

THE

OKLAHOMA



MASON

THE GRAND LODGE OF
ANCIENT FREE & ACCEPTED MASONS OF THE STATE
OF OKLAHOMA

March 2024



John Carter
Grand Master

Brethren, the 2024 Grand Lodge year is off to a busy start. As I travel across the state, it has been my honor and pleasure to meet and visit with many of you at district meetings, lodge visits, and Lodge Secretary Workshops.

I wish to call to your attention some current and upcoming Grand Lodge Programs:

2024 AWARD OF EXCELLENCE:

These Lodge awards consist of three sections: the Lodge Award of Excellence, the Grand Master's Award, and the Lodge of the Year for 2024. An information packet regarding these awards is available on the Grand

Lodge website, www.gloklahoma.com, under the resources/downloads tab. For a Lodge to be eligible for any of these awards, a signed entry form (contained in the downloadable information packet) must be submitted to the Grand Lodge no later than **April 26, 2024**. The final packet is due in the Grand Secretary's office (completed, signed, and with all information and supporting documents, if necessary) no later than **October 11, 2024**, to receive consideration.

The 2024 Lodge of the Year, consisting of four (4) different categories based on lodge membership, will be chosen from the lodges that complete the Excellence and Grand Master's Award. This activity is an excellent way for our lodges to remain active and get involved in the Lodge and the community.

Follow the guidelines in the packet to amass a point total, which the



The Grand Lodge
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Awards Committee will review, and it will be my honor and privilege to recognize your Lodge at the annual communications in November of 2024.

BLOOD DONOR EFFORT:

One of the Grand Lodge of Oklahoma programs for 2024 is a blood donor effort in partnership with ***Our Blood Institute*** (formerly Oklahoma Blood Institute). **OBI is the primary blood supplier for Oklahoma, exclusively servicing more than 95 percent of the hospitals, medical facilities, and air ambulances in the state, including other local health systems such as Saint Francis, OU Health, SSM St. Anthony, Integris Health, and Mercy.** OBI is the nonprofit blood provider for patients at over 240 hospitals, medical facilities, and air ambulances across three states, including Oklahoma, Arkansas, and the Texas panhandle.

If your Lodge would like to host a blood drive, our contact at OBI is ***Brother Doug Crowson, Director OBI, Ada - (580)235-6747.***

Don't hesitate to get in touch with Brother Doug for more information. Blood donations also may be made on a walk-in basis at the various OBI offices across the state. One blood donation only takes about an hour and saves up to three patients' lives.

2024 LODGE SECRETARY WORKSHOP:

Several helpful workshops designed for, but not limited to Lodge Secretaries have been scheduled across the state. The dates include March 30, Skiatook Lodge No. 416; April 20, Eufaula Lodge No. 1; May 4, Perry Lodge No. 78; May 18, Cordell Lodge No. 127. Grand Secretary MW Mike Dixon has prepared an informative and educational agenda for these workshops, and Karen Dixon will also be covering Grand View. Registration for these workshops is available on the Grand Lodge website, www.gloklahoma.com.

MIDDLE CHAMBER MASONIC EDUCATION:

The Masonic Education Committee is planning the 2024 edition of the Middle Chamber Masonic Education series, and details will be available soon. This informative series began last year and was very well received. When the details are finalized, look for an announcement through email and Grand View.

GRAND MASTER'S TRAVELING GAVEL:

Look for information soon regarding the Grand Master's Traveling Gavel. The gavel will be available for capture by five brethren who visit one of the Grand Master's home Lodges. More information will be forthcoming soon.

Finally, I would direct your attention to a significant article in this newsletter from your Grand Lodge Trustees regarding the Perpetual Membership Fund. Please take the time to review the important information in that article.



