the trustee on any of the trusts.

**NOTE 6 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	2025	2024
Furniture and Fixtures	\$ 83,232	\$ 66,430
Automobiles	39,567	39,567
Office Equipment	48,711	48,711
Total Property and Equipment	<u>171,510</u>	<u>154,708</u>
Less: Accumulated Depreciation	<u>(132,201)</u>	<u>(126,104)</u>
Property and Equipment, Net	<u>\$ 39,309</u>	<u>\$ 28,604</u>

**NOTE 7 ENDOWMENT NET ASSETS**

Net assets with donor restrictions represent contributions for which donors have imposed restrictions. Certain of the Organization's net assets with donor restrictions are comprised of amounts restricted for use within the scope of the Organization's charitable purpose (see Note 1). Other portions of the restricted amounts were held in cash and investments or beneficial interests in perpetual trusts in the accompanying statements of financial position at June 30, 2025 and 2024.

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**NOTE 7 ENDOWMENT NET ASSETS (CONTINUED)**

The compositions of the Organization's endowments by type as of June 30 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 42,499,381	\$ 42,499,381
Accumulated Investment Gains	-	45,536,479	45,536,479
Total	<u>\$ -</u>	<u>\$ 88,035,860</u>	<u>\$ 88,035,860</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	\$ -	\$ 42,499,381	\$ 42,499,381
Accumulated Investment Gains	-	38,520,937	38,520,937
Total	<u>\$ -</u>	<u>\$ 81,020,318</u>	<u>\$ 81,020,318</u>

Changes in endowments by type for the years ended June 30 are as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 81,020,318	\$ 81,020,318
Investment Return, Net	-	8,701,646	8,701,646
Appropriation of Endowment Assets Pursuant to Spending Policy	-	(1,686,104)	(1,686,104)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 88,035,860</u>	<u>\$ 88,035,860</u>
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ 72,622,248	\$ 72,622,248
Investment Return, Net	-	9,978,426	9,978,426
Appropriation of Endowment Assets Pursuant to Spending Policy	-	(1,580,356)	(1,580,356)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 81,020,318</u>	<u>\$ 81,020,318</u>

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**NOTE 7 ENDOWMENT NET ASSETS (CONTINUED)**

As of June 30, the Organization had the following donor-restricted endowment net asset composition by fund:

	2025		
	Original Gift	Accumulated Gains (Losses)	Fund Total
Restricted Endowment Fund	\$ 35,092,866	\$ 39,228,870	\$ 74,321,736
Special Assets	1,266,051	(25,663)	1,240,388
Masonic Scholarship Fund	1,141,473	870,013	2,011,486
Fred A. Land Scholarship Fund	10,547	17,249	27,796
Long Scholarship Fund	250,000	702,359	952,359
Roberts Family Scholarship Fund	12,000	40,109	52,109
Rockabrand Scholarship Fund	57,404	61,965	119,369
Smith Scholarship Fund	25,000	61,170	86,170
Sam & Rose Dear Money Market Fund	103,189	8,300	111,489
Skinner Trust	258,000	284,606	542,606
McClelland Memorial	4,282,851	4,287,501	8,570,352
Total	<u>\$ 42,499,381</u>	<u>\$ 45,536,479</u>	<u>\$ 88,035,860</u>

	2024		
	Original Gift	Accumulated Gains (Losses)	Fund Total
Restricted Endowment Fund	\$ 35,092,866	\$ 33,303,978	\$ 68,396,844
Special Assets	1,266,051	16,453	1,282,504
Masonic Scholarship Fund	1,141,473	683,482	1,824,955
Fred A. Land Scholarship Fund	10,547	14,774	25,321
Long Scholarship Fund	250,000	617,582	867,582
Roberts Family Scholarship Fund	12,000	35,469	47,469
Rockabrand Scholarship Fund	57,404	53,140	110,544
Smith Scholarship Fund	25,000	53,497	78,497
Sam & Rose Dear Money Market Fund	103,189	6,270	109,459
Skinner Trust	258,000	234,328	492,328
McClelland Memorial	4,282,851	3,501,964	7,784,815
Total	<u>\$ 42,499,381</u>	<u>\$ 38,520,937</u>	<u>\$ 81,020,318</u>

