



# Annual Report 2003-2004

THE SCOTTISH RITE CHARITABLE  
FOUNDATION OF CANADA

## President's Report

In this, the 40th anniversary year of the Scottish Rite Charitable Foundation, I have the opportunity to look back at the success of the past and an exciting, but demanding, future. Thanks to our donors, the Foundation has been able to grant millions of dollars to researchers and students who are looking for solutions to mental impairment in children and the elderly. As with all basic research, progress on diseases such as Alzheimer's, is slow and methodical. But the research we support is making headway and we are proud to be part of the relentless march toward effective treatments.

2003-04 was a promising year in several ways. First, the London Centre for Children took in its first group of students and from all accounts, it was a terrific success. Second, the participation rate for donations to the Foundation increased to 6.6% from 6.2% last year. Third, over \$500,000 was distributed through the tireless work of the Grants and Awards Committee to persons throughout Canada searching for causes and seeking solutions to the puzzles of the mind in the young and the elderly.

However, challenges remain, as you can read in the Treasurer's statement in this Annual Report. Quite simply, if we are going to do more we will need to raise more money.

It's human nature to be attracted to the new, and certainly the London Learning Centre, as our newest venture attracted its share of attention. Already there is an informal waiting list of parents who want to enroll their child and there are more volunteers coming forward to be tutors.

My favourite story concerning the Centre focuses on one young girl, who, after just six months of tutoring, increased her reading skill by three years. It's a story

like this that makes our work, and our donations, so satisfying. I can imagine the smile that must have spread across her face, and across the faces of her parents, as prospects brightened in her family. But, remember, that while a smile goes a long way it has to start somewhere.

I thank London Valley for their initiative and their exceptional work culminating in the dedication of the Learning Centre in the Masonic Temple on May 16, 2004.

The success of the London Centre is so dramatic, and the need to help dyslexic children so great, that two Valleys, Windsor and Halifax, are preparing their own proposals for Centres. We'll have to wait and see how the funding goes, but we're obviously off to a great start in London.

I especially want to thank Andy Anderson in London who organized the first Polar Bear Classic Walkathon to raise money for the Learning Centres program. It was the first of a planned annual series of walkathons to raise capital for the Foundation's Learning Centres program to be held on the last Saturday of May.

Organizing these events is a huge amount of work so Andy and his committee deserve a lot of credit. I wish them all the luck in the world.

In previous years I, and others, have spoken about the need to increase the percentage of our members who donate to the Foundation. It was two years ago that Vice-President Harold Crosby told us that the national participation rate was just 3.2%. Now, as I mentioned at the beginning, the rate has climbed to 6.6%. We are still shy of our minimum goal of a national rate of 10%, but we are trending in the right direction.



*John V. Lawer*

A trend that worries me, however, is the declining number of individual donors.

In 2003 we had 1,215 individual donors. In 2004, we had 1,125. That's a drop of 90 donors ... about 7.5 per cent. I know that our total membership has dropped, and that may explain some of the decline, but this drop in the number of individual donors, if it is a trend, is worrisome.

I realize that some Valleys raise a great deal of money through events, and believe me, we're grateful for their effort and contribution. I certainly understand the concept of value-for-money. I think it's easier to buy a ticket to a golf tournament, and get some tangible benefit for your money, than to make a donation in the Blue Envelope, that doesn't have a tangible benefit.

The simple fact is, we need both. We need individual donations and we need fund raising events. My only concern, as I said earlier, is that the number of individual donors has dropped by 7.5% per cent in the past year. So I hope, when you go back to your Lodges and Valleys that you'll encourage people to write a cheque for the Blue Envelope just as much as you ask them to buy a ticket to a golf tournament.

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# Treasurer's Report

The Foundation's portfolio increased during the last year from earnings and donations despite a flat investment market. At year end, the market value of our portfolio was \$12.6 million compared with \$11.5 million the previous year.

Total donations decreased by \$18,000 compared with 2003 primarily due to a \$32,000 drop in donations from Lodges. Donations from individuals dropped slightly this year to \$150,502 from \$153,243.

Donations to the London Learning Centre increased by \$6,000 to \$85,000 plus \$7,000 for a new capital fund for Learning Centres in Canada.

The Capital Fund experienced a 10.8% rate of return on our portfolio this year, a favourable performance in a difficult market. Our thanks to RBC Dominion and Richard te Boekhorst for their

guidance and assistance in enabling the Foundation to achieve this success.

The Learning Centre in London has just completed a successful first year and plans to expand the number of tutors and students are in place. Part of establishing this Centre was the preparation of a manual that lays out the procedures to be followed in opening and operating a Learning Centre. The manual was updated to include the lessons learned from our experiences during the first year of operation. We appreciate the efforts that the volunteers gave of their time and energy to develop and implement the procedures contained in this valuable tool. It will be especially useful for those considering opening Centres in future. Other locations have expressed an interest in opening Learning Centres in their areas and will be turning to the Foundation for financial support.

