THE MASONIC HOME
FOR CHILDREN AT OXFORD, INC.
OXFORD, NORTH CAROLINA

2008
ANNUAL ACHIEVEMENT REPORT

Our mission is to assist families in need
by providing a safe, home-like setting for children
until they are reunited with family or achieve independence.

A LICENSED AND ACCREDITED RESIDENTIAL CHILD CARE FACILITY OF NORTH CAROLINA
LEADERSHIP

Administrator’s View

J. Allen Hughes

One has only to enter onto our beautiful grounds to feel the serenity around us or to see the children at play to feel this truly is home to the children. The dedicated efforts of our Board of Directors, our staff, and our donors all enable MHCO to provide a safe, caring, and nurturing environment for children in need.

Amidst the throes of the economic crisis, The Masonic Home for Children at Oxford remains steadfast in its desire and capability to offer quality care to families with children in need. We have suffered a big hole in our “security blanket” but to this point it has not adversely impacted the level of care for the children. Strategic decisions are being made to enhance our ability to care for an increased number of children if the need occurs. We are judiciously managing expenditures to maintain the desired standard of care as economically as practical. Our goal is to care for as many children who need our help as we effectively can for as long as they need our help, but in doing so we must keep our eyes to the future to ensure we remain in a position to provide the needed care for years to come. In her 136 years of service our Home has survived many bleak economic periods with our children sheltered from the woes outside the gates. This has been possible through the love and care of thousands upon thousands of wonderful donors who have sacrificed to give the children a chance in life. To all of you, “Thank you.”

The support of The Home has remained relatively consistent during economically depressed periods because caring for children in need is the right thing to do. This Home has been just as critical to those who spent only a few months while their families resolved economic or personal crisis as to the thousands to whom it was home for several years. Within the pages of this report, you will be able to see evidence of the care being provided today, as in the past, and again will understand why The Masonic Home for Children at Oxford remains for her children, past and present, A Home Away From Home.

A Word From Our Board of Directors: Keeping a Promise

Douglas Caudle

The year 2008 at The Masonic Home for Children will be remembered for a variety of accomplishments, historic firsts and significant growth as well as economic challenge. With each are events, ideas, and occurrences that shape our future and help us determine how we can best care for the children of tomorrow. Regardless of the challenge before us, we must act, think, and give with determination, thoughtfulness and passion because there is a promise involved. It is a promise to a child, and I believe there can be no greater promise.

Regardless of the economic strains and in spite of a depressed economy, which all of us are facing, we have a promise to keep to the children who seek our care. We are joined in that promise by a team of well educated and highly qualified staff who work every day to afford a safe and stable life for our children. That promise has been passed on by a family of alumni who benefited from the care they received and who are now giving back in a variety of ways, all to
secure a future for their Home. Our promise has been kept in the hearts and charity of our donors who continue to give through their donations, naming the Home in their wills, giving goods and property, making sure that the funds required to operate our Home are available now and in the days ahead. Our community stakeholders, from those in the child care industries and advocacies to the teachers in our public schools and our volunteers throughout the state, all are essential to keeping that vow for a better life and a promising future a reality for our children. My fellow Board members and I realize our role in keeping this promise. It is our leadership and the decisions and outcomes derived from our governance, especially during these times of economic challenge, that will make the difference. There are so many people through the years who have kept that promise, which is the main reason our Home stands ready to serve today.

The challenging question today is “what will it take in 2009 to keep that promise?” Quite simply, it will take all of us. The voices of thousands of children helped by this Home echo thanks for promises kept. Yet, there are those who will need our Home and will seek our services in the days ahead because they have no other choice. And we must be here to keep our promise. I proudly and humbly thank you for your continued support and generosity, for your belief in our mission and for being someone who believes in keeping a promise – especially one that is made to a child.

Douglas L. Caudle, Chairman of the Board
Mooresville, NC

Ronald D. Graves (Vice Chairman) – Rocky Point, NC
Patricia G. Fulcher (Secretary) – Salisbury, NC
Sam Lee (Treasurer) – Gastonia, NC
Dan C. Rice – Elon, NC
William L. Dill – New Bern, NC
Lewis R. Ledford – Raleigh, NC
Joseph Adegboyega – Winston-Salem, NC
J. David Cashion – Highlands, NC
Eddie A. Gaskins, Jr. – Wilmington, NC
Holly C. Hafer – Raleigh, NC
Marion K. Matthews, Jr. – Denton, NC
Catherine Stuart – Raleigh, NC
E. Earl Wells – Clinton, NC
Sue Whitty – New Bern, NC
Thomas O. Eller (Member Emeritus) – Salisbury, NC
Robert “Bob” E. Gresham (Observer) – Mount Gilead, NC
Home Honors Eller With First-Ever Emeritus Status

The Masonic Home for Children Board of Directors forged another historic mark by electing Mr. Thomas O. Eller of Salisbury, North Carolina as The Home’s first Board Member Emeritus, presented at the Board’s November 2008 meeting.

