

FOR CHILDREN AT OXFORD

A great place to be a kid!





600 College Street Oxford, North Carolina 27565 919.693.5111 Toll Free 888.505.HELP (4357) www.mhc-oxford.org To assist families in need by providing a safe, home-like setting for children until they are reunited with family or achieve independence.

We fulfill this mission through:

- Quality residential child care services to include institution foster care
- Parent education and counseling
- Social skill development for children and families
- Spiritual development for children and families
- Academic development and achievement for children
- Assistance for the advancement of higher education for client children and former child clients of the residential program to include both academic and vocational schooling
- Community education and child and family advocacy
- Family reintegration and assistance with permanency planning
- Promotion of independent living education for youth
- After-care and follow-up services



Forging Ahead in 2006



DOUG McCONNELL

Since 2004, The Masonic Home for Children at Oxford has hosted an Annual Strategic Planning Session where we invite the local community leaders, Board Members, and child and family advocates from the community, North Carolina and the nation to discuss trends in residential child care and to help us design strategic plans for the future. During these meetings we ask our participants to discuss three things: what we do well, what we don't do well, and what we need to be doing for our community that we aren't currently doing.

These efforts culminate in results. Over the past four years the Home has become licensed by the state to accept Department of Social Services children, has obtained accreditation from the Council on Accreditation of Services to

Children and Families (COA) and Educational Assessment Guidelines Leading toward Excellence (EAGLE) and has made substantial gains in getting our Child Care Workers certified and professionally trained. Additionally, we have made plans to work with older youth leaving foster and group care, and we have looked at other ways to help families in crisis in our community.

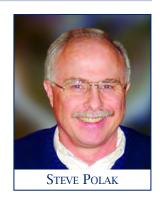
This annual report outlines some of this progress and some of our efforts at continuous quality improvements. Over the past three years we have greatly reduced our budgetary expenses while improving the quality of care we offer. Responsible stewardship goes hand-in-hand with our goals of providing better care and services to the state's children and families-in-need.

Please take a few minutes to look over these results and to see for yourself the progress being made in the lives of children and families. And, whenever you get the chance, visit the campus personally and see first hand why we say that The Masonic Home for Children at Oxford is a "Great place to be a Kid!"

Who We Are and How We Help

The Masonic Home continues to serve an average of 72 children throughout the year. The majority of these children come from referrals made by Freemasons, persons who have heard about our Home through Masonic affiliations and from Departments of Social Services. Most are in the custody of a single parent, grandparents, or other relatives who are experiencing difficulties raising their families.

Over the years, the average age of our children has risen and now children average over 13 years of age upon entry. Most are having difficulty in school and at home and have been in other out-of-home placements before coming to the Masonic Home.





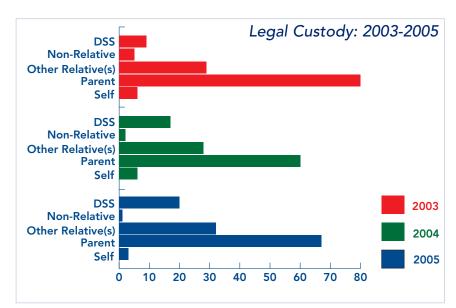
Parents and others making application can expect to have an answer regarding possible placement within an hour of calling our intake worker and, if accepted, can expect to have the child placed within 24 hours.

Applications for service should be forwarded to:

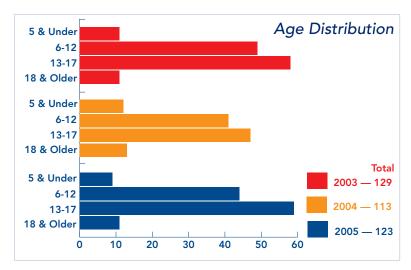
Ms. Frances Blackwell Intake Worker (919) 603-3948

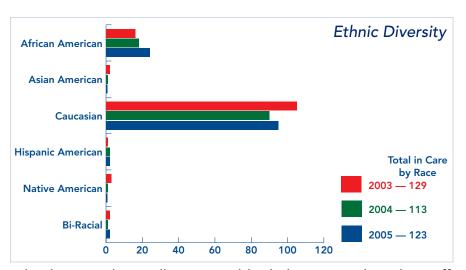
or mailed to:

The Masonic Home for Children at Oxford 600 College Street Oxford, NC 27565



The average age of children and youth coming into care has risen over the years. Historically, the Home received the majority of children in their pre-teen years and worked with them until they graduated from High School. In 2005, the average age at admission was thirteen and the average age of the children in care was thirteen to seventeen years of age. This would also indicate an average stay of a much shorter time — fourteen months.

