

Annual Report 2016-2017

The Scottish Rite Charitable Foundation of Canada

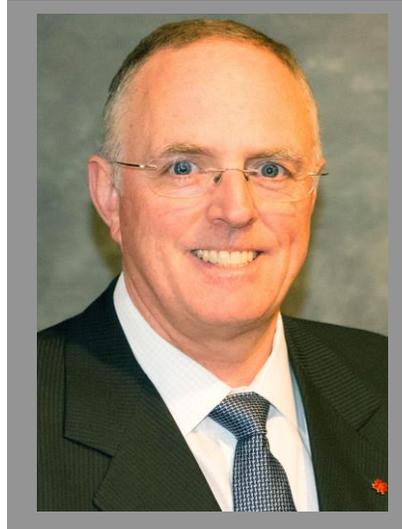
President's Report

How quickly a year passes. Last year we were celebrating that we reached the remarkable total of \$1,610,177 raised during our 50th Anniversary Capital Fund campaign. This additional funding will certainly allow the Foundation to grow its core programs and to assist the Learning Centres to Help Solve the Puzzles of the Mind.

The Board of Directors at its April meeting took the first step to growing the Foundation's core programs by agreeing to strengthen the Foundation's granting program by increasing the annual value of each grant to a maximum of \$40,000 from the current \$35,000 per year starting with the April 1, 2018 grant competition. This will raise the total value of a grant to \$120,000 over 3 years. In the first year, this will increase our commitment to the grants program by \$20,000 and within three years will add \$60,000 to the amount distributed through this program. By 2020/2021 we will be distributing \$480,000 to worthy researchers in Canada.

This could not have been accomplished without the tremendous support received from the 50th Anniversary Capital Fund.

This year also marked the ninth edition of the "Clarion", jointly published by the Scottish Rite Charitable Foundation and Supreme Council and sent to all Scottish Rite members in Canada.



Dr. Gareth R. Taylor

This issue highlighted the success of the Foundation's Capital Campaign. Congratulations to our Editor in Chief, Ill. Bro. Kenneth D. McComb, 33° and his Editorial Board for another outstanding issue.

The 2017-2018 will see three new Directors being elected. We thank Ill. Bro. James Ford who will be stepping down as a Director in September. This marks the end of Jim's 6 years of dedicated service to the Foundation, the last 5 of which he has served as our Secretary. We were deeply saddened by the loss of Dr. Jason Ashley on May 2, 2017. Jason had only just become a Director in September 2016. The resignation of Ill. Bro. Kenneth McComb created the third vacancy.

Ill. Bro. Matthew F. Todd, 33° Executive Director Learning Centres reported on the number of graduates from the Learning Centre programs. The numbers continue to grow year over year. I have had the opportunity to attend a number of the graduation ceremonies and it certainly impresses upon me the impact and difference we are making in these communities.

Special thanks goes to the Directors, Officers, Committee Chairmen, Executive Director Learning Centres, Learning Centre Directors, Learning Centre Tutors and Volunteers, Valley Representatives and the Foundation office staff for all of your efforts on behalf of the Foundation to help us in our work to Help Solve the Puzzles of the Mind.

To our Scottish Rite members, thank you for your ongoing financial support of the Foundation.

I continue to believe that we can be truly proud of what the Scottish Rite Charitable Foundation accomplishes for others through its Grants and Awards and the Learning Centre Programs.

*The purpose of human life is to serve, and to show compassion and the will to help others – **Albert Schweitzer.***

Dr. Gareth R. Taylor
President

Treasurer's Report

The Foundation receives wonderful support from Scottish Rite members, families and other organizations. While the 50th Anniversary campaign has finished, donations and bequests reflect continued support in the current year. The financial highlights of the year ended May 31, 2017 follow. ¹

Donations and bequests in the current year amounted to \$299,560 compared to \$281,064 in the prior year. Investment income of \$844,722 showed improvement over \$540,266 earned last year. Crude prices remain unstable which affects the value of our equity portfolio and the Canadian dollar. Improving equity markets have led to higher returns. Interest rates remain low which impacts 51% of the portfolio. At year end, an unrealized gain of \$224,095 was recognized compared with an unrealized loss of \$465,722 in 2016.

Expenses for the year declined to \$140,012 compared to \$164,195 in the prior year. The Foundation incurred the costs of \$28,191 for the second part of an Advanced Language training course for tutor trainers. These costs incurred by the Foundation demonstrate the continuing commitment to Learning Centre operations. A new Learning Centre in Hamilton was incorporated on November 7, 2016. Since the 50th Anniversary campaign ended in the prior year, no costs were incurred in 2017. Other expense categories in total were lower.

Research grants and bursaries totalled \$439,636 in 2017 compared to \$423,541 in 2016. Distributions to Learning Centres in the current year were \$4,850 compared to \$51,355 in 2016. During the 50th Anniversary Capital Campaign many supporters donated directly to the Foundation but requested that their donations be directed to specific Learning Centres. With the end of the campaign these donations are being sent directly to the Learning Centres.

