

Done by ZSH

MOST WORSHIPFUL PRINCE HALL GRAND LODGE

*FREE AND ACCEPTED MASONS*

STATE OF CALIFORNIA, INCORPORATED

GRAND BOARD

OF

DIRECTORS REPORT

JULY 18 - 20, 2005

## AUTHORITY

The authority of the Constitution and the Articles of Incorporation establishes the Board of Grand Directors for the Most Worshipful Prince Hall Grand Lodge, Free and Accepted Masons, State of California, Incorporated.

## OBJECT

The object of the Board of Directors is that of supervising matters relating to the financial welfare and well being of the Grand Lodge, and providing for the safekeeping of all property of the Grand Lodge. Its duties and powers are delineated in Article XVI of the Constitution.

## BOARD MEMBERSHIP

The membership of the Board is composed of nine Grand Directors, who shall be elected as follows: The Grand Master, Deputy Grand Master, Grand Treasurer, Grand Secretary, by virtue of their office and five additional members who shall be elected by the Grand Lodge.

The term of office of Grand Directors, elected as such by the Grand Lodge, shall be for a three-year term. The composition of the Board is as follows:

## GRAND DIRECTORS

### Term Expires

Herby Price, Jr.	#87	Grand Master	N/A
Charles E. Tyner	#12	Deputy Grand Master	N/A
Vodhen G. Fucles, Jr.	#73	Grand Treasurer	N/A
Billy G. Harrington	#56	Grand Secretary	N/A
Frederick B. Young, Jr.	#108	Chairman	2005
Eddie L. Thompson	#60	Vice Chairman	2007
Henry F. Wooten	#59	Comptroller	2007
Edward L. Boynton	#59	Director	2006
Lovell Morgan	#13	Director (Temporary Appointment)	2005

In accordance with Article XVI of the Constitution of the Most Worshipful Prince Hall Grand Lodge, Free and Accepted Masons, State of California, Incorporated, the Board of Grand Directors submit their annual report of activities and business transactions for fiscal year 2005.

## SUMMARY

We were saddened at the departure from this life of Grand Director Donald V. Goode, however, we do rejoice in that his death was celebrated as his homegoing. He was strong in his faith and his love of God and he was a devoted Mason. We continue to uplift his family in our prayers.

In a memorandum dated July 6, 1992, Grand Director Emeritus George L. Long, Jr. #88, requested that the following items be placed on the next board agenda and the results be presented to the Grand Lodge as a Supplemental Board Report:

- I. Organizational Chart
  - A. Grand Lodge Structure
  - B. Corporate Structure
- II. Powers and Duties of the Grand Board
  - A. Constitution
  - B. Corporate
- III. Committees/Personnel
  - A. Appointed
  - B. Hired

Although it has been a number of years since the approval of the recommendations previously mentioned, the goals and objectives of those recommendations have remained just as valid today as they were when the ideas were first conceived. In late 2004 I directed Grand Director Goode and Chairman Emeritus Morgan to complete a review of operations for the purpose of identifying opportunities for process improvements and to determine if material weaknesses existed in internal controls. The review consisted of examining the work processes of the Grand Secretary's office and LARA (Los Angeles Realty Account). Director Goode was not able to participate because of his health; however, Director Morgan was able to complete the management review, which was provided to the Grand Board of Directors on March 2, 2005. That report was attached to the Minutes of the March 11-12, 2005, Grand Board of Directors Meeting.

The Board has acted on a number of recommendations that were contained in the report. We have established the position of Office Manager. In summary the Office Manager will direct, administer, and coordinate the activities of the Most Worshipful Prince Hall Grand Lodge, Free and Accepted Masons, State of California, Incorporated, in support of the Most Worshipful Grand Master and the Board of Directors by performing the following duties personally or through subordinates.

**ESSENTIAL DUTIES AND RESPONSIBILITIES** include the following:

Superintend administrative and financial processes of the corporation to include preparation and distribution of correspondence; general accounting activities and other related office activities.

Establish and operate an automated accounting system, approved by the corporation, to include posting data to various modules; such as, the general ledger, accounts receivable, and accounts payable.

Maintain the corporate payroll to include processing Federal, State, and local income tax requirements in accordance with governing regulations. Attend to employee insurance requirements.