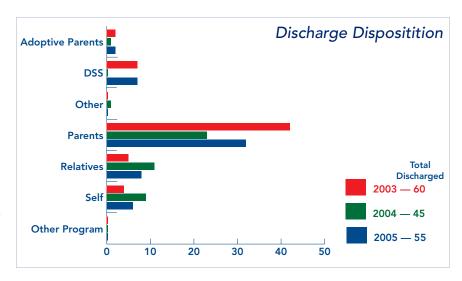




"Red and yellow, black and white; they're all precious in God's sight." In 1973 the Charter of the Home was amended to comply fully with the Civil Rights Act by opening its admissions to all qualified children regardless of race, color, national origin, or creed. During 2005 we served Caucasian, African-American, Hispanic, Native American and children of mixed heritage. All children accepted into care must be able to function in the public

school system by intelligence and by behavior. Further, the staff of The Masonic Home for Children always endeavor to eliminate all obstacles and barriers to service that would preclude otherwise eligible children from receiving services.

The Mission Statement of the Masonic Home directs us to make all reasonable attempts to reunite children and families whenever possible. It is one of our primary goals to work with families to that end and to ensure that, when discharges are needed, the child or youth are placed in a less-restrictive setting. In 2005, 59% were returned to parents in accordance with their Plans of Care, 14% were returned to grandparents or other relatives, and 2% went out on their own. All



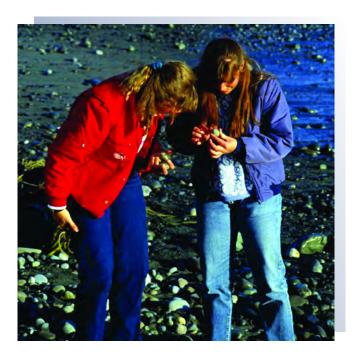
but two children were discharged to a less restrictive setting.

Education

The Masonic Home for Children at Oxford has a strong history of providing our children with excellent opportunities in education. The Home was founded to afford each child a chance to learn in a safe and supportive environment. That tradition continues today and is reflected in the educational success of our children. Children of the Masonic Home for Children attend Granville County Public Schools or attend the on-campus transition school, when applicable.



HEATH STAFFORD Recent UNCW graduate and Home alumni



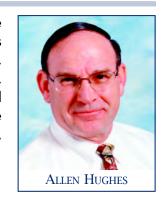
The overall grade point average for the academic year 2004-2005 for all children on campus, grades K-12, was 82.15, which is a high C grade. Four seniors graduated in 2005, which was 100% graduation rate for the senior class.

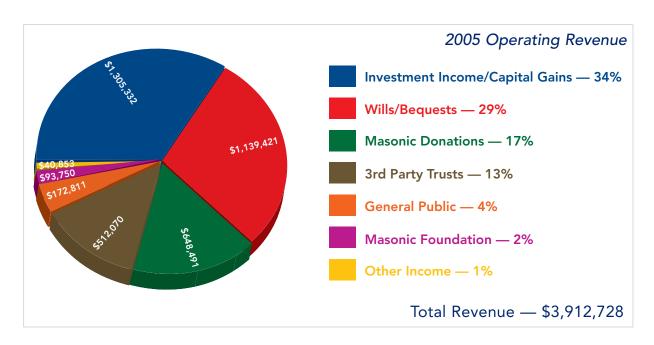
The Home supported four youth enrolled in four-year colleges and universities in 2005. One of these four earned his Bachelor of Science degree in Accounting from the University of North Carolina at Wilmington in May 2005. Another student earned her Associate Degree from Vance-Granville Community College in 2005. Our college students made dean's lists at their respective colleges/universities three times.

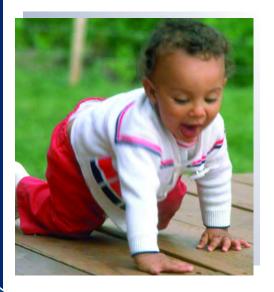
At our annual baccalaureate ceremony in 2005, the scholarships listed below were awarded, which totaled gifts to our children of over \$8,000. The scholarships were established by the sponsors or their families to provide for the educational needs of children at MHCO who were identified as exemplary students and citizens. The number of scholarships awarded as well as their year of establishment is as follows: Bruce Nichols Memorial Scholarship established in 1991; Norman Garland Hines Memorial Scholarship (2) - established in 2003; Arthur Johnson Memorial Scholarship established in 2005; Daniel and Nellie Beck Scholarship (2) – established in 1962; Umphlet Scholarship (3) – established in 1994; Mel Davis Children's Award – established in 2001; and Dan C. Rice Journalism Award - established in 2002.