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**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Programs	\$ 103,025	\$ 252,070
Total	<u>103,025</u>	<u>252,070</u>
Subject to the Passage of Time:		
Future Operations	20,434,835	18,424,927
Endowments:		
Subject to NFP Endowment Spending Policy and Appropriation:		
Restricted Endowment Fund	39,228,870	33,303,978
Special Assets	(25,663)	16,453
Masonic Scholarship Fund	870,013	683,482
Fred A. Land Scholarship Fund	17,249	14,774
Long Scholarship Fund	702,359	617,582
Roberts Family Scholarship Fund	40,109	35,469
Rockabrand Scholarship Fund	61,965	53,140
Smith Scholarship Fund	61,170	53,497
Sam & Rose Dear Money Market Fund	8,300	6,270
Skinner Trust	284,606	234,328
McClelland Memorial	4,287,501	3,501,964
Total	<u>45,536,479</u>	<u>38,520,937</u>
Not Subject to Spending Policy or Appropriation:		
Endowment to be Maintained in Perpetuity	\$ 42,499,381	\$ 42,499,381
Beneficial Interests in Perpetual Trusts	8,647,541	7,457,657
Total	<u>51,146,922</u>	<u>49,957,038</u>
Total Net Assets With Donor Restrictions	<u>\$ 117,221,261</u>	<u>\$ 107,154,972</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Expiration of Time Restrictions	<u>\$ 103,025</u>	<u>\$ 252,070</u>

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**NOTE 9 COMMITMENTS AND CONTINGENCIES**

**Operating Lease Agreements**

The Organization leases space in Keller Texas for administrative purposes under noncancellable operating lease agreement for 127 months beginning on June 1, 2019. The Organization also leases equipment under a noncancelable operating lease agreement that ended in August 2024. The Organization entered into new noncancelable operating lease agreement on October 1, 2024, for 60 months.

The following tables provide quantitative information concerning the Organization's lease for the years ended June 30, 2025 and 2024:

	2025	2024
Operating Lease Costs	\$ 91,040	\$ 92,050
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 89,488	\$ 88,475
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 19,018	\$ -
Weighted Average Remaining Lease Term:		
Operating Leases	4.5 Years	5.5 Years
Weighted Average Discount Rate:		
Operating Leases	2.94%	2.92%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2025:

<u>Year Ending June 30.</u>	<u>Operating Leases</u>
2026	\$ 92,175
2027	93,693
2028	94,704
2029	95,210
2030	46,567
Total Lease Payments	422,349
Less: Imputed Interest	(26,434)
Present Value of Lease Liabilities	\$ 395,915

Total lease expense was \$91,040 and \$92,050 for the years ended June 30, 2025 and 2024, respectively.

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**NOTE 10 CASH OR DEFERRED ARRANGEMENT (401(K) PLAN)**

The Organization sponsors a 401(k) deferred compensation plan in conjunction with The Grand Lodge of Texas, A.F. & A.M. (The Grand Lodge of Texas). Employees are eligible to participate once they have completed 12 months of service and credited with 1,000 hours of service. Employees may choose to contribute a percentage of their gross salaries through a salary reduction arrangement. The maximum amount an employee could annually contribute was \$23,500 and \$23,000 respectively, in 2025 and 2024, plus catch-up contributions up to a maximum of \$7,500, in each year if eligible. An additional, enhanced catch-up contribution of \$11,250 is available for certain employees in 2025. The Organization may make a discretionary matching contribution of 50% of the aggregate salary reduction contribution to the extent the aggregate contribution does not exceed 5% of compensation.

The Organization may also choose to make a discretionary profit sharing contribution to the plan.

The Organization's expense under the plan totaled approximately \$15,900 and \$17,800 for the years ended June 30, 2025 and 2024.

**NOTE 11 RELATED PARTY TRANSACTIONS**

Certain widows of Texas Masons reside at the Texas Masonic Retirement Center (TMRC) in Arlington, Texas. These widows are admitted into TMRC through the Organization's application process. Expenses of approximately \$477,000 and \$620,000 for the years ended June 30, 2025 and 2024, respectively, were paid to TMRC on behalf of the widows. Any overpayment or underpayment of funds is remitted to the Organization or submitted to TMRC after the TMRC annual audit is completed. The Organization had payables to TMRC of \$35,084 and \$53,842 as of June 30, 2025, and 2024, respectively.

Square and Compasses Holding (Square and Compasses), a 501(c)(3) Texas nonprofit corporation, holds the proceeds from the sale of the Masonic Home and School of Texas childcare campus and retains the rights to the mineral interests from the former campus. Square and Compasses was organized to distribute a portion of its income, at least annually, to the Organization and/or the Texas Masonic Charities Foundation. The Organization was awarded \$100,000 and \$250,000 in the years ended June 30, 2025 and 2024, respectively. Both grants were to be used for the dental and autism programs.