The award was created to honor outgoing members who far exceed the normal expectations and responsibilities of the Home’s primary governing body.

Board Chairman Douglas Caudle stated that no other person could have met this criterion as did Tommy during his years of service to the Board. To qualify for emeritus distinction, Board Members must have given over nine years of service to the Board, three of which were in a leadership position, and the vote to approve this status must be unanimous. Mr. Eller has exceeded all criteria and he and his family continue as dear friends of The Home.

Jeanie C. Eller Cottage, which now houses up to eight young ladies ages seven to eleven years old, was dedicated in 2003 as part of The Home’s Vision Capital Campaign and honors Mr. Eller’s wife Jeanie. This is just one of a number of major contributions by Mr. Eller to The Home during over twelve years of service to The Home’s Board. A native of Salisbury, Mr. Eller is a retired executive of Food Lion, Inc., is an active member of the Eureka Masonic Lodge No. 283 in China Grove, North Carolina, the York and Scottish Rite, Oasis Shrine Temple, and Order of the Eastern Star of North Carolina. He is grandfather to two wonderful grandchildren, Sydney and Blake. This historic proclamation is well deserved by one of the most influential and philanthropic members of The Home’s family in recent years.
RESIDENTIAL AND INDEPENDENT LIVING

Residential Care

The Masonic Home for Children at Oxford has cared for children over one hundred and thirty-six years. This mission has continued through the ability to adapt to meet the changing needs of children and families and consistent and unwavering support.

A consistency of care with the ability to alter thoughtfully to support the changing needs of children highlights the residential program at MHCO today. Focus on values is the key to our residential care program while helping children succeed, grow and achieve independence while keeping their families involved, when applicable.

A holistic program of nurturing child care is provided in an arena of safe and pleasing facilities, with well-educated, well-trained and caring staff and an overall premise that in all we do “Children Come First.” Residential care is facilitated in a family-style setting with four to eight youth living in a home with a married couple. We are staffed to provide child care services to children who are dependent, neglected, abused, or otherwise unable to live in their own homes. Our clients are children who are determined to be low to moderate risk and are not a potential danger to themselves or others; who are able to function in the public school system (if school age); and children who are able to function in a group setting and able to relate appropriately to peers and adults. We work with the children and families to resolve the issues which led to their out-of-home placement and provide child and family counseling, with the goal of reuniting children and parents/guardians in a caring and nurturing home with appropriate family/child ties and bonds.

Placement At The Masonic Home For Children

Referrals to The Masonic Home for Children at Oxford are made by families, schools, childcare agencies, state agencies, members of Masonic Lodges, and other private sources. Starting an admission to the Home can be as simple as a call to 1-888-505-4357. After each call a pre-placement meeting is scheduled, if appropriate, with the parent, guardian or legal custodian. A determination of the appropriateness of the child’s admission and The Home’s ability to meet the child’s needs is made through coordination among several program and administration staff.

The Home is staffed to provide short-term or long-term care, as needed. MHCO does not take legal custody of any child, allowing parents or other guardians to retain custody of their children while they’re in our care. The Home expects the parents or guardians to participate in the plan of care and counseling with the children, enhancing prospects of reunification in a safe and nurturing home.

Independent Living At MHCO

The Masonic Home for Children has expanded its care for youth beyond the age of eighteen through the Independent Living Program (ILP). This program focuses on the development of young adults ages 18 – 22. The program serves both males and females, who have graduated from MHCO’s residential program and young adults who have aged out of the foster care system or other residential group homes.
Statistics show that youth in the age group 18-22 and especially those exiting group or foster care lack an adequate level of support and learning, which impacts our entire society. It was for this reason that MHCO expanded its Independent Living Program (ILP) in the fall of 2006.

The program provides services for young adults wishing to focus on success in education, social development and adult-living skills. The program provides low cost housing in the form of two-room apartments utilizing existing buildings on campus. In each building, one for males and one for females, a Resident Advisor assists with daily living needs and serves as another source of outreach for each young adult.

*About the Residents We Care For — Demographics and Outcomes for 2008*

These statistics depict a summary of the population served by our Home in 2008. The information includes those clients served by our Independent Living Program. A total of 98 children were cared for in 2008; down 8% from the total number served in 2007. However, days in care increased, demonstrating more children in care for a longer period of time in 2008.

The Average Number of Clients Per Day at our Home was 66; a 1% increase from 2007 and the first increase in three years. The Home’s utilization rate or the quotient of used capacity versus available capacity averaged 77% for residential and 44% for our Independent Living Program. This includes our infant cottage, which can care for a maximum of six residents, and our Independent Living Program, which is can care for 18 residents total.

Over 54% of the client population in 2008 were in the age range of 13 to 17 years old. Of the total admitted in 2008, including those in the Independent Living Program, 75% were above the age of 13. While this validates the trend of older children coming into care at MHCO, it should be noted that a number of clients under the age of ten, including an infant under the age of one, was served by MHCO in 2008.

