

The Masonic Home for Children at Oxford
Board of Directors
Finance Committee Meeting
January 20, 2026

A meeting of the Finance Committee of the Board of Directors was held on this date at 5:15pm via Zoom and in-person.

Present were Board Chairman, Speed Hallman; Treasurer, Lew Starling; Finance Committee Members, Ron Hensley, Steve Owen, Lee Isley and Don Arnold; CEO, Chris Allabaugh; COO, Kristyn Butts, and Chief Financial Officer, LuAnne Clark.

Finance Committee members Grand Line Officer Gilbert Bailey, Melissa Hogan, and Eddie Gaskins were not present. A quorum was present.

Treasurer Starling opened the meeting with prayer.

Mr. Starling asked for approval of October 2025 minutes. A motion was made and seconded to approve the minutes as written. All voted in favor.

Mr. Starling asked Mrs. Clark to review the 4th quarter reports. Mrs. Clark reported that revenue was over budget by almost \$1 million and expenses were below budget by almost \$1 million. She stated that Masonic donations and donations from the General Public both exceeded the budget. She attributed this to the Financial Development team and good results from the letter campaign. She stated we have had multiple calls regarding people missing their MHCO calendar. Mrs. Clark stated that we may need to revisit calendars in the future, maybe asking for pre-orders to see if there would be enough orders to make it worthwhile. Legacy gifts were below budget by about \$30k but Mrs. Clark stated she was pleased overall when comparing deficits from the previous year to this past year.

Mrs. Clark reported that the School of Graphic Arts had a good quarter with a deficit of approximately \$20K at the end of the 4th quarter, a good improvement from last year which was \$74k. Mrs. Clark stated that as far as expenses are concerned, everyone was below budget except for Maintenance, which was slightly above budget. Some expenses related to the CEO/COO search came in below what was set aside. The NCMF accounted for their fees on our account daily in 2025, taking out their fees before they gave us what we made for the day and didn't line item it, which helped us save approximately \$130k in Admin. Looking at what we took in in actual numbers compared to what we spent, we are plus \$763k for the year.

Mr. Hallman asked what the School of Graphic Arts was doing differently to reduce their deficit. Mrs. Clark stated they were managing their expenses and bringing in the revenue. They were also short an employee for several months, which decreased their expenses as well. Mr. Hallman stated he noticed there was \$0 budgeted for training in 2025 for SGA. Mrs. Clark responded that there was no training done due to being short staffed. Mr. Allabaugh and Mrs. Clark both stated that Thomas has been instructed to attend some print- specific training, and supervisor training through Benchmarks in-house.

Mrs. Clark stated that Capital Improvements for 2025 were almost the same as in 2024, within a couple thousand dollars of each other, and slightly below budget. She stated we did not use the contingent salaries and benefits that were budgeted in 2025, so that was an additional savings.

Overall, it was a really good year, being above with income and below with expenses. In most income areas we exceeded the budget except for Legacies, Grants, calendar donations, and with the deficit in printing. Revenue was above budget everywhere else.

Mrs. Clark reviewed the 4th quarter Revenue Breakdown report. She stated that financial development numbers were down 8% from the previous year, \$6.2 mil vs. \$6.8 mil, down 1.6 mil in planned giving and 56% in legacy gifts. The letter campaigns helped make up a lot of that. The unrestricted number went up almost 32% due to the letter campaign. In other areas, revenue was up 10-11%, primarily because the print shops' deficit was quite a bit less. Overall, there was a 5% decrease, about \$400k, which was not bad at all. Total gifts were about 6,500 in 2024 and 8,900 for 2025, a 37-38% increase. The number of donors went from 2,362 to 4,031, an almost 71% increase. The goal is to retain those donors and get them to give again. At the end of the year, we are at a little over \$33 million in our investment balance.

Mr. Owen stated that in looking at the maintenance line item being over budget by 6.1%, in most facilities, a yearly 5% increase is needed to prevent disrepair. Mrs. Clark stated that the cost of water and electricity contributed to the increase as well.

Mrs. Clark stated that she, Mr. Allabaugh and Alvin went to a Foundation meeting that day. The distribution amount for the year will be the same at 4% of their 7-year average balance (\$869K) so the amount for 2026 will be \$434,522, which is paid out quarterly at a little over \$100k per quarter, an increase of \$7k. This does not include the support promised for the Director of Development and Communications position.

Mrs. Clark reviewed the current investment policy of 70% equity and 30% fixed. Our upper limit for equity is 90% and our lower is 55%, based on the market changes and the upper limit for fixed income is 45% and the lowest limit is 10%. The main account of \$33 million is 79% equity and 19% income. She asked for some discussion of whether we want to do some rebalancing. The other accounts, Special Funds and Scholarships, are more concerning. Mrs. Clark and Mr. Hallman need to work on these accounts to see if there is some that can be pulled out and used. These accounts have not been rebalanced. Mrs. Clark stated that she hasn't ever had to use these funds. One is at 79%/19% and the other is at 80%/18%. This makes us off from 70%/30% by about 10%. There was a donation of \$50k for the Scholarship account at the end of 2025. Mrs. Clark stated that she would like to put it in at 70%/30%. Rebalancing was discussed. Software issues have been corrected. The Special Funds and Scholarships Fund have never been rebalanced. An attempt was made to rebalance the main account two years ago but there was a problem. It has been years since the main account was rebalanced. Mrs. Clark manually rebalanced it before by designating money as it came in/went out but isn't doing that anymore. Currently, we take it out at the 70/30 split and deposit it at that. Mr. Starling asked what our time frame was; if there was a window where we needed to do this? Mrs. Clark replied that there was not. She would like to bring it to the board. The decision was made to present a recommendation to the board at the February 2026 meeting to rebalance all 3 accounts. A motion was made and seconded. All were in favor.

There being no further business, the meeting ended at 5:40 pm.

Respectfully submitted,

Sara Becker
Administrative Assistant