



# Annual Report 2008-2009

THE SCOTTISH RITE CHARITABLE  
FOUNDATION OF CANADA

## President's Report

This has been my first year as President of the Scottish Rite Charitable Foundation and I can honestly say it has been extremely rewarding and quite a learning experience. Fortunately, my first year was smoothed by many wise and dedicated Scottish Rite Brothers and volunteers and the assistance of a great office staff in Hamilton.

The Board of Directors in 2008-2009 set out objectives to streamline some administrative procedures and bring greater clarity to others. This has become increasingly important with the growth in the number of Learning Centres. We are well on our way to accomplishing these objectives. However, being president brings with it another joyful responsibility I hadn't given much thought to: that is, attending events.

Travelling for Foundation business has opened my eyes to the significant work we do in communities, the difference we make with children in our Learning Centres and the support we provide a wide range of charities.

For example, I took part in the 'Ceremony of Dedication' for the Halifax Learning Centre. That evening I witnessed the graduation of six children at a banquet held at the Halifax Harbourfront Marriot that was also attended by our Sovereign Grand Commander, Ill. Bro. C. Robert Townshend 33°, and the Lieutenant Governor of Nova Scotia, the Honourable Mayann E. Francis. When all six children addressed the large gathering it brought tears of joy, pride, and accomplishment to the eyes of virtually everyone in the room. It was an incredible afternoon and evening, which reinforced the worthwhile cause that our Foundation – through your generous gifts and

dedication – is able to achieve. Congratulations to Halifax Valley.

I also travelled to Barrie, Ontario, to be present at a ceremony to receive a cheque for \$89,500 for the Barrie Learning Centre from the Ontario Trillium Foundation presented by the Honourable Aileen Carroll, MPP for Barrie and Minister of Culture and Minister Responsible for Seniors. We were also able to tour the Learning Centre facilities which were under construction. The Barrie Learning Centre Planning Committee and the entire Barrie Valley is to be commended for their outstanding efforts, dedication and professionalism in bringing our fifth Learning Centre to fruition.

This brings me to the third significant celebration that at the time of this writing is being planned for September 12, 2009. This will be the Grand Opening Ceremony for the Barrie Learning Centre.

It's hard to beat visits to thriving Learning Centres but 2008/09 was also a busy year for the Board of Directors and office staff.

**Directors' terms.** Directors are now elected for a three-year term and may only hold two consecutive three year terms before they must retire for at least one year. In September, 2008, five of our 13 Directors retired - Illustrious Brethren John V. Lawer, Thomas V. Hannan, Robert L. Waddell, Glenn Martin and A. Douglas Nichols. They all served our Foundation with distinction and we thank them for their outstanding contributions to the governance and growth of the Foundation. Replacing them are Illustrious Brethren George F. Benton, Dr. Loren W. Kline, David J. Holt, Samuel Kalinowsky and James S. Ross.



Allard B. Loopstra

**The Clarion.** We merged the Supreme Council and Charitable Foundation publications. Our first issue of the 'Clarion' was issued this past winter. Special thanks to our Editor in Chief, Ill. Bro. Terry McLean.

**Learning Centres.** Due to the growth of Learning Centres it was necessary and prudent to review the "office and corporate structure of the Learning Centres." An ad hoc committee comprised of Illustrious Brethren Harold E. Crosby (chairman), Robert A. Barnett, George F. Benton, Michael Ward and Robert S. Whitmore presented their analysis and recommendations to the Board of Directors on April 18, 2009. All the recommendations were unanimously approved and Ill. Bro. Harold E. Crosby was appointed Chairman of Implementation. The main change from which all the other recommendations flow is to incorporate each individual Learning Centre with registered charity status and each Learning Centre would enter into a Licence Agreement with the Foundation. May 31, 2010 is the target date for the

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## President's Report

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completion of transfer of operations from the Foundation to the Centres. An Executive Director will be appointed by the Board of Directors of the Foundation to provide leadership and handling all the day to day matters. A Learning Centre committee will also be appointed by the Board of Directors who will have the responsibility for the oversight of the Program on behalf of the Board. The Executive Director will report to the Board of Directors of the Foundation through the Learning Centre Committee.

As these changes are implemented, one must never forget the outstanding work that many of our Brethren in the Valley of London accomplished in our early start up years. They blazed the trail for subsequent Learning Centres by establishing policies and procedures and providing us with a very detailed and thorough Handbook. This allowed us to have organized and sustainable growth. We are truly indebted to these Brethren.