Sound Financial Management and Responsible Stewardship

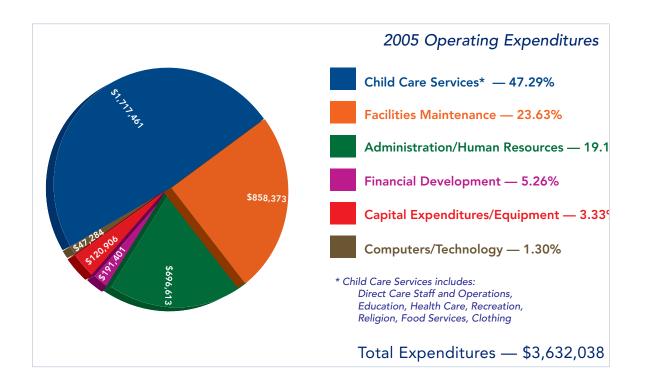
Operations for the year 2005 resulted in continued improvements to the child care programs and the facilities. Although total income for the year was down 15.4% from 2004, revenue exceeded operating expenditures for the year. Gifts through planned giving and stock donations were significantly less in 2005. Seventy-eight percent (78%) of the revenue during 2005 came from wills and trusts and the income resulting from investment of those contributions. One percent (1%) of the 2005 income came from new sources, such as DSS payments, etc.







Operating expenses were reduced for the 4th consecutive year, with total operating expenses \$228,050 less than 2004. This represents a 5.9% reduction from 2004 expenses. Overall operating expenses for 2005 were 4% below the approved annual budget. The School of Graphic Arts netted almost \$7,500 revenue over expenses, reversing the recent trend of operational losses.



Upgrade and renovation of facilities for new programs and to eliminate major maintenance problems and safety hazards continued in 2005. Costs of the renovations and debt service for the construction bonds for the new single-story homes are reported as construction and capital improvements and are not included as operating expenses.

The renovation of Dunn Cottage was completed at no expense to the Home, as it was funded through the generous donation of the Cobb Foundation whose chairman, Bill Cobb, is an alumnus of the Home, and a number of other alumni and friends.



COBB CENTER AT DUNN COTTAGE

Fundraising, Revenue and Planned Giving

In light of charity donated for hurricane aid in the wake of our country's greatest natural disaster, The Masonic Home for Children at Oxford suffered only minor reductions in overall giving. Our Home was fortunate to have the donations of faithful and dedicated donors who continued to support our efforts, while giving to those affected by the hurricanes. Donations from the general public increased slightly in 2005, attributing to over \$45,000 worth of memorial gifts. A touching way to remember a loved one, family member or influential person in your life, a memorial gift continues to be a special and financially generous way to support the Home.



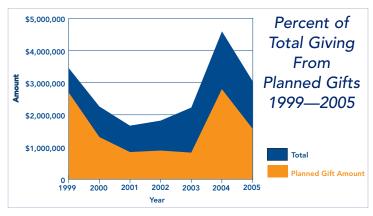
The alumni of the Masonic Home, or as it was known previously, Oxford Orphanage, gave substantially in 2005. This was greatly evident in the Cobb

Center renovation project funded by the Cobb Foundation and directed by Oxford Orphanage Alumnus William R. Cobb, class of 1954. The Cobb Foundation continues their strong support with an annual \$50,000 donation for the operation of the museum and archives. Gifts from alumni and the Oxford Orphanage Alumni Association raised over \$75,000 for the Home in 2005. Through their support of the Cobb Center and with various activities throughout the year, the alumni continue to give back to their Home, supporting its financial stability.

Masonic donations to the Home averaged \$16 per member in 2005, a slight decrease in Masonic giving from 2004. This includes \$71,000 from the annual calendar campaign and gifts of over \$25 per member were contributed by sixty-three Lodges in North Carolina. (For a full list of giving by North Carolina Masonic Lodges per member, see page 9 of this report.) Our Masons also contributed by providing numerous designated and in-kind gifts, sponsoring the Summer Tour program, camp-outs, cook-outs, ski trips, fishing trips, and hosting sporting events and Lodge events. The Masons of North Carolina continue to serve as principals of support for our Home and our children.

Wills, Trusts, Annuities, and Long-Term Gifts

Planned Gifts are the pinnacle of the giving pyramid and represent a long-term investment and the ultimate commitment to our Home and the futures of our children. In 2005, planned gifts designated for the Masonic Home for Children were down almost 50% compared to 2004, yet their dollars accounted for almost 58% of the revenue contributed to the Home. This figure does not include the investment earnings and capital gains realized from previous planned gifts, which accounted for another 20%. This demonstrates how



essential planned gifts are for the survival of our Home. Planned gifts offer several advantages to our donors including benefits for their family members, tax, capital gains, and estate tax, as well as a lifelong legacy of giving at the Home. If you are interested in planned giving opportunities, visit the Home's website (www.mhc-oxford.org), call the Financial Development office at (919) 603-3901 or visit your financal advisor, accountant, or legal counsel to see what options are available that would benefit you and our Home.

The Hayes Society and The Neal Society

Many times a major planned gift has changed the course of history at the Home, insuring its operation and allowing it to remain open. To recognize the importance of planned giving and to honor those who have supported the Home and its children through planned gifts, the Home announced the

formation of The Hayes Society and The Neal Society in 2005. The rolls of these societies are listed in the Cobb Center at Dunn Cottage and additions will be announced each Spring to honor those whose planned gifts were exercised in the preceding year.