Red Fork Lodge #505—Ground Breaking Ceremony

Pictured are Red Fork Lodge #505 Board Of Trustees; Left to right:

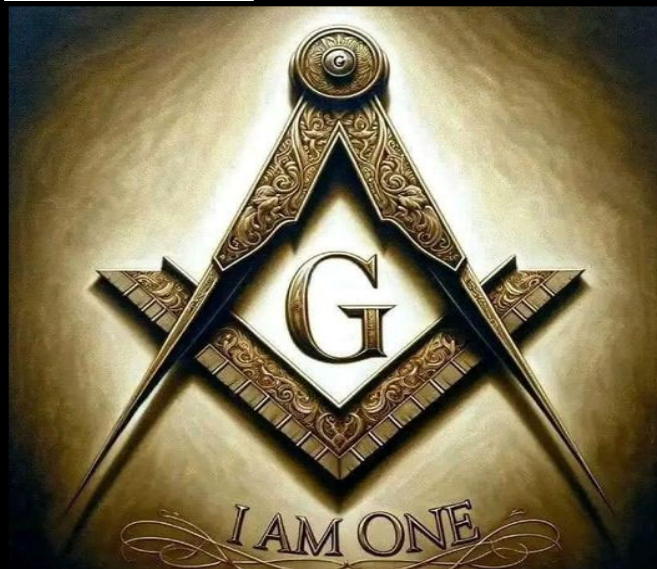
Richard Bishop, Jeffrey Paulk, Lance Phillips, Roger Johnson, Geoffrey Griffith

Completion and Corner Stone event expected in 10 to 12 months



DISTRICT 27 MEETING

50/60 YEAR PIN CEREMONY



SUNSET LODGE #57

50 YEAR PIN CEREMONY



Perpetual Membership and Endowed Account

The Grand Lodge Trustees

2024

One of the most notable changes we have experienced in Oklahoma Freemasonry in modern times is a steep drop in our membership. This is exacerbated by a recent inflationary period where the cost of operating our buildings has increased substantially. These two colliding events did not just occur without forewarning. Each year the trend line was clear for both membership and expenses. As a craft, we instituted a program to help our future Masonic fraternity weather both trends. This program has been a staple in both Grand Lodge and local Masonic Lodge budgets for years. Each year the program is expected to do the heavy lifting in our budgetary processes. The investment returns most recently have not been impressive against any benchmark.

This year, your 2024 Grand Lodge Trustees have examined the program to understand the health and viability of the Perpetual Endowed Account. We have reviewed the program since its inception in 1986 to today. We want to provide an honest and fair assessment of the program. In doing so, we will look at the Constitution and Uniform Code of the Grand Lodge of Ancient Free and Accepted Masons of the State of Oklahoma. We will also review the processes that have worked and failed in the operation of this Perpetual Endowed Account. Last, we want to make recommendations to ensure the preservation of this perpetual fund.

The essence of the program is in SECTION U 420. ENDOWED MEMBERSHIPS. In this section we find the Classification and Eligibility of Membership, Application Forms and Processes for both the Lodge and Grand Lodge. The subsection for Administration discusses the following:

1. Accounting
2. Costs
3. Dues Cards
4. Annual Distribution
5. Calculation (Perpetual, Memorial Perpetual, and Lodge of Research Perpetual)
6. Lodge Obligation

Let us begin with the accounting section. It states, *“The funds shall be placed collectively in an Endowed Perpetual Account. These funds shall be accounted for on an individual lodge basis, listing the amount a person paid into the fund by each perpetual member.”* A review of this statement determined that the ledger was littered with errors since the program’s inception.

Last year (2023), Karen Dixon worked diligently to correct these errors. The root cause for this inaccuracy was primarily clerical mistakes, training, and incomplete information from the Lodges. The Grand Lodge office now has a standard operating procedure for data entry when the application forms arrive.

The next sentence under “Accounting” states, *“The Endowed Perpetual account shall be separated from all other Grand Lodge funds and shall be audited annually as required by the Constitution and Laws.”* A review of the separation of these funds from all other funds indicates that no issues exist. The second part, however, is not so clear. The record of the audit has been recorded in the annual Grand Lodge Proceedings approximately seventeen times. It was, often, a combined audit of all endowed funds. We also found the audit occasionally missing in the annual Proceedings. It is plausible that a combined audit of all endowed funds was completed after our Grand Communication. The need for an audit report will be addressed under recommendations.

The section for cost does not reveal any inaccuracies. The lodges have not borne any cost for the administration of this program. This does place increased pressure on a stretched General Fund. When the program was initiated, our membership was larger and our perpetual membership participation lower. Today, the very opposite is true. This is a large database that requires regular maintenance. Recommendations will follow.

The section for dues cards does not appear to be incorrect. Everything is in order.