Length of stay indicates the amount of time clients stay in our care from admission to discharge. Statistics are based on those in care at the beginning and end of the year. Thirty-eight percent of our residents had
been in care for less than one year as of December 31, 2008, while our largest percentage is represented by those who have been here 1 to 3 years at 38.5%. The average length of stay for those residents in our care at the end of 2008 was 2 years and 8 months. This is an increase in the length of stay as compared to 2006 and 2007, noting the significant percentage of our residents that have been here for five or more years at 13.8%.

Ninety-seven percent of the residents in care in 2008 had residency in the State of North Carolina at the time of admission, with 3% from a county in the State of Maryland. Nineteen percent of residents served in 2008 came from Granville County, the home county of The Masonic Home for Children at Oxford. A complete listing of the county of residency upon admission is shown below.

Admission to The Masonic Home for Children at Oxford is primarily by way of private referral, with a smaller percentage being referrals from various child care agencies and Division of Social Service offices from various counties across North Carolina.

When possible, children are reunited with their families in a renewed, positive and stable environment. After a child leaves our care, The Home attempts to continue to monitor the progress and condition of the child for outcomes and stability of family life.

*The Masonic Home for Children at Oxford accepts applications and approves admissions without regard to race, color, religion, sex, national origin, or creed. Admission is based on need and the ability for The Home to provide quality care to the child in a safe, stable and caring environment.*

### COUNTY OF RESIDENCY
**TOTAL FOR 2008**

<table>
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<tr>
<th>County</th>
<th>Total</th>
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<tbody>
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<tr>
<td>Bertie</td>
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<td>Carteret</td>
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<tr>
<td>Caswell</td>
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<tr>
<td>Columbus</td>
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<tr>
<td>Cumberland</td>
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</tr>
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<td>Davidson</td>
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<td>Hertford</td>
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<td>Iredell</td>
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<tr>
<td>Lee</td>
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<tr>
<td>Martin</td>
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<tr>
<td>MD County</td>
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<td>Mecklenburg</td>
<td>6</td>
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<tr>
<td>Nash</td>
<td>2</td>
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<tr>
<td>New Hanover</td>
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EMPHASIS ON EDUCATION

The Masonic Home for Children at Oxford is committed to making a sound education possible for all residents, from the pre-kindergarten child to the graduate student in college.

Our Home works closely with the Granville County Schools for those residents attending public school grades K through 12. This is one of the most important components of our residential program allowing residents to integrate into a normal public school setting, offering an equal opportunity for learning. Learning goes beyond the classroom since our residents are active in school clubs, sports, and civic organizations, as well as several educational outreach programs. Residents in 2008 participated in marching band, JROTC color guard, drill and rifle teams, football, volleyball, softball, basketball, wrestling, track, show choir, theater, HOSA, Latin and FFA. Many field trips were attended and a small group of our residents were fortunate enough to travel to Washington, D.C. for a historic inauguration in January 2009.

Our Home provides tutors for those children identified as high risk or those seeking additional assistance outside of the normal classroom setting. Also, MHCO provides an alternative for children recently admitted, facilitating an easier and more effective transition into local public schools as they assimilate into the population of our Home. The Masonic Alternative Classroom or MAC program hosts newly admitted children for a period of 1 to 3 days prior to their entering the local public school system or until all required admission paperwork is received by the school. MAC serves a dual purpose as an alternative school for those children suspended temporarily from school, providing a continuum of learning while the resident is away from the classroom.

Fifty-two of the sixty residents in Direct Care were promoted to grade level at the end of the 2007-2008 school year. Forty-four academic awards were presented to residents which recognized attaining the honor roll, increasing grade point average by five points or better, or maintaining a 90 or above average from the previous grading period, demonstrating academic proficiency and improvement by many of our resident population. The campus maintained a grade point average of approximately an 82 or a high “C” for the 2007-2008 school year.

Celebrating Our Graduates In 2008

In addition to three seniors who graduated from Granville County Public Schools in 2008, two very special graduates completed their undergraduate work and moved on to graduate studies. Ms. Angela Fivek, a class of 2002 graduate of MHCO, completed Barton College with a major in Psychology in 2008 while Mr. Benny L. Cooper, Jr., a class of 2005 graduate of MHCO, earned his degree in three years from Wake Forest University, with a major in Sociology.

Both alumni secured additional support to continue their studies, but The Home has continued to aid them since it is the mission of MHCO to assist every qualified graduate of MHCO with funding for secondary education. The Home is proud to salute all of our graduates and especially Angela and Benny, who have chosen to continue their learning and achieve even greater things in life.