I am concerned, however, about our ability to expand our support for new Learning Centres. The present level of funds generated by our Capital Fund of \$11.4 million can support our long established policy for the annual funding

of \$550,000 to the present Grants, Awards and Bursary programs.

Considering the current market performance we will not be able to take on an increase in funding.

Additional Centres must be carefully considered as the requirements for their funding may result in restrictions to our present programs. London has been successful in raising its share of the funds required for the start-up and operating costs for its Centre. London has also started the national Walk-A-Thon to raise capital funds for future Centres. We thank them for their support with this fund raising event.

It has been a pleasure to serve you as your Treasurer. I have expressed our appreciation to the office staff, George Robbins, Janey Smith, Sue Thompson and Katie Benton for their continuing contribution to the successful operation of the Foundation.

Respectfully submitted,  
H. Edward Standish,  
Treasurer

## Directors and Officers of the Foundation 2003-2004

### Executive

J.V. Lawer, *President*  
H.E. Crosby, *Vice-President*  
J.C. Fairthorne, *Secretary*  
H.E. Standish, *Treasurer*

### Balance of Directors

R.A. Barnett  
R.E. Barr  
P.A. Decelles  
T.V. Hannan  
G.M. Martin  
D.R. Thornton  
R.L. Waddell

### Directors Emeritus

T.W.S. Band  
J.N. Fenton  
J.W. Lowry  
N.R. Richards  
C.A. Sankey  
I.D. Steeves  
J.E.E. Winch

### Appointed Officers

D.D. Thornton,  
*Assistant Secretary*  
G.R. Robbins,  
*Assistant Treasurer*

## Statement of financial position

	2004	2003
<b>Assets</b>		
Cash and cash equivalents	\$ 10,606	\$ 463,357
Accrued interest	305,869	197,337
GST receivable	2,692	5,935
Prepays	7,754	7,324
	<u>326,921</u>	<u>673,953</u>
Equipment	13,803	—
Investments (market value \$12,416,471; 2003 - \$11,413,126)	11,414,053	10,512,699
	<u>\$11,754,777</u>	<u>11,186,652</u>
<b>Liabilities</b>		
Payables and accruals	5,000	5,000
<b>Net assets</b>		
Net assets invested in equipment	13,803	—
Unrestricted net assets - Income retained for charitable and benevolent purposes	985,545	953,964
Restricted net assets - Capital	10,750,429	10,227,688
	<u>11,749,777</u>	<u>11,181,652</u>
	<u>\$11,754,777</u>	<u>\$11,186,652</u>

## Statement of Operations and Changes in Net Assets

	2004	2003
<b>Revenue</b>		
Bank and term deposit interest	\$9,922	\$6,627
Donations – London Learning Centre	46,175	66,354
Investment income	616,337	578,384
Amortization of bond discount/premium	—	(9,691)
Gain on disposal of investments	315,738	100,105
	<u>988,172</u>	<u>741,779</u>
<b>Expenses</b>		
Administration fees	31,980	29,470
Insurance	10,689	4,950
Lapel pins	1,275	392
Professional fees	6,210	6,210
Computer consulting	724	5,015
Directors and committee meetings	3,418	2,596
London learning centres – national expense	1,928	5,000
Printing and office supplies	7,374	931
Postage	2,501	2,789
Promotion and public relations	31,659	18,334
Miscellaneous	2,130	1,068
	<u>99,898</u>	<u>76,755</u>
Excess of income over expenses	888,274	665,024
<b>Distribution</b>		
Grants	418,789	404,329
Awards	97,500	123,845
Bursaries	12,000	14,000
London Learning Centre Project	62,011	—
	<u>590,300</u>	<u>542,174</u>
Excess of income revenue over expenses and distribution	<u>297,974</u>	<u>122,850</u>

## Statement of capital revenue

	2004	2003
<b>Revenue</b>		
Donations		
Individuals, Lodges and Masonic organizations	143,138	187,348
London Learning Centre donations	46,682	13,004
Bequests	80,331	67,368
	<u>\$270,151</u>	<u>\$ 267,720</u>

## President's Report

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While we tend to focus on increasing the national participation rate it's important to remember that some Valleys have already exceeded the minimum 10% target.

I'd like to acknowledge the top five Valleys and offer my congratulations on a superb performance. You are an inspiration to everyone.

- Medicine Hat, 25%
- Central Alberta, 19%
- Sydney, 17%
- Kamloops, 15%
- Victoria, 12%

Another way of looking at participation rates is how much the rate has increased over the year. To me, this measurement acknowledges effort. In some cases, the participation rate may still be low, but, clearly, an effort is being made to increase the number of donors.