The following section is *“Annual Distribution.”* *“The total amount of interest derived from each endowed membership account shall be computed annually, and lodge share paid to the lodges for each member at the time of per capita billing. The per capita billing statement shall list each members’ account showing the principal balance, the per capita and Grand Lodge charges in effect at the time the Perpetual Membership was certified (except for Memorial Perpetual Members) the amount of interest earned, and the division being paid to the lodge and Grand Lodge.”* The most notable item found in this portion of the Code is that interest is the only revenue discussed in this section. Over the years, the endowment fund invested in equities and bonds. Today, the mix is approximately 60/40 stocks to bonds. This language regarding only interest contributed to confusion about the distribution. Recommendations to follow.

In section “Calculation,” we did find errors in both calculations and entry. These errors were corrected last year while reviewing the ledger. “Lodge Obligation” section was reviewed and appears correct.

The section for "Transfer:" did have incorrect entries as already outlined above. The most noted error was a membership transfer from one lodge to another when the member then added funds to his perpetual membership. Under Karen Dixon's guidance, these errors are now corrected. The section for "Loss of Membership and Reinstatement" appeared to be correct when reviewed.

The last component in the review of the Perpetual Endowed Account is the 60/40 mix of equities to bonds. This combination has been effective for long-term preservation of principal while offering stable but lower rates of return. Today, we know that the bond portfolio is a huge drag on our investment returns. As interest rates rose, our bond yields declined. We had less cash to distribute.

The management of the bond portfolio is another issue impacting the total available funds to generate cash. The professional institution that managed these bonds on behalf of the Grand Lodge often sold them prior to maturity. In most cases, this was an effort to generate greater cash flow for the lodges. While the intention was solid, the compound results produced paper losses (unrealized losses) for these immature bonds. Auditor notes confirmed these losses. This could have been practical if the losses had been offset by the reduction of distributions. Instead, each consecutive year, the unrealized loss was absorbed. While the intention of all parties was noble, in the end, the realized losses had to be recorded when we moved funds to Edward Jones. The Perpetual Endowment Account is smaller than it should be today.

Where do we stand today? The Perpetual Endowment Account as of January 26, 2024, has a value of \$5,683,246. The difficult news is that we should have a value of over \$8,000,000. The identified practice of selling bonds prematurely contributed to the fund's present condition. This practice alone substantially contributed to the fund's loss of value. On a positive note, as interest rates decline, which is expected, we will have the opportunity to sell bonds and realize a positive gain. This gain should help propel the total valuation up quickly. Of course, this is pure speculation.

The 2024 Board of Trustees have committed to hold these bonds until a correction allows us to sell them at a net gain. Until that happens, our bond portfolio will be a poor performer on our returns to be redistributed the lodges and Grand Lodge. We have heard from you and hope to move the ship on a correct course toward higher valuations and higher returns.

One key component of a perpetual fund is the long-term nature of that fund. During bull markets, it is tempting to jump into 100% stocks. However, we risk having no distribution that year if those stocks drop in value. The present 60/40 mix of investments will generate cash for

our lodges at the detriment of any principal growth. We need to remain focused on long-term preservation of the corpus coupled with a need for immediate cash.

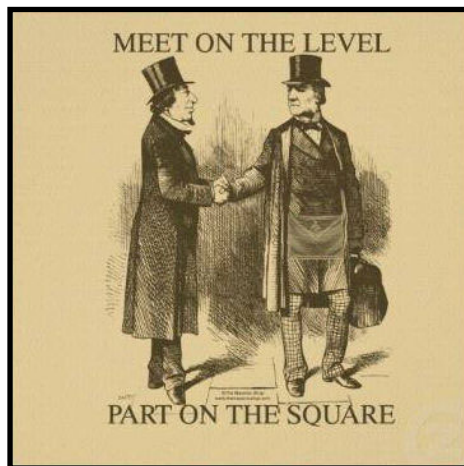
Since we no longer invest in interest bearing accounts solely, we need a clear and concise understanding of what to distribute when we own stocks and mutual funds. A review of past lodge distributions supports the idea that excess funds were distributed. This appears to exceed the interest earned that given year. These distributions were discovered in a review of past annual Grand Lodge Proceedings when recorded.

We want to offer solutions to all the areas discussed in the report. In some cases, the fix is easy. In others, not so much.