New members of the Hayes Society and Neal Society in 2005 are:

SILVER LEVEL — WILLIAM & NANNIE NEVILS, VIRGINIA C. TRIPP

Bronze Level — Melvin W. Jones, George M. Trout, Hal and Betty Wood

Legacy Level — Mary S. Brittain, Francis M. Egerton, John U. Perry, E. Marie Spear, Dorothy & James E. Watson, Robert D. Kerns

Benefactor Level — Robert D. Cleveland, William P. Cox, Edward G. Johnson, William H. Moring, Jr., Angus Platt, Julia I. Scott, Lawrence Spivey, Jessie O. Johnson Stone, Mabel P. Wiggins.

Masonic Lodge Member Gifts

LODGE NAME	No.	GIFTS PER MEMBER 2005	LODGE NAME	No.	GIFTS PER MEMBER 2005	LODGE NAME	No.	GIFTS PER MEMBER 2005	LODGE NAME	No.	GIFTS PER MEMBER 2005	LODGE NAME	No.	GIFTS P MEMB 20
Sт. Јони's	1	\$ 8.24	GRANITE	191	\$ 22.91	PIGEON RIVER	386	\$ 5.66	Hollis	535	\$ 2.55	Angier	686	\$ 16.6
ROYAL WHITE HART	2	\$ 8.34	CARY	198	\$ 34.07	KEDRON	387	\$ 12.49	CORINTHIAN	542	\$ 14.16	FELLOWSHIP	687	\$ 87.
T. JOHN'S	3	\$ 5.23	CLEVELAND	202	\$ 13.70	FRIENDSHIP	388	\$ 16.01	SPENCER	543	\$ 11.08	CHERRY POINT	688	\$ 7.0
т. Јони'ѕ	4	\$ 8.17	LONG CREEK	205	\$101.00	COPELAND	390	\$ 20.66	MOUNT HOLLY	544	\$ 7.87	SCOTLAND NECK	689	\$ 70.
HARITY	5	\$ 29.39	Mingo	206	\$ 54.78	LEBANON	391	\$ 6.38	ROMAN EAGLE	550	\$ 14.28	MOUNT MORIAH	690	\$ 57.
NANIMITY	7	\$ 11.16	LEBANON	207	\$ 0.58	ORIENT	395	\$ 3.65	GLENVILLE	551	\$ 0.00	RENFRO	691	\$ 14.4
HOENIX	8	\$ 3.29	MOUNT OLIVE	208	\$ 32.62	BALD CREEK	397	\$ 9.75	REVOLUTION	552	\$ 20.78	EAST GATE	692	\$ 5.
HNSTON-CASWELL	10	\$ 21.33	Eno	210	\$ 5.71	JOPPA	401	\$ 4.83	VESPER	554	\$ 12.18	CHARLES M. SETZER	693	\$ 8.
ASWELL BROTHERHOOD	11	\$ 13.63	THOMASVILLE	214	\$ 4.84	SILER CITY	403	\$ 6.96	ELISE	555	\$ 5.46	GATE CITY	694	\$ 7.
т. Јони'ѕ	13	\$ 3.39	CATAWBA VALLEY	217	\$ 13.23	DENTON	404	\$ 5.47	NEILL S. STEWART	556	\$ 1.16	ALLEN-GRAHAM	695	\$ 8
MERICAN GEORGE	17	\$ 1.59	WILLIAM G. HILL	218	\$ 11.78	OCEAN	405	\$ 30.31	Ararat	558	\$ 15.83	Butner	697	\$ 2.
AGLE	19	\$ 28.72	OLIN	226	\$ 0.00	University	408	\$ 22.26	SWANNANOA	561	\$ 0.35	CAPE HATTERAS	698	\$ 5.
TATESVILLE	27	\$ 17.07	HENDERSON	229	\$ 9.14	BULA	409	\$ 99.58	Waxhaw	562	\$ 13.08	ASHEBORO	699	\$ 8.
HALANX	31	\$ 21.08	CORINTHIAN	230	\$ 1.96	BAILEY	411	\$ 6.12	TABOR	563	\$ 3.33	GARNER	701	\$ 51.
TOKES	32	\$ 48.73	WILLIAM T. BAIN	231	\$ 54.81	HENRY F. GRAINGER	412	\$ 60.45	RICHLANDS	564	\$ 0.40	St. Andrew	702	\$ 0
AVIE	39	\$ 0.85	MYSTIC TIE	237	\$ 26.12	JAMES A. JOHNSON	413	\$ 3.96	WENDELL	565	\$ 10.99	ALBEMARLE	703	\$ 7.
IRAM	40	\$ 27.25	WICCACON	240	\$ 25.00	PENDLETON	418	\$ 3.54	Doric	568	\$ 1.53	KING SOLOMON	704	\$ 9
BERTY	45	\$ 14.24	GRIFTON	243	\$ 21.94	HARMONY	420	\$ 3.75	SNOW CREEK	571	\$ 8.23	RICHARD CASWELL	705	\$ 10
ALL	53	\$ 10.80	Pythagoras	249	\$ 17.07	Sparta	423	\$ 20.15	MT. PLEASANT	573	\$ 0.47	NEWPORT	706	\$ 2
ONCORD	58	\$ 3.01	LEE	253	\$ 12.16	MONTGOMERY	426	\$ 4.12	Andrew Jackson	576	\$ 25.69	FORSYTH	707	\$ 24.
ERSEVERANCE	59	\$ 12.70	KENLY	257	\$ 71.81	STOKESDALE	428	\$ 15.71	MEADOW BRANCH	578	\$ 5.94	CROWN POINT	708	\$ 34.
ILWINNING	64	\$ 32.19	FUQUAY	258	\$ 1.84	SEASIDE	429	\$ 10.58	Casar	579	\$ 9.22	CONOVER	709	\$ 23.
