



# Annual Report 2009-2010

## THE SCOTTISH RITE CHARITABLE FOUNDATION OF CANADA

### President's Report

It always amazes me how fast a year goes by, from one annual report to another. It is a reminder to us all that we can not afford to be stagnant or complacent, but to get on with helping those in need and to make a difference in this world. Certainly the Scottish Rite Charitable Foundation has given us one avenue to make a difference, whether it is in conquering Alzheimer's through research grants and awards or helping a child through our Learning Centres. Our growth in establishing Learning Centres and with our ongoing commitment in supporting research in "solving the puzzles of the mind", is starting to tax our resources to the point that our Board of Directors will need to carefully analyze our financial capability going forward, and make the right decisions regarding the directions we want to pursue. Our September 2010 and future Board meetings will need to constantly revisit this and give valleys feedback in regards to our financial capabilities.

Over the last two years, we have again been reminded how quickly one's investment portfolio can deteriorate, but also regenerate. At the time of this writing, the Financial Markets seem to have rebounded, and our investment portfolio is getting back in line with the time prior to the economic downturn. Let me assure you, that your Board continues to be cautious with our investment strategy, and follows a policy of being conservative and balanced, and one that generates annual cash to support our endeavours.

In 2010 we set out to reorganize our structure for Learning Centres. This mammoth job has fallen on the shoulders of our Executive Director Learning Centres, Ill. Bro. Harold E. Crosby. Though there is still work to be done, we are well on our way to accomplishing our goal. Further details are available in this Annual Report. But I would be remiss if I didn't draw your attention and thanks to

Ill. Bro. Crosby for using his incredible talents, dedication and time to ensure that our Learning Centres are organized and operated on a sustainable basis.

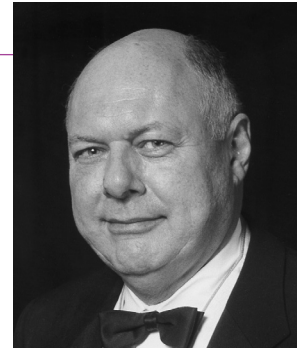
The demands on our Treasurer, Ill. Bro. George F. Benton, for his time and expertise, have increased dramatically as a result of what I have stated in the foregoing paragraphs. The Foundation could not operate without the talents of a financial professional and we thank Ill. Bro. Benton for his contributions to the Foundation.

All the Board of Directors, Committee Chairmen and members, all with various skills and talents work diligently throughout the year to ensure ongoing success and governance. I thank this dedicated group, without them my job would be impossible.

Supreme Council Office Staff under the direction of its C.O.O. James Seckington has provided the Foundation with the necessary Administrative duties throughout the year, and we are appreciative of their efforts and diligence.

The Foundation in conjunction with Supreme Council is proud of being able to publish our second issue of the "Clarion". Our Editor in Chief, Ill. Bro. Terry A. McLean is already working on the third issue. We want more participation from contributors and valleys across Canada and encourage you to submit items and articles of interest to the Supreme Council Office in Hamilton. This is your communication vehicle for all members across Canada. We are also looking for advertisers in the Clarion, and any interested party should contact Ill. Bro. McLean or the Supreme Council Office for details.

I want to congratulate the individual valleys who have received awards for their financial support. The excellent work the Foundation is involved in is not possible without the financial support of individuals



*Allard B. Loopstra*

and Scottish Rite Valleys. The winners are referenced elsewhere in this report.

One year ago, your Board of Directors decided that with establishing a three year rotation schedule for Directors, we needed to recognize their contributions in a different way than we did in the past, which was to make them "Directors Emeritus". Instead we would present them with a Certificate of Appreciation. This certificate is not intended to ever repay the outgoing Director with all the countless hours of volunteer service, but to formally thank him for his unselfish dedication in time and talent to the "good work" that this Foundation is involved in. Certificates of Appreciation will be presented to Ill. Bro. Donald R. Thornton and Ill. Bro. Robert A. Barnett. Over the years, these Brethren have made a difference that I alluded to in my opening paragraph. Knowing them both, I know they will continue to make contributions to Scottish Rite Masonry and its Charitable Foundation. The work of a true Mason is never finished. On behalf of the Foundation and the entire Scottish Rite Fraternity, I thank them.