**Insurance.** We reviewed our insurance needs in conjunction with a similar study for Supreme Council. Recommendations were adopted, quotes were obtained and carrier decisions made.

What this year has also taught me is the Foundation is a sizable business, as you

can see in the accompanying Treasurer's Report, which brings me to our annual awards for financial support.

Before I reveal the winners I want to point out that, while we celebrate the best of the best, there are many Valleys that are very generous year after year and I also want to thank them.

We have three awards. They are:

Highest participation rate. (The percentage of members who donate to the SRCF.)

Highest average donation. (Total donation divided by total membership.)

Largest increase in donation. (This year over the previous year.)

The winner of the Highest Participation Award is the Valley of Summerside with a rate of 14.1%. Not far behind is Victoria at 13.6% and Calgary at 13.4%. The national participation rate is 6%, where it's been stuck for the past five years. I'm hopeful we can reach 10% at a minimum.

The Highest Average Donation award goes to Halifax with a simply stunning average of \$250.18. This figure is a ringing testament to the Valley's ability to attract donations from a wide variety of sources, from Craft Lodges to government and bingos. Congratulations Halifax. By way of comparison, the next highest Valleys are: Windsor, \$111.77; Moncton, \$83.33; and Vancouver, \$77.60. I want to thank each one.

The Largest Increase award goes to the Valley of Barrie with a huge jump of \$37,078.49. It is a wonderful achievement. What's equally wonderful is that Toronto Valley was just barely edged out in this category. Toronto's increase is \$36,084.68. Halifax deserves praise as well for their increase of \$24,586.12 which brings their donation this year up to \$117,333, the highest of any Valley in the country.

It would be nice if the Foundation could operate on goodwill and sincerity but we know it takes money. I'd like to thank every donor for their generosity and every Valley for their commitment to our cause. Without you and your generosity we would not exist.

As President, it's easy to get caught up in matters of money and administration. But the members I've met this year, the children and graduates of the Learning Centres and the letters of thanks from grant recipients all remind me of our true purpose which is outlined in the Mission Statement of the Scottish Rite in Canada: "It seeks to make a positive impact on the welfare of mankind through its Charitable Foundation."

It is an honour to be your President. I look forward to the Foundation continuing to grow and making that positive impact.

Respectfully submitted,  
Allard B. Loopstra, President

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## Treasurer's Report

The resources of the Scottish Rite Charitable Foundation of Canada were taxed to their fullest in the fiscal year ending May 31, 2009. The Foundation was not immune from the worldwide economic downturn. But thanks to the efforts of Scottish Rite Masons and friends of The Scottish Rite Charitable Foundation of Canada, the Foundation was able to meet its financial obligations for medical research and the operation and expansion of the Learning Centres.

### Financial Review

The financial highlights of the Foundation's financial position and results of operations in this report have been extracted from the annual audited financial statements, copies of which may be obtained from the Foundation's office.

### Operations

The operating statement shows expenses in excess of revenue in the amount of \$374,368 before the unrealized loss on investments of \$1,085,127.

Although donations to Learning Centres increased by \$149,512, revenues declined by \$733,756. A significant reason for this decline

is the lowering of interest rates and the loss on the disposal of investments of \$474,766.

There was a slight decrease in expenses from \$173,448 to \$170,807 while distributions increased by \$107,000 to \$780,108.

The negative change in fair market value reflects the unrealized loss on investments from the unrealized gain in previous years and the difference between cost and fair market value of the investments.

Another area of concern is the decrease in the amount of capital donations from individuals, lodges and Masonic organizations from \$133,891 to \$65,506.

### Financial Position

The net assets as at May 31, 2009 are \$14,801,205 a decline of \$947,793 from the previous year. Again, this decline can be attributed to the decline in the fair market value of the investments.

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## Treasurer's Report

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The largest asset of the Foundation is the investment portfolio. As of May 31, 2009 its fair market value was \$14,344,613. The investment portfolio consists of what is considered low risk instruments 25% in equities and 75% in fixed term or interest bearing investments.

### The Way Ahead

The Scottish Rite Charitable Foundation of Canada will face many challenges in the years ahead to:

1. Continue to support medical research thorough grants, awards and donations.
2. Support operations and expansion of the Learning Centres.