1. Since the inception of the fund, we found clerical errors. These errors included absent data, reversed dollar entries, deducted amounts for credit card processing, and more. The Grand Lodge, for financial reasons, has asked our staff to do more with few pay adjustments and no benefits. In our present office, we rely heavily on volunteers who perform data entry and administration of the fund. Our staff has performed very professionally. However, errors can be made, and oversight is important to maintain these records. The skill set of a sophisticated office is extensive. There is a need for accounting software, systems administration for our membership database and website. We need to consider that professional staff who have the correct education and training are a true asset. This person would be our Office Manager tasked with providing consistent and educated talent to manage our Grand Lodge office. We are not going to find such an employee until we can offer them a working wage and benefits.
2. An annual financial audit is a requirement per our Code. The audit should separate the Endowed Perpetual Fund from the other funds. Then when irregularities are noted, the Board of Trustees can address those items swiftly.
3. The 2024 Board of Trustees will no longer authorize a premature bond sale with a corresponding realized loss.
4. The 2024 Board of Trustees will continue to evaluate the need to protect the corpus of the perpetual fund and generate sufficient funds for both our lodges and Grand Lodge. Bonds offer safety at the expense of return. Bonds also typically have maturity dates of thirty plus years. This is a wonderful product for the long term but can be difficult to liquidate when the financial need only grows each year. We will find ourselves evaluating alternative investments such as dividend generating stocks. They are both stable and mature while throwing off dividends to distribute.

5. The language of U 420 only addresses the distribution of interest. The fund has changed since inception, and we need to adopt by resolution a change in what we distribute other than interest only.
6. The Annual Grand Lodge Proceedings are our record of the preceding year. We need a consistent format to include audit information.

The 2024 Grand Lodge Trustees will continue the work of our finding long-term solutions to allow our Endowed Perpetual Membership fund to succeed. What we all must consider is that it will be there when we are long gone. Unlike a retirement account, it is not consumed over 20 years. We will manage it accordingly.



FELLOW CRAFT DEGREE AT NORMAN LODGE #38



DISTRICT 6 MEETING FRONTIER LODGE #48





MUSTANG LODGE #407— MASTER MASON DEGREE

PILGRIM ROCK LODGE #522—MASTER MASON DEGREE



DEGREES FOR BRO. TANNER B. WILSON

Esdraelon Lodge no. 176, Cardiff, Maryland, is proud to welcome Bro. Tanner Brettell Wilson to the membership rolls.

Bro. Wilson is actively serving in the US Army and is stationed at Ft. Sill, Oklahoma. Bro. Wilson desired to join his family Lodge in Maryland and his petition was approved by Esdraelon Lodge in February; however, the logistics of conferring the degrees presented some challenges. The Grand Lodge of Oklahoma was contacted by the Grand Lodge of Maryland and was requested to do the Entered Apprentice and Fellowcraft degrees by courtesy. The request was granted, and Bro. Tanner B. Wilson received his Entered Apprentice and Fellowcraft degrees on Saturday, September 9th in Lawton, Oklahoma, by the officers and members of Mount Scott Lodge #540 A.F. & A.M. Four members of Esdraelon Lodge flew out for this special event: Bro. Nathan D. Wilson JW (brother to Tanner), Bro. G. Wilson Tharpe PM, Sec & Bro. Henry T. Jones PM (cousins to Tanner) and Bro. D. Scott Schubert PM, SW.

The day started early and concluded with a delicious meal.

Bro. Tanner B. Wilson was raised to the degree of Master Mason, in Esdraelon Lodge #176, at a Special Communication held on November 30, 2023, prior to being deployed to Germany.

The degree was conferred by the Knights of Mecca, Maryland Degree Team.

Many thanks to the Grand Lodge of Oklahoma for granting this special request and to the Officers and Members of Mt. Scott Lodge No. 540, Lawton, Oklahoma for their Hospitality and Brotherly Love. It was a memorable day. From the winter 2024 issue of the Free State Freemason Magazine, a publication of the Grand Lodge of Maryland A.F. & A.M.





**MYRTLE LODGE #145
MASTER MASONS**





The Grand Lodge *of* OKLAHOMA

**Becoming a Mason
doesn't make you
a better person.
Oh wait, yes it does.**



The Oklahoma Mason is a publication of the Grand Lodge of Ancient Free and Accepted Masons of the State of Oklahoma.

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