In closing, I want you to hear again the words of Adam Hatcher, a London Learning Centre graduate who spoke at the Sovereign Grand Commanders Banquet in 2007:

"To all the volunteers at the Learning Centre, Masons, and the Scottish Rite, one hundred years from now it will not matter

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# Treasurer's Report

The Scottish Rite Charitable Foundation of Canada experienced a slow recovery for the year ending May 31, 2010. The Foundation is still not immune from worldwide economic conditions and must continue to monitor its financial activities very closely. Again, this year, 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 both 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 revenues in excess of expenses in the amount of \$90,826 before the unrealized gain on investments of \$412,836.

Although donations to Learning Centres operation decreased by \$83,808, revenues increased by \$534,790 mainly as a result of changes in the gain on disposal of investments this year compared to the loss incurred in the previous year.

Expense decreased again this year from \$170,809 to \$133,449 while distributions increased by \$21,311 to \$838,814.

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

Although capital donations from individual, Lodges and Masonic organizations increased by \$42,085 overall, capital donations decreased by \$159,208. Donations from bequests have all but disappeared and I urge all Scottish Rite Masons to consider the Foundation when writing their wills.

## Financial Position

Net assets as at May 31, 2010 of \$15,467,711 an increase of \$804,154 from the previous year. Again this increase can be attributed to the increase in the fair market value of the investments.

The largest asset of the Foundation is its investment portfolio. As at May 31, 2010 its fair market value was \$15,045,750. The investment portfolio consists of what is considered low risk investments 27% in equities and 73 % in fixed term or interest bearing investments.

## The Way Ahead

The challenges facing The Scottish Rite Charitable Foundation of Canada have not changed over the years:

## President's Report

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how much money you had in the bank, or the size of the house you lived in, or the type of car you drove.

However, the world may be different because you were important in the life of a child.

I want you to know; you have touched the life of this child and made a difference."

My fellow Scottish Rite Brethren, we need your help in continuing to make a difference in "solving the puzzles of the mind". During the next year, please take into consideration a donation to the Scottish Rite Charitable Foundation of Canada.

Allard B. Loopstra, *President*

1. To continue to support the ongoing medical research through grants, awards and bursaries.
2. To support operations and expansion of the Learning Centres.

The evolution of splitting off the Learning Centres as independent charitable entities will offer new challenges and as more Learning Centres open our financial resources will be taxed to an even greater extent.

Investment income for the ensuing twelve months is projected at \$600,000 and 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 as we go forward.

In closing I would like to express my appreciation to the staff of the Foundation for their continued support and assistance during the year.

Respectively submitted  
George Benton, *Treasurer*

## Statement of Operations

Year Ended May 31	2010	2009
<b>Revenue</b>		
Donations - Learning Centre operations	\$ 321,688	\$405,496
Amortization of deferred contributions		
- Ontario Trillium Foundation Grant	28,381	3,856
Investment Income	616,145	593,713
Gain (loss) on disposal of investments	96,875	(474,766)
	<b>1,063,089</b>	<b>528,299</b>
<b>Expenses</b>		
	<b>133,449</b>	<b>170,809</b>
Excess of revenue over expenses,		
before distributions and unrealized		
gains (losses) on investments	<b>929,640</b>	<b>357,490</b>
<b>Distributions</b>		
Grants	<b>418,630</b>	444,588
Awards	<b>70,000</b>	90,000
Bursaries	<b>24,000</b>	20,000
Learning Centre operations	<b>226,088</b>	211,906
Learning Centre Depreciation	<b>100,096</b>	51,009
	<b>838,814</b>	<b>817,503</b>
Excess of revenue over expenses before		
change in unrealized gain (loss)		
on investments	<b>90,826</b>	(460,013)
Change in unrealized gain (loss)		
on investments	<b>412,836</b>	(1,085,127)
Excess of revenue over expenses		
(expenses over revenue)	<b>\$ 503,662</b>	<b>(\$1,545,140)</b>

## Statement of Capital Revenue and Capital

Year Ended May 31	2010	2009
<b>Revenue</b>		
Donations		
Individuals, Lodges and		
Masonic organizations	\$ 107,591	\$ 65,506
Learning Centre Donations	<b>183,890</b>	162,813
Bequests	<b>9,011</b>	231,381
	<b>300,492</b>	<b>459,700</b>
Internally restricted net assets -		
Capital, beginning of year	<b>14,614,878</b>	14,155,178
Capital Revenue	<b>300,492</b>	459,700
Internally restricted net assets -		
Capital, end of year	<b>\$14,915,370</b>	<b>\$14,614,878</b>