Process real property transactions to include loan payments, property taxes, insurance, impounds, and other related activities.

Prepare and process corporate tax returns to include the Grand Lodge and Subordinate Lodges.

Prepare and present to the Grand Board of Directors quarterly financial reports. Reports may be required more frequently.

Attend to insurance requirements to include liability, real and personal property, and workers compensation.

An Administrative Assistant position has also been authorized and following is a summary of the duties for that position: Assists in administrative and financial activities of the Los Angeles Rental Account in support of policies, goals and objectives of the Corporation. Performs duties under the supervision of the Office Manager.

**ESSENTIAL DUTIES AND RESPONSIBILITIES** include but are not limited to the following:

Assist in administrative and financial processes of the Los Angeles Rental Account to include preparation and distribution of correspondence; general accounting and other related office activities.

Perform general book keeping functions to include maintaining general journals, accounts receivable and accounts payable ledgers, check registers, payment vouchers, etc.

Operate an automated accounting system to include performing data entry to appropriate accounting modules.

Prepare financial reports at specified intervals.

Act as the alternate disbursing officer for petty cash funds. Receive and deposit monies paid to the account. Transfer surplus and predetermined funds to the Realty Fund according to the budget objectives. Coordinate payroll matters with the Corporate Office Manager when required.

Collect and submit financial records for internal and external audits at required intervals or as directed.

A special thanks goes out to PM W. Jeffrey Griffin #108 and Brother Reginald Paul ##60 for performing the initial setup of the server that was installed in the Grand Lodge Corporate Headquarters. PM Lee Burton # 61 completed the configuration requirements that were established by the Board. He was able to accomplish his assigned tasks with the assistance of Brother Lonzo Harvey #105, who shipped the server to PM Burton and who subsequently reinstalled it when it was reconfigured and shipped back to Los Angeles. Vice Chairman Eddie L. Thompson #60 assisted in testing the VPN access.

The Grand Sessions Team under Team Manager Frank Palmer #79 is doing an excellent job. They continue the tradition of obtaining suitable accommodations at reasonable rates. There are indications that the attendance at this Grand Session reflects an upward trend in participation by our membership.

In December 2004 we appointed RW Junior Grand Warden Carl C. Corbin to Chair Committee South with the primary purpose of directing, administering, and coordinating the activities of LARA until such time as we could hire a Office Manager for the Corporation as has been previously reported. RW Corbin has performed in an outstanding manner and we compliment him on his efforts in seeing that LARA operates in a more efficient manner. We are continuing our review of the operation of the Prince Hall Memorial Auditorium and we are developing plans to generate more interest in leasing or renting the facility.

In response to questions received during the 2004 Grand Session we submit the following extract from the organizational meeting minutes held in August of 1999. The Statement of Domestic Nonprofit Corporation that was prepared by our legal counsel contained the following:

## “II. Separate Corporate Identity

One of the primary purposes in creating the Corporation was to protect the Grand Lodge from general liability to any third party in connection with the activities to be undertaken by the Corporation for the Prince Hall Arms project. To ensure this protection, the activities of the Corporation and the Grand Lodge must be seen as separate by a reasonable person dealing with the Corporation. Additionally, the Corporation must be initially capitalized with assets sufficient to meet its reasonably anticipated obligations. As long as the Corporation’s activities would lead to a reasonable person to think that he or she was dealing with the Corporation and not with the Grand Lodge, and as long as the Corporation’s capitalization is deemed sufficient to meet reasonably anticipated obligations, it is unlikely that a court would “pierce the corporate veil” and allow a creditor of the Corporation or third party with a claim against the Corporation to reach the assets of the Grand Lodge.

To preserve the separate identities, the Corporation should do some or all of the following:

1. Hold itself out as separate from the Grand Lodge.
2. Keep records, meeting minutes, and resolutions separate from those of the Grand Lodge. A separate corporate records book for the Corporation is a convenient way to store records, meeting minutes, and resolutions separately.
3. Create a separate letterhead for the Corporation, rather than using the Grand Lodge letterhead. If separate letterhead is not used, clarify that a letter sent on behalf of the Corporation is not sent on behalf of the Grand Lodge.
4. Post the Corporation’s name on the front door of the office space shared by the Grand Lodge and the Corporation.
5. Establish a separate bank account.
6. If Grand Lodge-paid staff provides services for the benefit of the Corporation, enter into a service contract to clarify the relationship between the Corporation and the Grand Lodge.

