

MASTER TRUST OF CALIFORNIA

FINANCIAL STATEMENTS

June 30, 2025

(With Comparative Totals for 2024)

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Master Trust of California

Opinion

We have audited the accompanying financial statements of Master Trust of California, which comprise the balance sheet as of June 30, 2025, and the related statements of capital additions and deductions and changes in trust liability attributable to beneficiaries, and cash flows for the year 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 Master Trust of California as of June 30, 2025, and its capital additions and deductions and changes in trust liability attributable to beneficiaries, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Master Trust of California and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Master Trust of California's ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards, 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 Master Trust of California'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 Master Trust of California'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.

Report on Summarized Comparative Information

We have previously audited Master Trust of California's 2024 financial statements, and we expressed an unmodified opinion in our report dated March 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Long Beach, California
March 26, 2026

MASTER TRUST OF CALIFORNIA
BALANCE SHEET
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	ASSETS	
	June 30,	
	2025	2024
ASSETS		
Pooled cash	\$ 4,520,372	\$ 1,509,646
Pooled investments	24,302,818	23,787,542
Accrued interest and dividend receivable	15,465	18,152
Other assets	11,045,967	6,109,229
TOTAL ASSETS	\$ 39,884,622	\$ 31,424,569
LIABILITIES		
LIABILITIES		
Accrued expenses	\$ 150,866	\$ 135,982
Trust liability attributable to beneficiaries	39,733,756	31,288,587
TOTAL LIABILITIES	\$ 39,884,622	\$ 31,424,569

The accompanying notes are an integral part of these financial statements.

MASTER TRUST OF CALIFORNIA

**STATEMENT OF CAPITAL ADDITIONS AND DEDUCTIONS AND
CHANGES IN TRUST LIABILITY ATTRIBUTABLE TO BENEFICIARIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)**

	For the Year Ended June 30,	
	2025	2024
CAPITAL ADDITIONS		
Trust deposits	\$ 9,864,605	\$ 4,567,107
Pooled investment earnings	2,470,547	2,149,509
Other investment earnings	39,714	31,115
Total Additions	12,374,866	6,747,731
DEDUCTIONS		
Distributions for the benefit of beneficiaries		
Professional fees	86,962	162,937
Real estate expenses	1,334,564	640,482
Vehicle expenses	60,572	93,241
Personal expenses	755,885	1,076,057
Other	155,742	113,107
Total Distributions for the benefit of beneficiaries	2,393,725	2,085,824
Distributions to beneficiaries	857,165	782,577
Total Distributions	3,250,890	2,868,401
Trustee fees	678,807	533,482
Total Deductions	3,929,697	3,401,883
EXCESS OF CAPITAL ADDITIONS OVER DEDUCTIONS	8,445,169	3,345,848
TRUST LIABILITY ATTRIBUTABLE TO BENEFICIARIES		
BEGINNING OF YEAR	31,288,587	27,942,739
END OF YEAR	\$ 39,733,756	\$ 31,288,587

The accompanying notes are an integral part of these financial statements.

MASTER TRUST OF CALIFORNIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	For the Year Ended	
	June 30,	
	2025	2024
CASH FLOWS FROM TRUST ACTIVITIES		
Change in trust liabilities attributed to beneficiaries	\$ 8,445,169	\$ 3,345,848
Adjustments to reconcile change in trust liability to net cash provided (used) by trust activities:		
Unrealized and realized gain on investments	(1,888,541)	(1,549,862)
Reinvested dividends and interest, net of fees	(582,006)	(599,647)
(Increase) decrease in operating assets and liabilities:		
Other assets	(4,936,738)	(1,756,170)
Accrued expenses	14,884	(58,685)
Net Cash Provided By (Used In) Trust Activities	1,052,768	(618,516)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,703,408	1,876,383
Purchase of investments	(748,137)	(5,598,160)
Accrued interest and dividend receivable, net	2,687	8,953
Net Cash Provided By (Used In) Investing Activities	1,957,958	(3,712,824)
NET CHANGE IN POOLED CASH	3,010,726	(4,331,340)
POOLED CASH, BEGINNING OF YEAR	1,509,646	5,840,986
POOLED CASH, END OF YEAR	\$ 4,520,372	\$ 1,509,646

The accompanying notes are an integral part of these financial statements.

MASTER TRUST OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 1 – Description of the Trust

Master Trust of California (Master Trust) was established in 1978 by Inland Counties Regional Center, Inc. to receive property from individuals or entities (trustors) to be administered for the benefit of specified developmentally disabled persons (beneficiaries). Property is admitted as a separate trust into the Master Trust upon approval by Inland Counties Regional Center, Inc., as Trustee, through the Master Trust of California Trust Committee, and either by court order or by execution of a Joinder and Trust Agreement by the Trustor.