## Financial Highlights – Financial Position

Year Ended May 31	2010	2009
<b>Assets</b>		
Cash	\$ 334,193	\$ 303,515
Receivable	8,538	58,848
GST Receivable	8,158	3,377
Prepays	9,804	—
	<b>360,693</b>	365,740
Capital assets	152,899	80,936
Investments	15,045,750	14,292,609
	<b>15,559,342</b>	14,739,285
<b>Liabilities</b>		
Payables and accruals	34,868	41,048
Deferred contributions	56,763	34,680
	<b>91,631</b>	75,728
<b>Net Assets</b>		
Net assets invested in capital	96,136	46,256
Unrestricted net assets - Income retained for charitable and benevolent purposes	456,205	2,423
Internally restricted net assets - Capital	14,915,370	14,614,878
	<b>15,467,711</b>	14,663,557
	<b>\$15,559,342</b>	\$14,739,285

## Recognizing Donors

For the last several years at the SRCF Luncheon, we have announced three awards which were created to recognize extraordinary financial support for the Foundation.

The Highest Average Donation Award is calculated by dividing the total donated by the number of members. The Valley of Halifax, with an incredible average donation of \$291.47, is the winner for the third consecutive year. We also recognize the Valley of Vancouver (\$115.47) and Valley of Winnipeg (\$110.47).

The Highest Participation Rate Award, recognizes the highest number of members who donate during the year as a percentage of total membership. This year the Valley of Summerside has excelled with a participation rate of 18.29%. To put this number into perspective, several years ago, the Foundation established a national participation rate of 10%, which, unfortunately, has continued to fall and last year was down to 5.3%. Only 5 Valleys exceeded the 10% national target, Victoria (15.56%), Winnipeg (12.96%), Lethbridge (11.49%) and Edmonton (10.76%)

The third award is the Largest Year-over-Year Award which goes to the Valley of Vancouver with an increase of \$9,895. This Award usually goes to a valley which is starting a Learning Centre or operating one. Honorable mention is extended to the runner-ups, Barrie (\$9,061), Halifax (\$8,667) and London (\$6,827), all of whom have operating Learning Centres. While the overall annual increase is considerably lower than in previous years, these Valleys already have relatively high baseline levels, e.g. Halifax with total donations of \$126.5 thousand.

In each of these categories, there can be only one “gold medal” winner. However, all Valleys and all donors are to be heartily congratulated for their superlative efforts on behalf of the Foundation. You are, indeed, making a difference and we thank you for it.

Sam Kalinowski, *Chairman Valley Awards*

## Grants & Awards

The Scottish Rite Charitable Foundation 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.

During the last year, the Awards committee received 14 new applicants for Major Research Grants (\$35,000 per year for up to three years) and recommended funding four new Research Grants. In addition, the Foundation continues its support of five Major Grant recipients for a second year and three recipients for a third year. Total Major Grants in support of for 2009-2010 will be \$418,630.

There were eight new applications for Graduate Students Awards and four merited funding. There were three 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 the generous assistance from professional colleagues across Canada.

A total of 18 Deputy's Provincial Charitable Donations valued at \$24,000 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*

<b>Dr. Nicole Caza</b>	<b>Univ. de Montreal (QC)</b>	<b>\$35,000</b>
<i>Comparative studies of medial temporal and frontal lobe functions in individuals with dementia of the Alzheimer type and Lewy Body disorders</i>		

<b>Dr. Kurt Haas</b>	<b>U British Columbia (BC)</b>	<b>\$35,000</b>
<i>Direct in vivo imaging of the effects of early-life seizures on brain circuit structure and function</i>		

<b>Dr. Sebastian Hebert</b>	<b>CHUL (QC)</b>	<b>\$35,000</b>
<i>The role of microRNAs in tau alternative splicing and sporadic tauopathies</i>		

<b>Dr. Romina Mizrahi</b>	<b>CAMH, UofT (ON)</b>	<b>\$35,000</b>
<i>Mapping Neuro-Inflammation in Alzheimer's Disease with [18F]-Feppa-A New Ligand for the Peripheral Benzodiazepine Receptor (PBR)</i>		



# Learning Centre Program

With the opening of the Barrie Valley Learning Centre in September 2009, the Foundation's remedial tutoring program for dyslexic children was delivered through five Centres across Canada during the past year. London; Windsor; Halifax; Vancouver; and Barrie.

The Program experienced significant growth during the year, both in the physical facilities; the number of children enrolled in the Program; and the number of volunteer tutors and supervisory personnel. In addition to the new facilities in Barrie, the Halifax Centre acquired additional space and doubled the number of tutoring rooms from four to eight to accommodate the growing number of children enrolled at that Centre. The London Centre is in the process of relocating their operations to an expanded and more efficient layout.