Vidow's Son	75	\$ 10.56	WAYNESVILLE	259	\$ 7.48	PINEY CREEK	432	\$ 0.00	IONIC	583	\$ 4.84	ADVANCE	710	\$ 46.
REENSBORO	76	\$ 4.46	Excelsion	261	\$ 10.13	VANCEBORO	433	\$ 2.66	APEX	584	\$ 24.15	Wilson	712	\$ 13
ION	81	\$ 1.04	HILBRITEN	262	\$ 3.08	WEST BEND	434	\$ 3.54	Roseboro	585	\$ 13.89	STANLEY	713	\$ 6
AFAYETTE	83	\$ 9.11	GASTON	263	\$ 3.58	BLUE RIDGE	435	\$ 23.94	BETHEL	589	\$ 12.80	LIBERTY	714	\$ 17
ELLOWSHIP	84	\$ 20.28	FARMINGTON	265	\$ 27.38	BISCOE	437	\$ 9.31	LOWELL	590	\$ 6.66	BURNSVILLE	717	\$ 4
ORNING STAR	85	\$ 5.65	Dunn's Rock	267	\$ 8.20	MARBLE SPRINGS	439	\$ 11.96	MAIDEN	592	\$ 0.34	TROY	718	\$ 20
KEWARKEE	90	\$ 18.02	TABASCO	271	\$ 53.54	MARIETTA	444	\$ 0.00	STONY POINT	593	\$ 24.13	Horse Creek	719	\$ 0
ESTERN STAR	91	\$ 11.77	BINGHAM	272	\$ 6.71	BILTMORE	446	\$ 13.50	ASHE	594	\$ 3.04	CABARRUS	720	\$ 13
SEPH WARREN	92	\$ 3.24	BEAVER DAM	276	\$ 59.08	ENFIELD	447	\$ 12.94	WALLACE	595	\$ 6.22	King	722	\$ 11
RUSALEM	95	\$ 36.53	GREEN LEVEL	277	\$ 7.22	CLYDE	453	\$ 38.09	WACCAMAW	596	\$ 12.93	WINTON	723	\$ 5
ILLBROOK	97	\$ 35.89	Rеновотн	279	\$ 23.33	ELKIN	454	\$ 9.53	CRANBERRY	598	\$ 1.26	BERNE	724	\$ 10
IRAM	98	\$ 7.59	Wake Forest	282	\$ 37.64	DILLSBORO	459	\$ 14.42	QUEEN CITY	602	\$ 17.46	GRANTHAM	725	\$ 4
ULTON	99	\$ 14.50	EUREKA	283	\$146.07	CLIFFSIDE	460	\$ 3.89	JEFF L. NELSON	605	\$ 10.79	KEYSTONE	726	\$ 15
OLUMBUS	102 104	\$ 14.72	GREENVILLE	284 289	\$ 2.12 \$ 6.74	MATTHEWS	461	\$ 72.28	RIVERSIDE	606 607	\$ 28.39	SHALLOTTE	727	\$ 5.
RR		\$ 10.72	SALEM			South Fork	462	\$ 5.04	CHADBOURN		\$ 0.31	STEDMAN	730	\$ 4
ERQUIMANS	106	\$ 22.73	FRENCH	292	\$ 2.55	CURRITUCK	463	\$ 5.02	ZEBULON	609	\$ 24.45	JOHN HUSKE ANDERSON		\$ 10
RANKLIN	109	\$ 20.65	VANCE	293 294	\$ 5.39 \$ 15.00	GRASSY KNOB	471	\$ 5.98 \$ 16.27	ATKINSON	612	\$ 5.16	Bush Hill	732	\$ 2
AYNE	112	\$ 8.76	ATLANTIC		Ψ .0.00	SONOMA	472	Ψ .υ.Σ.	HOME	613	\$ 39.61	STUMP SOUND	733	\$ 9
ERSON	113	\$ 44.48	STONEWALL	296	\$ 0.80	LEXINGTON-MEMORIAL	473	\$ 51.13	ROUND PEAK	616	\$ 38.29	WILLIAM PITT	734	\$ 24.
T. ALBAN'S	114 115	\$ 7.80 \$ 57.42	HARMONY	299 300	\$ 22.00 \$ 2.66	St. Pauls	474 475	\$ 6.49 \$ 7.90	St. Patrick's	617 618	\$ 0.34 \$ 3.56	JAMES B. GREEN	735 736	\$ 20
OLLY SPRINGS		V 01.12	AURORA			GRIMESLAND			Union		ψ 0.00	New River		\$ 2 \$ 7
IT. LEBANON	117	\$ 31.07	CLAY	301	\$ 2.46	RAINBOW	479	\$ 5.73	JOHN H. MILLS	624	\$ 13.57	STEELE CREEK	737	Ψ.
OUNT HERMAN	118 122	\$ 2.88 \$ 35.87	LILLINGTON	302 304	\$ 9.72 \$ 13.86	SALUDA	482 483	\$ 5.72 \$ 23.44	CANNON MEMORIAL BELMONT	626 627	\$ 7.80 \$ 5.41	WEST GATE	738 739	\$ 47 \$ 7
XFORD			PLEASANT HILL			TRAPHILL			DELINOITI			Newell B N		
RANKLINTON	123	\$ 3.38	LAURINBURG	305	\$ 48.13	SOUTHERN PINES	484	\$ 30.32	WALNUT COVE	629	\$ 84.60	CHARLES B. NEWCOMB	740	\$ 30 \$ 4
ILL CREEK	125 126	\$ 32.87 \$ 6.96	RAEFORD NEW LEBANON	306 314	\$ 9.84 \$ 3.25	LAWNDALE RICH SQUARE	486 488	\$ 10.00 \$ 1.56	FRANCIS S. PACKARD GOLDSBORO	630 634	\$194.48	CRISSIE WRIGHT	741 742	
ATESVILLE	126			314	\$ 3.25 \$ 13.11		489	\$ 1.87		637	\$ 18.47 \$ 9.36		742	\$ 5 \$ 4