Distributions from a trust are made in accordance with the direction of the Master Trust of California Trust Committee. Termination of a Joinder and Trust Agreement will occur upon the death of the beneficiary, depletion of the trust assets, according to court order, or according to the trust document.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Master Trust are prepared on the accrual basis of accounting which presents the assets and liabilities attributable to beneficiaries.

Pooled Cash and Concentrations of Credit Risk

Master Trust maintains its pooled cash in bank deposit and other investment accounts which may, at times, exceed federally insured limits. Master Trust has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on pooled cash.

Pooled Investments

Pooled Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values on the balance sheet. Investment income or loss, as well as realized and unrealized gains and losses, are included in other investment earnings in the statement of capital additions and deductions and changes in trust liability attributable to beneficiaries.

MASTER TRUST OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary Significant Accounting Policies (Continued)

Pooled Investments (Continued)

Master Trust’s pooled investments are exposed to various risks, such as market, interest rate, and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.

Master Trust manages its exposure to market risk by diversifying its investments. Exposure to credit risk is managed by investing in fixed income investments with a rating of “A” or higher and no more than 10% of the investment shall be rated below investment grade “BBB,” as determined by ratings by Moody’s or Standard & Poor’s. Exposure to interest rate risk is managed by purchasing a combination of short-term, mid-term, and long-term investments.

Other Assets

Other assets consist of assets held by the respective trusts at the instruction of the respective trustor or direction of the trustee and are stated at fiduciary acquisition value. Fiduciary acquisition value is the fair value as of the date the asset is received into the trust or the cost basis if the asset is purchased.

Capital Additions and Deductions

Capital additions and deductions in the statement of capital additions and deductions and changes in trust liabilities attributable to beneficiaries are connected directly to the Master Trust’s primary functions as mentioned in Note 1. Trust deposits are mainly pooled cash and property received from individuals or other parties for the benefit of beneficiaries. Investment earnings are mainly investment income and other revenues generated from the beneficiaries’ assets, which are administrated by Master Trust. Distributions are mainly the return of assets to the beneficiaries for their personal needs and payments to third parties on behalf of the beneficiaries that are made in accordance with the direction of the Master Trust of California Trust Committee. Trustee fees are used for the administration of the trusts.

Income Taxes

Federal and state income tax returns are prepared for the separate trusts as necessary.

MASTER TRUST OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 2 – Summary Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events from the balance sheet date through March 26, 2026, the date the financial statements were available to be issued for the year ended June 30, 2025, and determined there are no items to disclose.

NOTE 3 – Pooled Investments and Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The 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 the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Master Trust 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; and
 - 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 measurement.

MASTER TRUST OF CALIFORNIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 3 – Pooled Investments and Fair Value Measurements (Continued)

An investment’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, Master Trust’s assets at fair value as of June 30, 2025:

	Assets as of Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Equities	\$ 4,618,285	\$ -	\$ -	\$ 4,618,285
Mutual funds	5,571,034	-	-	5,571,034
Bonds	-	74,817	-	74,817
Exchange traded funds	13,702,214	-	-	13,702,214
Government securities	-	336,468	-	336,468
Total assets at fair value	\$ 23,891,533	\$ 411,285	\$ -	\$ 24,302,818

The following summarizes the maturity of pooled investments with stated maturity dates at June 30, 2025:

Due in one year or less	\$ 23,966,350
Due in one to five years	336,468
Total	\$ 24,302,818

MASTER TRUST OF CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

NOTE 3 – Pooled Investments and Fair Value Measurements (Continued)

The following summarizes pooled investment earnings for the year ended June 30, 2025:

Interest income	\$ 13,834
Dividend income	663,769
Net unrealized gain on investments	2,039,878
Realized loss on sale of investments	(151,337)
Fees	<u>(95,597)</u>
 Total	 <u>\$ 2,470,547</u>

NOTE 4 – Other Assets

Other assets consists of assets held by separate trusts, which, at the instruction of the trustor or discretion of the trustee, have not been liquidated. These assets are reported at fiduciary acquisition value, which is the estimated fair value at the date of transfer to the trust or cost, if purchased. A summary of other assets as of June 30, 2025 is as follows:

Real property	\$ 9,445,484
Vehicle	639,912
Annuity	456,123
Burial policies	399,487
Health equipment	103,013
Miscellaneous	<u>1,948</u>
	 <u>\$ 11,045,967</u>

The following summarizes other investment earnings for the year ended June 30, 2025:

Rental income	\$ 5,500
Annuity income	<u>34,214</u>
	 <u>\$ 39,714</u>