At June 30, 2025 and 2024, the Organization had \$518 and \$-0-, respectively, due to employees.

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**NOTE 12 COLLABORATIVE ARRANGEMENTS**

On July 1, 2008, the Organization established a formal collaborative arrangement (the Agreement) with Presbyterian Children’s Homes and Services (PCHAS). PCHAS is a 501(c)(3) nonprofit organization operating child and family programs in Texas and Louisiana. PCHAS provides crisis intervention and family preservation services such as in-home family assessments, parent and life-skills training and support, and family and individual counseling.

The purpose of the Agreement is to assist Texas families in addressing issues before a crisis results in out-of-home placement of children. Under the Agreement, PCHAS agreed to establish a Child and Family Program in the state of Texas (the Program), operate and oversee the Program, and employ a Texas-licensed social worker with a Master’s degree in social work, or its equivalent, as a Child and Family Specialist for the Program. The Organization provides office space and reimbursement to PCHAS for up to 50% of the Program costs for the years ended June 30, 2025 and 2024.

The Organization’s portion of expenses related to the Agreement totaled approximately \$61,000 for the years ended June 30, 2025 and 2024, and is included in “Program Expenses: Children” in the accompanying statements of activities and changes in net assets.

**NOTE 13 CONCENTRATIONS OF CREDIT RISK**

Investments consist primarily of marketable corporate stocks, mutual funds, corporate bonds, government securities, real estate investment trusts, money market funds, and mineral interests. The fair values of all these investments are subject to fluctuations due to different market environments and any resulting change could be material. Most of these investments are subject to market risks customarily associated with such debt and equity securities.

There were no significant concentrations of accounts receivable or contributions as of or for the years ended June 30, 2025 and 2024.

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**NOTE 14 FUNCTIONAL ALLOCATION METHODOLOGY**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, marketing programs, admin travel, office supplies, postage, insurance, contract services, utilities, rent, computer network services and others. Rent and electric are allocated by square footage of departments and legal, audit and tax expenses are considered as administrative expenses. In booking invoices, unless a specific department is identifiable on the invoice, the expense is allocated primarily by the cost driver. The cost driver has been evaluated and determined by account or vendor in the budgeting process and the invoice booked consistent with the way it was planned in the budget. The three main types of drivers would be Full Time Equivalents by department, percentage of square footage allocated by department or by general usage of the item by the department.

**NOTE 15 SUBSEQUENT EVENTS**

In preparing the financial statements, management has evaluated all subsequent events and transactions for potential recognition or disclosure through December 4, 2025, the date the financial statements were available for issuance.

**MASONIC HOME AND SCHOOL OF TEXAS**  
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**BUDGET TO ACTUAL SUMMARY COMPARISON**  
**YEAR ENDED JUNE 30, 2025**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Unaudited Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues and Other Receipts</b>			
Bequests, Estates, and Donations	\$ 451,450	\$ 311,682	\$ (139,768)
Income from Beneficial Interests	374,000	375,109	1,109
Investment Income, Net of Fees	3,429,829	4,264,339	834,510
Scholarship Interest and Dividends	77,200	89,863	12,663
Income from Widow's Property	20,000	6,028	(13,972)
Widows Income	158,036	133,874	(24,162)
Fundraising Income	213,476	158,672	(54,804)
Miscellaneous Income	12,000	-	(12,000)
Total Revenues and Other Receipts	4,735,991	5,339,567	603,576
<b>Expenditures and Disbursements</b>			
Administration and General Operating	496,265	534,634	(38,369)
Marketing/Development/Fundraising	278,949	292,807	(13,858)
Children and Family Services Programs	2,915,908	2,960,610	(44,702)
Scholarships	507,000	503,000	4,000
Widows Programs	765,516	708,823	56,693
Furniture and Equipment	12,500	-	12,500
Total Expenditures and Disbursements	4,976,138	4,999,874	(23,736)
Revenues Over Expenditures before Reconciling Items	\$ (240,147)	339,693	\$ 579,840
<b>Reconciling Items to the Financial Statements</b>			
Nonbudgeted Depreciation Expense		(6,097)	
Rental and Leases		5,189	
Unrealized Gains on Investments		11,227,745	
Realized Losses on Investments		138,143	
Change in Value of Beneficial Interests		1,189,883	
Total		12,554,863	
Total Revenues Over Expenditures		\$ 12,894,556	

