



# Annual Report 2006-2007

THE SCOTTISH RITE CHARITABLE  
FOUNDATION OF CANADA

## President's Report

### 2006/07: A year of firsts

Sometimes, when you look back on a year, you don't see a pattern or a theme. When I started looking at 2006-2007 I thought it might be seen as an uneventful year. But as items popped up, the numbers came in and I started hearing from different Valleys, it became clear that this is a Year of Firsts. Let me tell you about some of them.

This year marks a milestone in the history of the Scottish Rite Charitable Foundation as the market value of our investment portfolio passed \$15 million for the first time. Since the Foundation's creation in 1964, we have donated roughly \$10 million to medical research and, more recently, helped fund the creation of Learning Centres for dyslexic children. These numbers are a wonderful testament to the generosity of our members.

This year also marks a new high in terms of the donor participation rate of our members: 8.3%. This is the highest percentage participation rate we have seen since we started keeping track.

It also marks the first time that a graduate of one of our Learning Centres will speak to the Sovereign Grand Commanders dinner. Adam Hatcher is that graduate. He is 12, in Grade 7 and a graduate of the Learning Centre in London. When Adam began his lessons he was in Grade 5 and reading at a Grade 3 level. When he graduated in October last year he was reading close to a Grade 8 level. He will be our youngest-ever guest speaker, and perhaps our shortest, and it will be an honour to have him with us.

Also, in this list of firsts, I must include the first graduate of the Windsor Learning Centre. The student is a 14-year-old girl, who, when she came into the program in 2005, had reading comprehension at a grade 2 level. She is now reading near a grade 8 level and her comprehension skills are at a grade 11 level. The young lady accepted her graduation certificate earlier this year during the Centre's official dedication where she received a standing ovation from 180 masons, wives, parents, tutors and fellow students. It was a proud moment for all involved.

There's one more first I want to mention. Never before have we received a thank you letter from an award recipient who was working in an Inuit community when she got her award notice. Let me quote just a part of her letter:

*"I was extremely pleased to receive your correspondence of October 3, 2006 informing me that my application for funding from the Scottish Rite Charitable Foundation was successful. I apologize for the delay in acknowledging receipt and sending my sincere thanks to the Awards Committee. Your correspondence found me in a small, isolated Inuit community on the north coast of Labrador where I spent 4 months implementing an attention training program with young children with Fetal Alcohol Spectrum Disorders. I am very grateful for the support from the Foundation in conducting this work.*

*While I am just now in the process of analyzing data and finalizing my results from this phase of my work, I am very optimistic that the program was of benefit to these children. Preliminary results are positive for a group of children who received training in the first phase of this project in St. John's.*

*Please offer my heartfelt appreciation to the Awards Committee.*

*Sincerely,  
Roxana Vemescu,  
PhD Candidate, Psychology, Memorial University*

Over the years we have granted many awards and supported a wide range of projects across the country and I am proud of all of them. But this award struck me as particularly noteworthy because it illustrates that Masonic generosity reaches into the furthest corners of Canada.

For the past two years, and now, for the third, I have had the honour of presenting awards to Valleys in three categories for their remarkable support of the Foundation.

The first award, for the Highest Participation Rate – which is the number of members who give to the Foundation as a percentage of total membership – goes to Medicine Hat, with a remarkable participation rate of 24.1%. Thank you and congratulations.

The second award, which recognizes the highest average donation, goes to Windsor, for their extraordinary average donation of \$144.22. I should make it clear this award is calculated by dividing the total donation by the total membership. This isn't just the average donation of those who give.

Windsor has been, for many years, one of



John V. Lawer

the most generous donors to the Foundation. This year they raised – from individuals and the bingo games they sponsor – almost \$74,000. Let's hope bingo never goes out of fashion.

The third award goes to the Valley that sees the largest dollar increase in its donation to the Foundation. This year,

with a wonderful increase of \$20,724, the winner is the Valley of Toronto.

Just in case you think Toronto's showing is an anomaly, let me highlight the other Valleys in the top five:

London, with an increase of \$15,776.

Moncton, with \$14,345.

Fraser Valley, with \$12,422.

And Calgary, with \$9,052.

Congratulations to them all.

I've said in past messages that I seem to talk a lot about money, so, staying true to tradition, there are two more money-related thank yous I want to mention. The first goes to Jack Barr of Vancouver Valley, head of the fund raising committee for the Learning Centre they hope to open next year. Jack and his team organized a black tie dinner and silent auction. Between the money raised at the dinner and donations that were contributed earlier, but announced at the dinner, the evening raised \$40,000. A truly remarkable achievement. I also want to thank the many members who participated in this year's walkathon. You collectively raised \$18,534. Thank you and thanks to your sponsors.

As always, there are many persons to thank for their dedication to the Foundation, but I especially want to express appreciation to the Treasurer A. Douglas Nicholls, FCA, and to the Assistant Treasurer, Edward Standish, CA, and Hamilton staff George Robbins and Terry A. McLean, Sue Thompson and Annie Thompson. And here's another first: for the first time we are going to have Foundation staff member Sue Thompson with us on the occasion of our Annual Meeting in Ottawa and she will grace the head office table at the Foundation Friday luncheon.