LACKMER AN RIVER	127	\$ 12.57 \$ 10.59	EUREKA WILMINGTON	317	\$ 13.11 \$ 1.66	LINVILLE HOMINY	489 491	\$ 1.87 \$ 0.56	YADKIN FALLS PROCTORVILLE	643	\$ 9.36 \$ 0.00	JJ CROWDER SHELBY	743 744	\$ 4
	132	\$ 10.59 \$ 17.26	VVILMINGTON SELMA	319	\$ 1.66 \$119.25	THOMAS M. HOLT	491 492	\$ 0.56 \$ 31.57	PROCTORVILLE BLADEN	646	\$ 0.00	VANDORA	744 745	\$ 39
ADIANCE (AND #233)	132	\$ 17.26 \$ 18.84	SELMA GRANITE	320	\$119.25 \$ 8.36	PILOT	492	\$ 31.57 \$ 8.15	NICHOLS-WEST ASHVIL		\$ 2.77 \$ 12.41	VANDORA P.P. TURNER	745 746	\$ 38
	134	\$ 18.84	BAYBORO	322	\$ 8.36 \$ 5.87	PILOT ROCKINGHAM	493 495		NICHOLS-WEST ASHVIL ELBERTA	654	\$ 12.41 \$ 48.81	P.P. TURNER OCRACOKE	746 747	\$ 0
AKSVILLE NCOLN	136	\$ 2.09 \$ 19.29	KING'S MOUNTAIN	331	\$ 5.87	MOORESVILLE	495 496	\$ 14.87 \$ 14.64	GUILFORD	656	\$ 48.81 \$ 19.90	Truth	747 749	
NCOLN NG SOLOMON	137	\$ 19.29 \$106.45	KING'S MOUNTAIN HARMONY	339 340	\$ 3.03 \$ 6.75	MOORESVILLE ROYAL HART	496	\$ 14.64 \$ 21.51	GUILFORD KELLER	657		OAK GROVE	749 750	\$ 5 \$ 3
NG SOLOMON INALUSKEE			HARMONY HICKORY		\$ 6.75 \$ 4.11	ROYAL HART AYDEN			KELLER Beulaville			OAK GROVE OLD TOWN		\$ 12
	145			343 344	Ψ 1.11		498	\$ 26.91		658			751	
HEROKEE	146 147	\$ 12.05 \$ 5.20	NUMA F. REID STANLY	344 348	\$ 13.94 \$ 11.29	CREEDMOOR RAI FIGH	499 500	\$ 55.25 \$ 22.19	BLACK MOUNTAIN GARLAND	663 664	\$ 6.90 \$ 1.43	ENTERPRISE FEDERAL POINT	752 753	\$ 8
ALMYRA	147 149			348 352	\$ 11.29 \$245.86					664 667				
OONIRAM			DURHAM			RED SPRINGS	501	\$ 11.03	FORT BRAGG			MASTERS	754	-
E DEE	150	\$ 67.91	FALLSTON	356	\$ 2.89	COOKVILLE	502	\$ 10.16	HOLLAND MEMORIAL	668	\$ 5.09	CLEMMONS	755	\$ 5
NFORD	151	\$ 15.19	BARKERSVILLE	357	\$ 1.79	CHERRYVILLE	505	\$ 11.77	KERNERSVILLE	669	\$ 5.62	CLIFFORD DUEL	756	\$ 9
COTCH IRELAND	154	\$ 39.27	EAST LAPORTE	358	\$ 12.14	BELHAVEN	509	\$ 5.86	LOVELADY	670	\$ 18.67	DENVER	757	\$ 2
HITE STONE	155	\$ 2.29	Mt. Vernon	359	\$ 3.60	WHETSTONE	515	\$ 6.09	ROBBINSVILLE	672	\$ 4.77	OAK ISLAND	758	\$:
NAP OF REEDS	158	\$ 33.40	Snow	363	\$ 12.49	FARMVILLE	517	\$ 15.99	SPINDALE	673	\$ 3.78	JAMES K. POLK	759	\$ 3
ADKIN	162	\$ 16.19	GASTONIA	369	\$ 3.92	Widow's Son	519	\$ 7.99	ACACIA	674	\$ 23.46	WILKERSON COLLEGE	760	\$ 3
RCHER	165	\$ 2.65	ASHLER	373	\$ 22.38	FAIRFIELD	520	\$ 0.00	Washington	675	\$ 3.44	Lodges with a new -	ombo-	nor! -
INSTON	167	\$ 33.78	CAMPBELL	374	\$ 15.45	MANTEO	521	\$ 4.89	TEMPLE	676	\$ 6.34	Lodges with a per n amount shaded ind	iember	per LO
LACKMER	170	\$ 5.27	STATE LINE	375	\$ 6.78	Rodgers	525	\$ 2.50	Warsaw	677	\$ 15.57	that includes one o		
JFFALO	172	\$ 13.96	Youngsville	377	\$ 4.31	LUCAMA	527	\$ 10.00	PROVIDENCE	678	\$ 15.92	dated in 2005, but		
ILLIAMS	176	\$ 13.21	SEABOARD	378	\$ 16.80	FAIRMONT	528	\$ 0.15	CREASY PROCTOR	679	\$ 3.61	Masonic Home for (
ARTHAGE	181	\$ 20.31	COHARIE	379	\$ 9.93	Andrews	529	\$ 4.18	SEMPER FIDELIS	680	\$ 19.72	in 2006. Those don		
ENTRAL CROSS	187	\$ 5.78	GRANVILLE	380	\$ 20.59	JOPPA	530	\$ 4.64	PIEDMONT	681	\$ 27.29	2006 are posted in		
ALFOUR	188	\$ 20.35	FOREST CITY	381	\$ 7.16	HAMLET	532	\$ 23.20	Rolesville	683	\$ 2.93	be included in the		
AIR BLUFF	190	\$ 0.00	JEFFERSON PENN	384	\$ 7.44	CAMP CALL	534	\$ 15.15	PIEDMONT-PIONEER	685	\$ 21.17	2005.		