Their journeys are far from complete. Benny continues today working on his Masters Degree in Education while teaching in the New York City School System, preparing to begin his PhD studies in 2010. Angela continues her graduate studies taking internships in Texas and Virginia while working toward a Masters Degree in Mental Health Counseling, with plans to complete her studies in early 2010. A surprise letter from Angela was received recently and is found in the pages of this report. It is her message to today’s students and our donors regarding the importance of education.
Learning does not stop when the school year is over at MHCO. Our Summer Enrichment Program is dedicated to providing interesting and exciting learning opportunities throughout the summer for elementary and middle school students. The program utilizes educators and teachers from the Granville County School System and helps students maintain their level of learning during the break, often improving skills learned during the school year.

Our Home cherishes the opportunity to recognize the educational accomplishments of our residents. Four times a year the Troutman Awards, created by funds donated by Cornelia and John Troutman, recognize those residents attending public school who have improved during the semester or have maintained an established standard. These awards also recognize entire homes for overall grade point average and significant academic improvement. This dedicated fund is just one of several awards, scholarships and designated funds that acknowledge academic achievement, civic services, vocational learning and overall accomplishment in education while in the care of MHCO. A list of these awards and the individuals behind them appear below.

**New Additions to the MHCO Family of Scholarships Mean More Opportunities for Children Today and In the Future**

2008 saw the creation of three new scholarships at The Masonic Home for Children at Oxford. These new scholarships are added to a group of funds whose establishment date back more than forty years and whose funds have supported the education and educational needs of hundreds of children during that same time. Each scholarship perpetuates the legacy of a person or persons influential in the lives of those who established each fund and expands opportunities for our children.

In order of date of establishment, the following are awarded annually:

- The Umphlet Scholarship
- The Daniel & Nellie Beck Scholarship
- The Bruce Nichols Memorial Scholarship
- OOA Citizensips Award
- Dan C. Rice Journalism Award
- The Mel Davis Children’s Award
- The Norman Garland Hines Memorial Scholarship
- The Arthur L. Johnson Memorial Scholarship
- The Ion Charitable Fund – Dr. Grant Campbell
- The Guy Thomas & Lelle Courtney Horner/Guy T. Horner Presidential Scholar Award
- Ira P. Spivey, Jr. Memorial Fund for Higher Learning*

In addition to the annual awards, we receive income from a number of scholarship and award funds which help with education expenses throughout the year. The designated funds provide essential funding and continue in perpetuity, providing varying amounts of income years into the future.

- The Carl & Nerata Burt Trust
- Oscar Vatz Fund
- Darlene Hix Fund
- Neighbors Scholarship
- Becky Scholarship
- Merritt Scholarship
- Harris Fund
- Joe Walters Memorial Music Fund
- The Evelyn & Stan Longdon Education Endowment
- Pond Fund (providing class rings for all graduating seniors)
- Justin Neil Taylor Memorial Athletic Fund (specifically for recreation needs at MHCO)*
- The Harvey T. and Jean L. Coley Education Endowment at MHCO*

For more information on these designated funds or to find out how you can honor a special person in your life through the establishment of a designated scholarship or donation fund, please call MHCO’s Financial Development Office at (919)603-3906 or at www.mhc-oxford.org/donations.

*These funds were established in 2008.
PERSONNEL

Our Family of Staff Who Care for the Children

The staff of the Masonic Home for Children is critical to The Home’s success. With a relatively small staff and the need to minimize expenditures, teamwork is essential. Our holistic program of child development necessitates that all our employees serve as mentors and role models for the children. As such, all staff members, including administrative and support personnel, are caregivers, first and foremost. This offers the children the opportunity to bond with a number of the staff while steadying their lives today as they prepare for the future.

Our Home currently employs fifty-four full-time and four part-time employees, of which eighteen have worked here five or more years. Six of the full-time employees are assigned to the School of Graphics Arts, with the dual mission of training our interested high school students in graphic arts while operating a break-even business by doing outside printing work. Forty-two of these employees are Direct Care employees with primary job responsibilities for direct, daily care of the children, with thirty (fifteen couples) acting as parents and caring for the children in the homes. These caregivers are experienced professionals whose average length of stay with MHCO was 3.1 years; a 10% increase from 2007 and well above the child care industry average of less than 2 years.

From Our Family Of Child Care Workers

Tywan and Twylite Lawrence, and their young son, came to MHCO in 2008, hired to care of the young men of Bemis Cottage. The Lawrences are two of a family of 30 child care workers who serve to care for the daily needs of the residents. It is our child care workers who stand ready every day to handle any problem that is presented in the lives of our children. It is our child care workers who dedicate their lives, and the lives of their families, helping with all aspects of the lives of the children. Their work helps today and creates positive memories for tomorrow. Below are the words of the Lawrences as they completed their first year as child care workers at MHCO.

“The sense of community realized at the Masonic Home is an intangible benefit that is beyond value. Since beginning employment at the Home, we have learned what being a neighbor is about—feeling welcomed and appreciated by others outside of our household. Coming from corporate America one major difference and additional benefit that we have experienced is the open lines of communication. We are well informed about our expectations and given information and training to perform our job well. In addition, we feel we are listened to and consulted on issues that directly affect us. The Masonic Home has empowered my wife and me since we arrived by equipping us with the tools we need to be successful child care workers, which has made a huge difference in our outlook in this profession.