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**BUDGET TO ACTUAL EXPENDITURES DETAIL COMPARISON**  
**YEAR ENDED JUNE 30, 2025**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Unaudited Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration and General Operating Expenses</b>			
Payroll	\$ 212,917	\$ 222,864	\$ (9,947)
Payroll Taxes and Benefits	59,547	62,924	(3,377)
Contract Services	16,556	18,070	(1,514)
General and Furnishings	1,125	2,023	(898)
Board and Committee Related Expense	8,500	10,456	(1,956)
Bank Fees and Interest Expense	11,400	16,671	(5,271)
Property Tax	6,500	8,634	(2,134)
Attorneys	69,000	85,607	(16,607)
Auditors and Tax	43,180	43,540	(360)
Repairs and Maintenance	1,000	77	923
Office Supplies	3,735	4,889	(1,154)
Technology	21,629	16,491	5,138
Telephone	1,759	2,417	(658)
Insurance	8,403	8,733	(330)
Other Expenses	884	448	436
Employee Licenses and Development	1,350	875	475
Postage	3,825	4,409	(584)
Rent	20,622	18,444	2,178
Utilities	2,533	2,822	(289)
Employee Appreciation	-	707	(707)
Travel and Mileage	1,800	3,533	(1,733)
Total Administration and General Operating Expenses	496,265	534,634	(38,369)
<b>Marketing/Development/Fundraising</b>			
Marketing/Development/Fundraising	278,949	292,807	(13,858)
<b>Children and Family Services Programs</b>			
Children and Family Program Services	692,019	969,726	(277,707)
Fantastic Teeth Program	604,085	603,895	190
Parent Autism Training	935,444	695,294	240,150
Scholarships	507,000	503,000	4,000
Payroll	285,442	293,496	(8,054)
Payroll Taxes and Benefits	120,282	117,312	2,970
Contract Services	67,726	75,284	(7,558)
General and Furnishings	2,625	816	1,809
Office Supplies	9,750	6,251	3,499
Technology	57,440	54,987	2,453
Telephone	2,715	3,915	(1,200)
Insurance	74,421	74,748	(327)
Other Expenses	593	12	581
Employee Licenses and Development	1,350	945	405
Postage	3,825	4,440	(615)
Rent	49,198	49,449	(251)
Utilities	6,044	6,828	(784)
Employee Appreciation	1,150	1,766	(616)
Travel and Mileage	1,800	1,446	354
Total Children and Family Services Programs	3,422,909	3,463,610	(40,701)

**MASONIC HOME AND SCHOOL OF TEXAS**  
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**BUDGET TO ACTUAL EXPENDITURES DETAIL COMPARISON (CONTINUED)**  
**YEAR ENDED JUNE 30, 2025**  
**(SEE INDEPENDENT AUDITORS' REPORT)**

	Unaudited Budget	Actual	Variance Favorable (Unfavorable)
<b>Widows Program</b>			
Texas Masonic Retirement Center	\$ 590,856	\$ 471,740	\$ 119,116
Widows Allowance	6,240	5,280	960
Special Occasion	1,500	725	775
Blue Slipper Program	75,000	127,126	(52,126)
Payroll	52,947	56,101	(3,154)
Payroll Taxes and Benefits	17,213	19,871	(2,658)
Contract Services	550	854	(304)
General and Furnishings	750	89	661
Office Supplies	1,065	640	425
Technology	2,057	7,978	(5,921)
Telephone	664	791	(127)
Insurance	8,052	8,617	(565)
Other Expenses	179	-	179
Employee Licenses and Development	-	338	(338)
Postage	450	518	(68)
Rent	6,635	6,143	492
Utilities	815	915	(100)
Employee Appreciation	143	220	(77)
Travel and Mileage	400	877	(477)
Total Widows Program/Texas Masonic Retirement Center	765,516	708,823	56,693
<b>Furniture and Equipment</b>			
General and Furnishings	6,000	-	6,000
Equipment - Office	6,500	-	6,500
Total Furniture and Equipment	12,500	-	12,500
Total Expenditures and Other Cash Disbursements before Nonbudgeted Items	\$ 4,976,139	4,999,874	\$ (23,735)
<b>Reconciling Items to the Financial Statements</b>			
Nonbudgeted Depreciation Expense		6,097	
Total Expenditures and Other Disbursements		\$ 5,005,971	



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