Our Staff – The Key to Success

The Masonic Home for Children has been fortunate over the past year in recruiting an eclectic and well qualified staff. Our 30 Child Care Workers (15 couples) have over 48 years of combined experience, with most couples averaging nearly four years in the residential child care field, an average more than double the national average of 2 years per couple.

At The Masonic Home for Children, our Child Care Workers are the best tool we have in teaching children appropriate behaviors and social skills so that children can make good choices for themselves. To that effort, we have provided instruction from the Residential Child and Youth Care Professional Certification



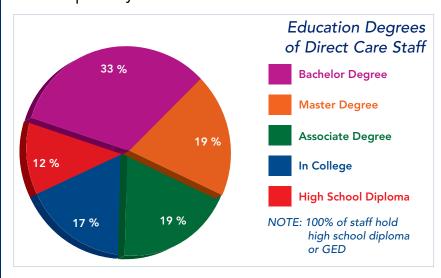
Program through the University of Oklahoma. The certification program is taught on our campus, by our staff, and focuses on four main areas:

- Understanding and developing a culture of care for the children
- Emphasizing child development and how it affects children and their needs
- The importance of relationships to help children reconnect to society
- How to use appropriate discipline to teach children to make good choices and be responsible

In June 2005, we began the process of certifying direct care staff and, as of December, 58% of our staff completed this certification program. It is our goal to reach 100% in 2006.