We have learned invaluable life lessons from the training we have received that not only teach you how to be better house parents but how to have better relationships with family and friends outside the Home. My wife and I understand the mission of this Home because it is lived out each day as we interact with the staff and children. We are glad to be a part of a “first class” organization that expects staff as well as children to be held accountable for their actions. The future for this organization is very bright and will tremendously impact the lives of residents who are fortunate enough to be admitted here now and those yet to come into our homes for care.”
Five of our child care workers have over six years of total experience in child care, enhancing our emphasis of stability and knowledge as primary to maintaining a positive environment for children. Almost forty-nine percent (48.6%) of the Direct Care staff are currently certified through the Residential Child and Youth Care Professionals Program of the University of Oklahoma. All child care workers on our staff not currently certified are participating in the certification program. Attaining the goal of 100% certification for all direct care staff is key to ensuring our high level of care.

Training and constant communication complement our employees’ consistency and knowledge base. All staff members participate in training monthly, with more than 120 hours of training conducted in 2008. While some of the training is required for licensure and accreditation, all of it is important in facilitating a positive environment for our children in which to grow, live and learn. Safety and security of the children and staff and the proper care and nurturing for the children are the main focus of our training. Training in 2008 encompassed 28 separate topics including several classes on the health and safety of the children and employees, risk management, child development (with separate gender-age-appropriate training for the children), client and employee rights, confidentiality, cultural diversity (with age-appropriate training and experiences for the children), behavior de-escalation, effective communications, and proper relationships – all designed to improve the effectiveness of the staff, the culture of the work and living environment, and quality care for the children.

MHCO supports our staff in improving their education by encouraging them to advance their education. The chart to the right shows the formal education level of all full-time staff. While the chart indicates the eight employees who have a Master Degree and twelve with a Bachelor Degree, it does not show the five who currently are taking Master’s level courses, the five seeking a Bachelor Degree, or the four pursuing an Associate Degree. In addition, applicable staff have licenses or formal training in their specific fields of care and management including nursing, social work, counseling, education, recreation, accounting, fundraising, and training. With these credentials our staff are able to provide additional services on-site, capabilities normally not found in traditional child care programs. Assessment testing, therapy, occupational therapy and some individual and group counseling can be conducted legally and professionally by employees of MHCO as part of our continuum of care, precluding the necessity to outsource for many special services.

<table>
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<th>Employees Seeking Higher Education Degrees</th>
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<td>Master's Level Courses</td>
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<tr>
<td>Bachelor Degree</td>
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FINANCIALS

Financial operations for the year 2008 continued the excellent trend from 2007, with income 25% above projection and operating expenses 9.6% below budget. Total income for the year exceeded total expenditures by $1.283 million. Income includes all realized sources and total expenditures include operational costs as well as building renovations and debt service on the construction bonds. Even though the economic outlook was down, especially during the 3rd and 4th quarters of 2008, income received for the year was only slightly less than 1% below the previous year. This was due largely to legacy donations in 2008 almost doubling the like donations in 2007. The Home suffered a major unrealized loss in the investment portfolio and the effects of the current economic situation will become more evident in 2009 with anticipated reductions of investment income.

As in previous years, planned giving was the major source of revenue. Wills and trusts and the investment income from those gifts accounted for 77.87% of the total revenue in 2008. The next largest source of income for 2008 was Masonic donations, which totaled 11.77% of revenue. Receipts from government sources accounted for only 0.75% of the income and were not significant to the operations.

Operating expenses for the year were 1% less than in 2007 and were 9.6% below the approved 2008 budget. All major departments were below budget. The one area of concern for the year was the rising cost of food, with food purchases exceeding the budgeted amount by 37.1%. This increase occurred despite improved management of food purchases and distribution.

Over the past three years, the only consistent income increases have come from the annual calendar donations. The past year saw a decline in investment income primarily due to the slowing effects and down turn of our economy. We anticipate this trend to continue into the coming year. The Masonic Home for Children management is diligent in keeping the costs of administration and maintenance to a minimum as we aim to provide for expenditures necessary for the direct care of our children.

During 2008, we upgraded our information technology with the purchase of 50 new computers and equipment for children’s residences and administrative offices due to the fact that no upgrades had been done in recent years. We have a better plan in place to maintain the current system to avoid major expenditures later. In addition to upgrading the computer system, we replaced the old and inefficient heating and air systems in the kitchen, chapel, St John's Administration building, and a residence on campus. These replacements were necessary due to the age and inefficiency of the old systems. Renovations were also made to restore the Administrator’s house.