Respectfully submitted  
John V. Lawer  
President

# Treasurer's Report

This is my first report as Treasurer and I am pleased to report your Foundation realized another successful financial year. Learning Centres continue to flourish as a result of the hard work of volunteers and successful fund raising activities at the local level. The increase in the number of centres brings with it some growing pains, but with the overwhelmingly positive feedback we are receiving from all of the stakeholders, these pains are well worth it. The Foundation's support for medical research into solving "the puzzles of the mind" continues. It is gratifying to read about the advances achieved and its application to everyday life.

## Financial review

The Financial Highlights of the Foundation's financial position and results of operations on this page have been extracted from the audited annual financial statements of the Foundation. Copies of the audited financial statements may be obtained from the Foundation's office.

## Operations

The Foundation enjoyed another financially successful year. Its net assets increased by slightly over \$500,000 to nearly \$14,000,000. Overall, the Foundation's revenue decreased to \$1,429,164, a decline of about \$93,000 from last year. Donation revenue was down approximately \$11,000, perhaps reflecting the increased competition for donations by other worthy organizations. Participation in walkathons and other fund raising events is improving. These events are not only enjoyable but they provide tangible benefits for the Learning Centres. Bequests increased by approximately \$27,000. While we regret the passing of our benefactors we are grateful for their foresight and generosity in supporting the work of the Foundation. Gains realized from the sale of securities and investment income form a significant source of funds to finance the work of the Foundation and enabled the Foundation to increase its net assets. We are truly fortunate to have had this steady source of income to support the Foundation's activities.

Total expenses of the Foundation were \$928,225, an increase of about \$210,000 over the 2006 figure of \$718,495. The most significant increase was for Learning Centre operations which show an increase of slightly over \$95,000. The increase is due mainly to the addition of a new Learning Centre in Halifax-Dartmouth. There was an increase in Grants awarded of \$70,000 and Administration and fund raising expenses increased by \$27,000.

## Financial position

The investment portfolio grew to \$13.4 million, an increase of about \$500,000 over last year. At May 31, 2007 the market value of the portfolio was about \$15.3 million versus \$13.9 million last year. The overall rate of return on the investment portfolio (gain on sale of investments, investment income and change in market value) was 12.5%. This compares favorably to the 1996 return of 7.9%. The rate of return is well above the average and we are grateful to our investment advisors, RBC Dominion Securities, for their investment counsel in the management of the portfolio.

## The way ahead

In the 2006 Treasurer's Report, H. Edward Standish, the then-Treasurer, expressed concern about the administrative routines and responsibilities of the Learning Centres and the amount of additional work required by the Foundation's office to meet the needs of the increasing number of centres. At present, all Learning Centres fall under the responsibility of the Foundation. Mr. Standish proposed that the Foundation continue to support the Learning Centres by providing annual operating grants. During the past year the Directors of the Foundation resolved to work toward providing more autonomy to the centres while requiring the centres to strictly adhere to the operating principles set out in the "Learning Centres for Children Handbook." There has been much discussion among the stakeholders as to the merits and demerits of decentralizing the operations. It is hoped that all the major issues raised can be resolved efficiently so new centres being proposed can proceed without impediment.

During the next year, the Foundation will be looking at improving the reporting function of financial transactions. Growth of the Foundation has put considerable pressure on these activities and we will examine ways to maximize efficiency.

The Foundation could not operate without the dedication of support staff. Sue Thompson and Annie Thompson have given

yeoman service in capturing and providing information to many people and have done so in a professional and cheerful manner. Janey Smith provided support and assistance to the Foundation for which we express our gratitude. George Robbins has served the Foundation for many years as assistant treasurer and we thank him for his guidance and wish him well in his retirement. On a personal note, I am grateful to former Treasurer, H. Edward Standish, for his wise counsel and guidance. The financial success of the Foundation today is, in many respects, the result of his many years of outstanding financial leadership.

Respectfully submitted,  
A. Douglas Nichols, Treasurer

## Financial Highlights – Financial Position

Year ended May 31, 2007

	2007	2006 (Restated)
<b>Assets:</b>		
Cash	\$ 223,121	\$ 276,282
Accrued interest	336,098	244,253
Advances to Learning Centres	61,280	61,280
Investments, at cost	13,350,382	12,846,122
Other	6,851	9,533
Capital assets	45,680	65,960
	<b>\$14,023,412</b>	<b>\$13,503,430</b>
<b>Liabilities:</b>		
Payables and accruals	\$ 17,560	\$ 34,517
Deferred contributions	86,000	50,000
	<b>103,560</b>	<b>84,517</b>
<b>Net assets:</b>		
Net assets invested in capital assets	45,680	65,960
Unrestricted net assets	805,067	954,697
Internally restricted net assets – capital	13,069,105	12,398,256
	<b>\$14,023,412</b>	<b>\$13,503,430</b>

## Financial Highlights – Operations

Year ended May 31, 2007

	2007	2006 (Restated)
<b>Revenue:</b>		
Amortization of grants	\$ 25,000	\$ 25,000
Bequests	156,757	129,726
Donations	380,417	391,041
Gain on sale of investments	295,749	523,718
Investment income	571,241	452,455
	<b>1,429,164</b>	<b>1,521,940</b>
<b>Expenses:</b>		
Administration and fund raising	163,696	121,340
Awards and bursaries	98,000	95,827
Grants	453,398	383,398
Learning centres	213,131	117,930
	<b>928,225</b>	<b>718,495</b>
<b>Excess of revenues over expenses</b>	<b>\$ 500,939</b>	<b>\$ 803,445</b>