Investment income for the next 12 months is projected at \$592,000. Although the fair market value of our investments seems to be improving we must actively seek the continued support from Scottish Rite Masons and their friends.

In closing, I would like to express my appreciation to the staff of the Foundation: Terry Mclean, Susan Thompson and Annie Thompson for their support during my first term as Treasurer.

Respectively submitted,  
George Benton, Treasurer

## Financial Highlights - Financial Position

Year ended May 31, 2009

|  | 2009                | 2008         |
|--|---------------------|--------------|
| <b>Assets</b>  |                     |              |
| Cash   | \$ 301,515          | \$ 382,741   |
| Receivables  | 109,812             | 63,917       |
| GST receivable   | 3,377               | 18,013       |
| Prepays  | —                   | 2,255        |
|  | <b>414,704</b>      | 466,926      |
| Capital assets   | <b>80,936</b>       | \$96,072     |
| Investments  | <b>14,344,613</b>   | 15,246,958   |
|  | <b>\$14,840,253</b> | \$15,809,956 |
| <b>Liabilities</b>   |                     |              |
| Payables and accruals  | \$ 39,048           | \$ 60,958    |
| Deferred contributions   | —                   | —            |
|  | <b>39,048</b>       | 60,958       |
| <b>Net Assets</b>  |                     |              |
| Net assets invested in capital   | <b>80,936</b>       | 96,072       |
| Unrestricted net assets - Income retained for charitable and benevolent purposes | <b>53,389</b>       | 1,497,748    |
| Internally restricted net assets - Capital                                       | <b>14,666,880</b>   | 14,155,178   |
|  | <b>14,801,205</b>   | 15,748,998   |
|  | <b>\$14,840,253</b> | \$15,809,956 |

## Statement of Operations

Year Ended May 31

|  | 2009                 | 2008       |
|--|----------------------|------------|
| <b>Revenue</b>   |                      |            |
| Donations - Learning Centre operations   | \$ 368,100           | \$ 218,588 |
| Amortization of deferred contributions - Ontario Trillium Foundation Grant                         | 89,500               | 86,000     |
| Investment Income  | 593,713              | 660,296    |
| Gain (loss) on disposal of investments   | (474,766)            | 345,419    |
|  | <b>576,547</b>       | 1,310,303  |
| <b>Expenses</b>  | <b>170,807</b>       | 173,448    |
| Excess of revenue over expenses, before distributions and unrealized gains (losses) on investments | <b>405,740</b>       | 1,136,855  |
| <b>Distributions</b>   |                      |            |
| Grants   | 444,588              | 350,061    |
| Awards   | 90,000               | 70,237     |
| Bursaries  | 20,000               | 22,000     |
| Learning Centre operations   | 225,520              | 230,721    |
|  | <b>780,108</b>       | 673,019    |
| Excess of revenue over expenses before change in unrealized gain (loss) on investments             | <b>(374,368)</b>     | 463,836    |
| Change in unrealized gain (loss) on investments  | <b>(1,085,127)</b>   | 1,165,341  |
| Excess of revenue over expenses (expenses over revenue)  | <b>(\$1,459,495)</b> | 1,629,177  |

## Statement of Capital Revenue and Capital

Year Ended May 31

|   | 2009                | 2008         |
|---|---------------------|--------------|
| <b>Revenue</b>  |                     |              |
| Donations   |                     |              |
| Individuals, Lodges and Masonic organizations                 | \$ 65,506           | \$133,891    |
| Learning Centre Donations                                     | 162,812             | \$120,273    |
| Bequests  | 283,384             | \$555,574    |
|   | <b>511,702</b>      | \$809,738    |
| Internally restricted net assets - Capital, beginning of year | <b>14,155,178</b>   | \$13,069,105 |
| Capital Revenue   | <b>511,702</b>      | \$809,738    |
| Transfer from unrestricted net assets - Operating account     | —                   | \$276,335    |
| Internally restricted net assets - Capital, end of year       | <b>\$14,666,880</b> | \$14,155,178 |

# New Major Research Grant recipients

## **Dr. Graziella Di Cristo**

**CHU Ste. Justine Hospital (QC)**

**\$35,000**

Regulation of inhibitory circuit development in transgenic mouse model of Rett Syndrome

Dr. Di Cristo's research goal is to understand the neurophysiological consequences of MeCP2 malfunction. They will study the postnatal development and plasticity of inhibitory interneurons, which form an important class of neurons crucial for control of cortical circuit function, in mice with MeCP2 mutations using a unique combination of molecular and imaging techniques.