Despite the slowing economy, 2008 was a positive year for The Masonic Home for Children at Oxford. As always, we will use the funds entrusted to us, to the best of our abilities, to provide for the needs of our children.
**FUNDRAISING**

*Donation Report for 2008 — Helping the Children During Difficult Times*

Tough financial times affect everyone. 2008 was a successful year, despite a negative economy. Our donors struggled with the same economic challenges as our Home in 2008, and those challenges continue into this new year. We will need the continued support of all people who believe in the power of helping a child. The year 2008 was a wonderful example of our supporters “digging deep” during some extremely difficult economic times.

Every gift makes a positive impact on our Home, regardless of the size. Inside the pages of this annual report are stories of how gifts have helped in so many ways. The most important elements of any donation to this Home are the people who give, believe in our mission, and know the importance of giving for the future of a child.

We recognize our responsibility to treat all gifts given to the Home ethically and responsibly. While our financial records are maintained legally and transparently, we value the privacy of our donors. We comply with a Code of Ethical Principles and Standards and a Donor Bill of Rights is our guideline for fundraising.

A major part of our commitment to our donors involves the use of their donation. Seventy-one percent (71%) of every dollar spent is used directly for the care of children at MHCO. This percentage does not include the indirect administrative costs for liability insurance, communications, financial management, and facilities maintenance – all of which are essential to providing a safe, comfortable home for the children. This means that the vast majority of each donated dollar goes to care for our children.

*Ways to Give*

There are a variety of contribution methods which can be useful to our donors during tough economic times. In 2008 we saw an increase in general public donations, legacy gifts (planned giving such as wills, estates, trusts, and property gifts), and in our annual calendar fundraiser. Decreases were realized in Masonic giving, memorials and gifts to the recently completed Vision Capital Campaign.

The percentage of matching gifts continues to increase compared to the total amount of gifts received. The benefit of a matching gift is significant because personal support from a donor can be increased through the philanthropy of an employer. Those interested in matching gifts can visit their employer’s Human Resources Department, visit their employer’s website or call MHCO to find out more about securing matching gifts.

Some of The Masonic Home for Children’s Matching Gift Partners in 2008 included: GlaxoSmithKline Foundation; Tyco Matching Gift Program; Microsoft Giving Campaign; Wachovia Matching Gift Program; Bank of America Matching Gift Program; GE Foundation; Exxon Mobil Foundation; Takeda Pharmaceuticals; American Express Foundation; Progress Energy Matching Gifts Program; IBM Retirees Matching Gift Program; and Reynolds American Foundation.

*Masonic Giving*

Masonry changed the landscape of child care in North Carolina and the post Civil War South in 1872, by creating the State’s first home for orphaned children. For 136 years, the Masons of North Carolina have continued their support, funding our Home through war, sickness, depression, drought, inflation, natural
disaster and human error and 2008 was no different.

The tough financial times have tested our Masons, as their own lives were impacted. Yet, together their fundraisers and personal donations continued. We recognize the personal sacrifice, the financial generosity and the unwavering passion behind each Masonic gift – including the personal donations, the Lodge fundraisers, the Masonic widow who has remembered our Home in her will, the memorial gifts and the solicitation of friends, family and co-workers by our Fraternity. During the good times and difficult times, Masons stand next to our children, supporting them with the same passion and commitment as those Masons who started this Home 137 years ago.

Our Craft continued to give in 2008, contributing an average of $17.83 per member. This was a 9% decrease in per member giving from that of 2007. Overall Masonic giving fell by 7% in 2008. For more detailed information on Masonic giving per member, per Lodge across North Carolina, please review page 18.

*Super Santas & Christmas Donors Mean Joyous & Generous Holidays*

There is something special about helping others at Christmas. It is the time of year that promotes giving rather than receiving. Generous feelings are shared with perfect strangers and often the most amazing gifts are those witnessed when one practices charity. Our Home is no exception and in 2008 we were blessed with the help, donations and caring support of over sixty individuals, Masonic Lodges, companies, families, and civic organizations that gave specifically for the needs of our children at Christmas.

Eight-year-old Gracie Carlton started a blog on her computer and generated over $2,500 to buy presents for the young men of Bemis Cottage. Lenscrafters of Triangle Town Center in Raleigh provided new glasses for several residents, while their neighbors at Barnes and Noble held their 2nd Annual Book Drive for our Home, helping their patrons donate over 3,500 books to the children. Abatement Restoration invited our children to their Christmas Wonderland party with video games, indoor putt-putt and food for everyone, while Masonic Lodges such as Statesville No. 27, Orr No. 104, Ashe No. 594, Denver No. 757, Newell No. 739, Rolesville No. 683, Greensboro No. 76,
Buffalo No. 172, Granite No. 191, Cherryville No. 505, New River No. 736, and Williams No. 176 provided various gifts, gift cards and donations to help with the holidays.

During the 2008 Christmas season we took the opportunity to recognize a special group of donors. These were donors that had given to the Home at Christmas for over 10 years in a row and in doing so had donated thousands of dollars, weeks of time and hundreds of miles all to give a child a wonderful and memorable Christmas. They were designated as “Super Santas” for their continued support and were recognized at various functions throughout the holidays. We thank these special donors and all those who gave to make sure our children had wonderful presents and unforgettable memories at Christmas.