During the year a total of 80 children received the Orton-Gillingham Approach remedial tutoring under the direction of 47 volunteer tutors. The delivery of this tutoring required 2788 hours on the part of the tutors, plus the many hours required to prepare for each of the tutoring sessions. 12 children completed the Program and were awarded the Foundation's Certificate of Achievement.

Each of the Centres continues to see a remarkable positive change in the children who receive the remedial tutoring. The change results not only in increased self esteem but also in much improved results in their regular school work. The success of the Program has resulted in a broader

recognition by the public school authorities and by the professional psychologists in the communities where the Centres are in operation. The result of this positive recognition is an increase in the number of parents who are being referred to the Centres, and these referrals result in an ever growing number of children awaiting acceptance into the Program.

In April 2009 the Board approved a change in the organizational structure of the Program, to remove it from being a direct operation of the Foundation and have it delivered by separately incorporated bodies under License from the Foundation. The change required each Centre to become an incorporated entity; secure registration under the Income Tax Act (Canada) as a charitable organization; and execute a License Agreement with the Foundation. The target date for the completion of the restructuring was set for May 31, 2010.

The Barrie and Halifax Centres completed all the requirements prior to May 31, 2010 and as of June 1 commenced operation under the new structure.

The London and Vancouver Centres have been incorporated and are in the process of seeking charitable registration. The Windsor Centre has retained legal counsel and is in the process of securing incorporation. As each of these Centres receives confirmation of their charitable registration status, they will execute the License Agreement and commence operations under the new structure.

The Scottish Rite Valleys in Calgary; Edmonton; Moncton; and Winnipeg are proceeding with the planning required to have a Learning Centre established in their communities.

The change in the organizational structure required a major revision to the Program Handbook. The required revisions have now been completed and approved by the Learning Centre Committee of the Board. The 2006 version of the Handbook had a very broad circulation. In light of the cost of producing and delivering the Handbook, the Learning Centre Committee has approved a more restricted distribution. However, should any current holder of a Handbook, not included in the more restricted distribution, wish to have the revised issue it will be made available to them on request.

All Scottish Rite masons in Canada can be justifiably proud of what is being accomplished through the Learning Centre Program. This Program is making a very significant positive impact on the lives of the children who receive the remedial tutoring, as well as on the families of those children. We are helping the children to be better equipped to successfully complete their education and to more adequately prepare themselves to be productive members of society. We are indeed "Freemasons Helping Children".

Harold Crosby,  
*Executive Director Learning Centres*

## Donating to the Foundation

There are a number of ways that you can support the work of the Scottish Rite Charitable Foundation.

Just recently the Foundation has made available on-line donations through the internet. Simply go the Scottish Rite Charitable Foundation of Canada website [www.srcf.ca](http://www.srcf.ca) and click on "Donating to the Foundation". When you click on "On Line Donations" you will re-directed to a secure on-line site hosted by CanadaHelps.org (third party Donation). We have contracted with CanadaHelps to administer our "on-line" donations. CanadaHelps has facilitated over 100 million in charitable donations

through their website since it was launched in 2000. It makes it very easy for you and our members to make donations.

### **There are also a number of other ways to donate to the Foundation.**

By calling the Scottish Rite Charitable Foundation Office at 905-522-0033 during regular business hours (Monday to Friday, 8:30 a.m. to 4:30 p.m. EST) and have your Visa or MasterCard information ready.

You may also donate through the Blue Envelopes that are available at your regular meetings.

**Estate Planning:** Include the Scottish Rite Charitable Foundation in the planning of your Estate by: including the Foundation in your Will; naming the Foundation as a beneficiary of a new or existing life insurance policy; gifting assets such as

stocks, bonds, mutual funds or term deposits; or willing residual funds from a RRIF to the Foundation.

**Memorial Donation:** If you wish to make a donation in the name or memory of someone, you can do so by calling the office at 905-522-0033, or fill out the memorial section of the attached form available on the web, through on-line donations or of a "Blue Envelope".

**Fund Raising:** Participate in fund raising events for the Foundation.

Remember, anyone who, over a period not exceeding five years, makes contributions that total at least 500, is designated a Fellow of the Scottish Rite Charitable Foundation of Canada and is entitled to receive and wear a sterling pin crafted in the shape of the Foundation Logo.