Staff also completed approximately 125 hours of in-service training during the year 2005 including Child Abuse Prevention and Reporting, CPR/First Aid, Behavior De-escalation (Non-physical) Techniques, Separation and Loss, Communication, Resident Rights, Confidentiality, Anger Management and Group/Family Activities for Values Clarification.

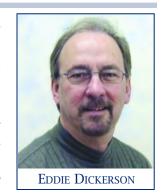


All of our professional staff hold graduate degrees in Human Services and are certified in their fields. Our Program Director holds a Masters Degree in counseling and is a Licensed Professional Counselor. Additionally, our professional staff hold licenses and certifications in professional child care, education and education supervision, recreational therapy, assessment testing and measurement and social work.

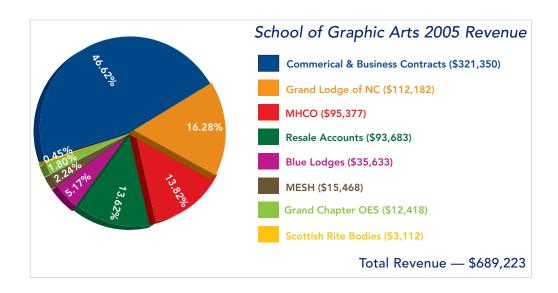
Successful Year for the School of Graphic Arts

Good things are happening at the School of Graphic Arts, thanks to those who support us in so many ways, from allowing us to serve their business as a print supplier to those who gave your financial and personal support throughout the year.

We have a beautiful new sign in front of our facility, thanks to one of our loyal supporters. A major computer system upgrade is now complete and is the first step in a total update of our press department. Once the upgrade is complete, that phase of our operation truly will be state-of-the-art and will allow us to be more competitive as a vendor while allowing our students to learn on



the most modern equipment the market has to offer. These new systems are essential to our success and survival as we continue to pursue a larger customer base in order to keep our facility financially viable within the overall budget of The Masonic Home for Children at Oxford. We made great strides toward that goal in 2005, finishing the year in the black for the first time in recent memory. This was achieved with a slight increase in revenues and substantial reduction in expenses.



In our Kids Earn program we continue to work with our children's vocational training. The Student of the Month program has been very successful in urging our students to put forth the necessary effort in order to be successful.

We have placed an emphasis on the continuation of the *Campus Tracks* student newsletter, believing that it is still one of the best avenues for personal expression at The Masonic Home for Children. We believe that the addition of new computer equipment and planned student classroom will prove to be the tools necessary to propel our graphic arts training program to new heights.



Continuing to Make History in 2005

It was only when I had finished our last Board Meeting of 2005 that I realized just how much this Home had accomplished in the span of twelve busy months. When you think about the people involved with this Home, it is no surprise as to how this Home continues to make great things happen for its children.

Our Board of Directors proved to be an energetic and involved group in 2005. Their personal and professional backgrounds contributed to a tremendous year of growth, from on-site interviews during our Council on Accreditation and EAGLE visits to the primary approval of our preparation for adult living program and a host of other activities they participated in. These volunteers gave their knowledge and experiences while ensuring a high level of fiduciary and governing responsibilities to our donors and our children.



The leadership of our Home facilitated the growth in 2005 and led the staff in raising their certification levels and satisfying the long-range plans. Our administrator and his team of managers could be relied upon for any need for our children, maintaining high standards of care and safety every day and demonstrating their dedication by making this Home the best place it could be for children and their families.

Our donors continue to support this Home and these children with as much fervor and dedication as in years past. Especially vital are those donors who leave us in their wills or estates. Their lifetime gifts ensure a future for this Home and our children. We will need more of these types of gifts in the future. Our Masonic supporters continue to hold fundraisers throughout the year and dedicate their time and resources. Nothing at this Home would be possible without the donations of our supporters. They make certain our future.

In 2006 we will rely upon all I have mentioned to continue this legacy of care. The coming year will be great for our Home and our children thanks to all those I have mentioned. I stand ready to support each group in their need to continue to make great history a part of The Masonic Home for Children at Oxford.

— Douglas Caudle, Chairman of the Board of Directors

Board of Directors 2006

DOUGLAS L. CAUDLE - MOORESVILLE, NC Chairman of the Board, 2006

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The Masonic Home for Children at Oxford is proud to be licensed and affiliated with:



The Council on Accreditation (www.coanet.org)



EAGLE (www.umassociation.org/ Progams_Events/EAGLE)

The Home is licensed by:

The North Carolina Department of Health and Human Services as a Child Care Facility (www.dhhs.state.nc.us)

The Office of The Secretary of State of North Carolina for a Charitable Solicitation License (www.secretary.state.nc.us/ corporations)

The Home is proud to be an affiliated member of the following organizations: Child Welfare Leagmerica

(www.cwla.org)

Alliance for Children and Families (www.alliance1.org)

Children and Family Services Association/North Carolina (CFSA-NC) (www.cfsa-nc.org)

For a complete list of affiliated membership, visit www.mhc-oxford.org/affiliations.htm