2009 Calendar Highlights Historic First for Masonry, Alumni of Masonic Home Gross Proceeds Top $90,000

On a momentous fall day The Masonic Home for Children at Oxford and the Grand Lodge of North Carolina celebrated Mr. Dan Charles Rice as he was elected and installed as the Grand Master of Masons in North Carolina, A.F. & A.M. for 2009. This is the first time in the history of Masonry in North Carolina that an alumnus of The Home has served as the Masonic fraternity’s chief officer. The Home, known as Oxford Orphanage during Rice’s time here, celebrated the occasion by featuring Rice and other successful alumni in the Home’s 2009 Annual Calendar Campaign. The stories of alumni highlighted each month of this year’s calendar, such as Rice’s story which appears below.

Mr. Dan Rice, his brother Jim and his sisters Sandra and Sharon were rescued by the Orphanage in 1959 after some tragic loses in their lives brought them to Oxford. After graduation, Dan left his 320 brothers and sisters at the Home to attend The University of North Carolina at Chapel Hill. His amazing journey continued as he and his brother Jim opened their first tire store in 1984. Since that time life has provided a wonderful family, a successful business and an opportunity for Dan to create a legacy of charity for his Home and others. In addition to his charitable work for the Children’s Home and Masonry, Dan gives back as a member of the Shrine, Eastern Star, a member of the WhiteStone Retirement Community Board of Directors, White Shrine of Jerusalem, Scottish Rite, Past President of the Oxford Orphanage Alumni Association, and other Masonic organizations. This successful businessman, father, husband, and leader has contributed in so many ways and has involved so many others in supporting his Home. History was made in 2008 as Dan was voted as the first “child of the Home” to become the head of its sponsoring body, as the Grand Master of Masons in North Carolina for 2009.
“My greatest personal success is just having survived a very rough start in life thanks to the Masons and to Oxford Orphanage. My wife, Debbie, my two children and my two absolutely perfect grand children make my life complete. I want to thank the Orphanage and the Masons for providing me a rock solid foundation to build my life on. I will never forget my Home and what it meant in my life.”

The Greatest Investment of All – Investing in the Life of a Child

Ms. Angela Fivek graduated from high school while in the care of The Masonic Home for Children in 2002. She has achieved success as an undergraduate at Barton College and is now studying to obtain her Master’s Degree while working a full-time job.

Without knowing her name or seeing her face, the individuals, Lodges, corporations and planned givers who support this Home have invested in something with 100% return – a rarity in this day and time – the successful life of a child. The donations given will provide a positive, promising future for other children like Angela, giving hope, opportunity and stability.

The impact of our Home and the vital role of those who donate to its future are found in the words of an open letter to our residents, sent by Angela and reprinted with her permission. This is her way of saying to all supporters of MHCO, “I appreciate the chance you gave me and thank you for investing in my life.” All supporters of MHCO past, present and future can share with pride in Angela’s success.

Your Gift Today — Realize Forever

(’The importance of wills, estates, and other planned gifts to the future of MHCO)

Despite the negative change in the economy, The Masonic Home for Children at Oxford had the resources to provide for the children in its care, many of whom were casualties of this dark period in our economy. Some of the people who contributed the most in 2008 declared their support for our Home years ago by naming The Masonic Home for Children at Oxford in their wills.

Planned giving in 2008 accounted for over 77% of the revenue received through donations or from interest and earnings. This trend has become vital to the survival of our Home and will be even more important in the years ahead. The importance of planned giving to the financial stability of The Home can
be seen graphically in the percentage of planned gifts that make up the total giving at MHCO for the past nine years, including 2008.

Planned gifts to the Masonic Home for Children in 2008 totaled over $4.5 million being received through wills, gifts of property, endowed designated funds, life insurance policies and charitable remainder trusts.

A planned gift can be given by anyone and can be declared today, while the actual gift to The Home is realized in the future. For more information or to take the first steps to providing a planned gift to help children, please call toll free 1-888-505-4357 and ask for the Financial Development Office or visit the Home’s website at www.mhc-oxford.org.

2008 Hayes and Neal Society Members – A Year of Planned Gifts

2008 represented the largest number of planned gifts received in one year benefiting MHCO over the past decade. Planned giving is the cornerstone of financial success and survival for MHCO. In recognition of the importance of planned giving in the course of this Home’s history and for its future, MHCO established the Hayes and Neal Societies in 2005. These societies permanently recognize those individuals and families who name MHCO as a beneficiary in their planned giving. Whether through wills, trusts, annuities, or gifts of property or real estate, the funds received through planned giving have allowed this Home to survive and care for thousands of children for over 136 years. For more information, visit the Planned Giving/Hayes and Neal Societies Website at www.mhc-oxford.org/Planned. MHCO is proud and honored to announce the 2008 Hayes and Neal Society members, whose gifts will contribute to the lives and futures of generations to come with the greatest gift that can be given – the one that cares for and changes the life of a child.