The more steps taken to keep identities separate, the less likely it is that a court will pierce the corporate veil.

## III. Capitalization

As mentioned above in Part II, capitalization is a factor considered by the courts when deciding whether to pierce the corporate veil. The appropriate capitalization level for the purpose of

Part (i) of the total capital contributions to the Partnership, or (ii) two under the Partnership's liability insurance policy." Over the course of the la Lodge has loaned the Corporation \$424, 787.00. If those funds had been com contribution that would equate to approximately 5.9%, however those funds Corporation and the Grand Lodge will be repaid.

## MANAGEMENT

Whereas, the Board as a whole exercises general management and supervision affairs of the Most Worshipful Prince Hall Grand Lodge; responsibilities are through various committees whose recommendations and reports are subject entire Board. Committee assignments were as follows:

### BUDGET

Henry F. Wooten  
Entire Board

### INSURANCE/BO

Vodhen G. Fucles,  
Billy G. Harrington  
Henry F. Wooten  
Charles E. Tyner

### BUSINESS MANAGEMENT NORTH

Eddie L. Thompson  
Herby Price, Jr.  
Vodhen G. Fucles, Jr.  
Carl D. Parker

### BUSINESS MANA

Edward L. Boynton  
Charles E. Tyner  
Carl C. Corbin

### BUSINESS MANGEMENT SOUTH

Carl C. Corbin  
Henry F. Wooten  
Billy G. Harrington  
Charles E. Tyner

### FINANCE AND IN

Vodhen G. Fucles,  
Billy G. Harrington  
Henry F. Wooten

### INVENTORY/SUPPLIES/EQUIPMENT

Eddie L. Thompson  
Henry F. Wooten  
Edward L. Boynton  
Herby Price, Jr.

### RECORDER TO T

Donald E. James

## LEGAL COUNSEL

Legal services are obtained on an as required, fee for service basis. There were to this area during the last accounting period.

## CORPORATE OFFICE

The principal office for business transactions is located at 9027 South Figueroa CA 90003. The Grand Secretary is the "designated agent for service of process in all business matters.

## GRAND SESSIONS TEAM

A report covering the 150<sup>th</sup> Grand Session will be presented during the meeting. The following sites have be secured for future Grand Sessions through the year 2009”

2006	Sacramento	Double Tree/Red Lion
2007	Los Angeles	Westin Hotel/LAX
2008	Ontario	Double Tree/Convention Center
2009	Burlingame	Hyatt Regency

## FINANCE AND INVESTMENT

During the past fiscal year it was necessary to redeem a Realty Fund CD to cover the following expenses:

1. \$4,700.00 to print the 2004 Grand Master’s Address
2. \$4,668.34 to LA Fraternal Supply to pay for Grand Lodge Aprons
3. \$3,910.00 to print the updates to the Constitution
4. \$20,000.00 seed money for the 150<sup>th</sup> Year History Book.

We have received a credit line of \$65,000.00. Funds will be used as necessary to cover the following expenses:

1. A commercial insurance package to cover Grand Lodge and subordinate lodges who do not own facilities.
2. Balance due on the Grand Lodge History Book.
3. Cover Grand Session Expenses.
4. Install a new roof on the Prince Hall Memorial Auditorium.

## BUSINESS MANAGEMENT SOUTH

On the recommendation of Business Management South, the Board has authorized the Grand Secretary to execute any and all necessary documents to consummate a contract with Wireless Facilities, Inc. to locate a wireless facility adjacent to the Prince Hall Memorial Auditorium. This agreement should produce income in the amount of \$1300.00 per month for the next five years.

Respectively submitted,

Herby Price, Jr. MWGM  
Vodhen G. Fucles, Jr. RWGT  
Edward L. Boynton RWGD  
Henry F. Wooten RWGD, Comptroller  
Frederick B. Young, Jr. RWGD, Chairman

Charles E. Tyner RWDGM  
Billy G. Harrington RWGS  
Lovell Morgan RWGD (Chairman Emeritus)  
Eddie L. Thompson RWGD, Vice Chairman