The top five Valleys showing the greatest increase in the participation rate are:

- St. John's, with an increase of 326%. Their participation rate increased from 0.69% to just under 3 per cent. I imagine they'd said it's still low, and it is. But they're trying. You can't get to 10% if you don't first get to 3 and 5 and 7 per cent.
- Calgary, 209%
- Moncton, 181%
- Campbell River, 180%
- Colville Valley, 117%.

I and my fellow Board members believe this issue of participation rate is so vital to our financial health that we will be introducing, for next year's annual meeting, awards that acknowledge the top performers in the two categories I just reviewed: top participation rate and the greatest increase in the participation rate. I hope that the introduction of an awards program will encourage some friendly competition among our Valleys and Valley reps.

I certainly want to thank Don Thornton, Dr. Gareth Taylor, Dr. Paul Fraser and their many colleagues in Canada who adjudicate the applications for grants, awards and

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# Grants and Awards

This year marks the 40th anniversary of the Scottish Rite Charitable Foundation of Canada, a registered charity incorporated in 1964 by Letters Patent under the Companies Act of Canada. The Letters Patent require that all donations be capitalized and that donors receive receipts for their donations which are deductible for tax purposes. Once again this year, over \$525,000 will be distributed to researchers searching for an understanding and cure for intellectual impairment.

Masonic and Scottish Rite ritual repeatedly stress the importance of charity. Initiates are asked: "would you give if it were in your power?" They are assured that any donation will be gratefully received and faithfully applied. The Foundation's Grants and Awards Committee is charged with the duty of ensuring that funds donated by members are distributed to worthy recipients and applied in support of research into the causes of and hopefully the eventual cure of intellectual disability as it affects children and persons of advanced years in the form of Alzheimer's Disease.

The Foundation funds three areas of study:

**Major Research Grants** of \$35,000/yr for three years, supporting medical/biological researchers who hold a Doctoral degree and who have an academic appointment at a Canadian university or Canadian research hospital.

**Graduate Student Research Awards** of up to \$10,000/yr for two years, supporting students registered in a Doctoral research program focused on the physical-biological or social aspects of intellectual impairment.

**College Bursaries**, valued at \$2,000, awarded to one full-time student from each Province and Territory, who will be entering the final year of studies at a recognized Community College, leading to certification to assist those who are intellectually and/or developmentally challenged.

The charitable outreach of the SRCF is administered through the Foundation's Hamilton office. The processing of applications and selection of recipients is

done voluntarily by members of the Awards committee assisted by the office staff in Hamilton.

This year the Awards Committee received over 78 applications for Major Research Grants, Graduate Student Awards and College Bursaries. The Foundation is indebted to Dr. Gareth Taylor who coordinates the adjudication process with help from Dr. Paul Fraser, a past SRCF Grant recipient, and the generous assistance from their professional colleagues across Canada.

Information and application forms for Major Grants, Graduate Student Awards and College Bursaries are available online at ([www.scottishritemasons-can.org/foundation](http://www.scottishritemasons-can.org/foundation)). A review of this year's submissions indicates that most applicants obtained their information from the SRCF website and used the online application forms. As a result of this trend the Foundation realizes a significant saving in printing, postage and office workload.

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

All members of the Rite are encouraged to make annual contributions through the Blue Envelopes provided to them by each Valley across Canada. The Foundation appreciates the support of Valleys and clubs who organize special fund-raising events with the proceeds designated for the SRCF. Donations are also received with memorial cards in memory of departed loved ones. Bequests are a major source of receipts and members are encouraged to remember the Foundation in their wills.

Anyone who, over a period not exceeding five years, makes contributions in amounts of not less than \$100 or multiples thereof, to a total of at least \$500, is designated a Fellow of The Scottish Rite Charitable Foundation of Canada, and is entitled to receive and

wear a sterling silver pin crafted in the shape of the Foundation logo.

Scottish Rite members can be assured that their donations are thankfully received and are being faithfully applied supporting researchers across Canada searching for solutions to the puzzle of the mind.

Respectfully submitted,  
Donald R Thornton,  
Chair  
Dr. Gareth R. Taylor,  
Vice-Chair

## President's Report

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bursaries. This is, by no means, an easy task because all the applications have merit. This year, the committee reviewed 78 applications, 33 of which were new applications for major research grants. In all, the committee approved new and renewed major grants, awards to graduate students and bursaries to college student and approved requests worth \$490,000.

An initiative of the Foundation on the practical side of recognizing the effect Alzheimer's can have on family members who must care for loved ones afflicted with the disease was the support given at the suggestion of Director Philippe Decelles to "Baluchon (travel bag) Alzheimer" in Montreal, an organization devoted to giving respite to these care givers. A bonus for the Foundation was the excellent photographic coverage given to the presentation of the Foundation's donation in the society's bulletin *L'entr'aide-memoire*.

As always, appreciate is extended to the Foundation's representatives in each Valley, the Grand Secretaries and Registrars and the Hamilton office personnel for their commitment to the charity of the Scottish Rite Freemasons of Canada.

Respectfully submitted,  
John V. Lawer,  
President