## **Dr. Evelyn Lambe**

**U of Toronto (ON)**

**\$35,000**

Mechanism for abnormal attention circuitry in Fragile X mental retardation

The purpose of Dr. Lambe's proposal is to understand the developmental mechanisms behind the attention problems in Fragile X syndrome and identify new treatments for the intellectual impairment. The research plan involves three parts - (1) To investigate the differences in the nicotinic currents in corticothalamic neurons between control mice and the much larger nicotinic currents in the mouse model of Fragile X syndrome.

(2) To examine how corticothalamic neurons develop in these two types of mice. (3) To test the mechanism that gives Fragile X mice such large nicotinic currents in corticothalamic neurons during development.

## **Dr. Linda Mah**

**Baycrest Centre (ON)**

**\$35,000**

Neural substrates of emotional processing in mild cognitive impairment and late-life depression

Mild cognitive impairment (MCI) and late-life depression (LLD) independently increase the risk of developing Alzheimer's dementia (AD), particularly for individuals with the Apolipoprotein E e4 (ApoE e4) genotype, but are difficult to differentiate clinically or using standard cognitive measures. The purpose of the current study is to compare emotional processing in MCI and LLD using functional magnetic resonance imaging (fMRI) and to identify potential biomarkers of cognitive decline.

## **Dr. Milan Patel**

**U. British Columbia (BC)**

**\$35,000**

Molecular and Phenotypic Characterization of a Novel Mental Retardation Syndrome.

Dr. Patel will study and characterize families with cognitive disorders caused by a single mutated gene. Understanding what

a single gene does and how it affects development will help concentrate our search on finding a cure for these disorders. This study focuses on one such family where males have severe mental retardation (6 living) and their mothers have psychiatric disease. There are 2 objectives in the study: 1) To better describe the behavioral phenotype of this syndrome and 2) To identify the gene that causes this disorder, determine what the gene does and explore the relationship between this gene and other cognitive disorders.

## **Dr. Janis Oram Cardy**

**U. Western Ontario (ON)**

**\$34,927**

Brain markers of auditory integration in autism spectrum and language disorders

Children with Autism Spectrum Disorder (ASD) and children with Specific Language Impairment (SLI) struggle to understand and use language. We think they share an underlying problem in how sounds are processed in their auditory cortex, which impairs language development. Dr. Oram Cardy will record cortical activity in children with ASD (with and without language impairment), SLI, and typical development. While they watch a video, we present tones at different rates.

# Grants, awards & donations

The Scottish Rite Charitable Foundation of Canada continues to support researchers who are seeking to "Help Solve the Puzzles of the Mind." Success can be seen in new understandings of the diseases that may lead to new and effective treatments and a better quality of life for those coping with the disease, along with family and caregivers.

The Awards Committee is committed to supporting promising researchers during the early years of their studies. Recipients tell us that it was only through early funding by the Foundation that they were able to conduct their research and develop a personal reputation that attracted funding from other agencies in later years. They credit the Foundation with being the spark plug in starting a successful career.

This year, the Awards committee received 17 new applications for Major Research Grants (\$35,000 per year for up to three years) and recommended funding five new Research Grants. In addition, the Foundation continues its support of four Major Grant recipients for a 2nd year and four recipients for a 3rd year. Total Major Grants for 2008-2009 are \$444,588.

There were nine new applications for Graduate Students Awards and four merited funding. There were five Graduate Student Awards funded for a second year.

The Foundation is indebted to Dr. Anurag Tandon from the University of Toronto who chairs the review panel with additional, generous assistance from professional colleagues across Canada.

A total of 11 Deputy's Provincial Charitable Donations valued at \$2,000 each were distributed during the year.

The SRCF receives many letters of thanks from recipients expressing appreciation for the support received. Scottish Rite members may learn more about the scope and results of the research funded through their donations by reading the brief reports printed in the various SRCF newsletters.

More information about the Grants and Awards Program is available on the Scottish Rite Charitable Foundation website ([www.srcf.ca](http://www.srcf.ca)) including details about the funded research.

Respectfully submitted,

Dr. Gareth R. Taylor  
Chair, Awards Committee

Dr. Loren Kline  
Vice-Chair