DIAMOND LEVEL
Mr. & Mrs. James P. & Grace Temple ♦ Mr. and Mrs. W. Morgan and Esther M. Fitzgerald

GOLD LEVEL
The Kenneth and Laberta Keith Living Trust

SILVER LEVEL
Gwyn Vannoy ♦ Joseph Snell, Sr. ♦ Marie J. Billings ♦ Ethel M. Ambrose

In Memory of my father and mother, Charles C. & Carrie H. Pruitt, Sr., by Martha F. Pruitt
William P. Rader ♦ Virginia B. Miller

BRONZE LEVEL
In Memory of mother and father, Maude E. & Daniel W. Davis, by Martha D. Schofield

LEGACY LEVEL
William H. Hicks ♦ Edna J. Spivey ♦ Pearl R. Davis ♦ David D. Granger ♦ Ralph & Vera Somers ♦ William T. Cannon ♦ Lucenda E. Hutchinson

In Honor of Western Star Lodge No. 91, by Glenn R. Griffith ♦ In Memory of Vance & Alma Moss

BENEFACTOR LEVEL
Charlotte P. Field
Handy Thornton
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Lodge names that are highlighted refer to those whose average gift amount includes one or more gifts dated or postmarked 2008 but received in a previous fiscal year.

*Please note - Masonic membership census for 2008 was not available at the time of this report and the census numbers for 2007 were used to determine the per member, per Lodge averages.*
A Record Year for the School of Graphic Arts

In spite of the impending economic downturn at the end of the year, the School of Graphic Arts realized record revenue figures in 2008 due in large part to an increase in our business with local companies. We also started the year with the installation of a new computer-controlled folder and book binder, both of which are the latest technology in the industry. The continuation of our planned upgrade of the outdated equipment will further enhance our ability to compete in this marketplace, as well as offering our students the opportunity to operate machines that have all the necessary safety requirements. We have also placed a great emphasis on customer service. At the end of the year we were awarded another two years of business with the North Carolina Genealogical Society, which has been a major client of ours for over five years.

A renewed commitment to the KidsEarn Program has excited our staff as well as our students. At the end of the year purchases were made to assist in bringing our classroom up to teaching standards. A drop screen, video projector and one additional iMac computer (we now have three) were purchased and installed in our classroom area. We also purchased lesson plans for a few classes that we hope to incorporate during 2009. There is still a lot of planning necessary in order to make an instructional classroom a reality. But the plan has been put into motion, and we are committed to making it happen.

Our Student of the Month award remains a popular and positive reward for the student who demonstrates the commitment to attendance, work ethic and the right attitude. We want everything we do to help make our students realize that they are learning what it will take to be a productive citizen once they graduate.
The Masonic Home for Children at Oxford is operated to provide the highest level of quality care to those children and young adults who need a safe, stable, and successful environment, while working with their families to enhance reunification. Our standards focus on the care and development of children, the transparent and ethical nature of our finances, the training and continuum of care represented by our staff and a commitment to highest standards and continuous improvement. These standards are validated by our accreditation and affiliation with the following professionally recognized organizations:

Accredited by COUNCIL ON ACCREDITATION (COA) which partners with human service organizations worldwide to improve service delivery outcomes by developing, applying, and promoting accreditation standards. COA envisions excellence in the delivery of human services globally, resulting in the well-being of individuals, families, and communities.

CHILDREN AND FAMILY SERVICES ASSOCIATION OF NORTH CAROLINA (www.cfsa-nc.org)

CHILD WELFARE LEAGUE OF AMERICA (www.cwla.org)

ALLIANCE FOR CHILDREN AND FAMILIES (www.alliance1.org)

SOUTHEASTERN GROUP CHILDCARE ASSOCIATION

NORTH CAROLINA CENTER FOR NONPROFITS (www.ncnonprofits.org)

MASONIC HOMES EXECUTIVE ASSOCIATION OF NORTH AMERICA (www.mheana.org/homes.htm)

The Masonic Home for Children at Oxford, Inc. is a licensed, residential children’s home through the North Carolina Department of Health and Human Services (www.dhhs.state.nc.us) and is a 501 (c) (3) non-profit registered through the Secretary of State of North Carolina (www.secstate.state.nc.us)

THE MASONIC HOME FOR CHILDREN AT OXFORD, INC.

600 College Street Oxford, NC 27565

919.693.5111
Toll Free: 1.888.505.4357
Fax: 919.693.2479

www.mhc-oxford.org

Photographs in this publication courtesy of: Sharon Audley, Eddie Dickerson, Tina Gibneth, Rosalind James, Santisha Jordan, Santisha Jordan, Faye Orr, Toni Terry, Ric Carter, and other Masonic Home for Children staff