Net revenue of \$783,879 showed improvement over 2016 where an excess of expenses and distributions over revenue was \$283,483. The net increase in cash was \$574,828 in 2017 compared to \$236,120 in 2016.

The portfolio had a market value of \$16.8 million at May 31, 2017 and \$16.6 million in 2016. Accounting standards require that we state the portfolio at market value, rather than at cost, and this creates unrealized gains or losses each year end. However, more cash was on hand at year end due to liquidating some equity positions in 2017. Net assets were \$17.7 million in 2017 compared to \$16.9 million in 2016.

Commodity and equity markets have shown signs of improvement during 2017. The Foundation takes a very long-term view with respect to the earning potential of the portfolio. Since January 1, 2000, the portfolio has earned a return of 5.77%. We hope for improved equity returns and higher interest rates in the near term.

Duncan S. Skinner
Treasurer

¹ The financial information presented in this report is a subset of the full 2017 audited financial statements due to available space. The full 2017 audited set of comparative financial statements is available by contacting the Foundation's office.

2016-2017 Financial Highlights

Statement of Operations

Year ended May 31	2017	2016
Revenue	\$	\$
Donations & Bequests	299,560	281,064
Investment income	844,722	540,266
	<u>1,144,282</u>	<u>821,330</u>
Expenses		
Administration	55,133	54,622
Directors	6,462	5,438
Insurance	8,234	8,023
National Learning Centre	36,939	45,376
Professional fees	17,000	25,000
Promotion & public relations	13,368	25,736
Information Technology	2,876	0
	<u>140,012</u>	<u>164,195</u>
Excess of revenue over expenses	<u>1,004,270</u>	<u>657,135</u>
Distributions		
Grants	421,636	422,041
Bursaries	18,000	1,500
Learning Centre Donations	4,850	51,355
	<u>444,486</u>	<u>474,896</u>
Excess of revenue over expenses	559,784	182,239
Unrealized (loss) gain	224,095	(465,722)
(Deficiency) / Excess	<u>783,879</u>	<u>(283,483)</u>

Statement of Financial Position

Year ended May 31	2017	2016
Assets	\$	\$
Cash	976,505	401,677
Receivables	460	400
HST/GST receivable	3,100	4,499
Prepays	7,609	610
	<u>987,674</u>	<u>407,186</u>
Investments	16,757,790	16,557,969
	<u>17,745,464</u>	<u>16,965,155</u>
Liabilities		
Payables and accruals	28,090	31,660
	<u>28,090</u>	<u>31,660</u>
Net assets	<u>17,717,374</u>	<u>16,933,495</u>
	<u>17,745,464</u>	<u>16,965,155</u>

Statement of Changes in Net Assets

Year ended May 31	2017	2016
	\$	\$
Net assets, beginning of year	16,933,495	17,216,978
(Deficiency) / Excess	783,879	(283,483)
Net assets, end of year	<u>17,717,374</u>	<u>16,933,495</u>

Grants & Awards

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 disease, which 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.

During the last year, the Awards committee received 17 applications for Major Research Grants (\$35,000 per year for up to three years) and recommended funding 4 new Research Grants. In addition, the Foundation continues its support of 4 Major Grant recipients for a 2nd year and 4 recipients for a 3rd year. Total support for the Major Grants program for 2016-2017 was \$421,636.

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

The Provincial Deputy Bursary program was reinstated this year and a total of 20 bursaries totaling \$18,000 were distributed across the county.

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 through the Scottish Rite Charitable Foundation website (www.srcf.ca).

Dr. Loren Kline

Chair, Awards Committee

NEW MAJOR RESEARCH GRANTS

(Amount shown is 3 year total funding)

Dr. Pushpal Desarkar	\$103,680
Co-applicants: Drs. Z. Daskalakis, T. Rajji, D. Blumngerger, S. Ameis, M-C Lai	
Centre for Addiction and Mental Health, Toronto, ON	
<i>Assessing and Stabilizing Neuroplasticity in Autism Spectrum Disorder using Transcranial Magnetic Stimulation</i>	
Dr. Julie Lefebvre	\$105,000
Hospital for Sick Children, Toronto, ON	
<i>The roles of the autism associated clustered Protocadherin genes in inhibitory circuitry development and dysfunction</i>	
Dr. Lisa Münter	\$105,000
McGill University, Montreal QC	
<i>Cellular effects of RHBDL4-generated APP fragments</i>	
Dr. Jing Wang	\$105,000
Ottawa Hospital Research Institute, Ottawa ON	
<i>Targeting the aPKC-CBP pathway in Alzheimer's disease</i>	

Learning Centre Program

The Learning Centre Program continues to operate with 8 Centres in Canada, and 1 satellite pilot operation in Bracebridge, Ontario. This is the final year for the Bracebridge pilot and a recommendation will be made this fall which will include the criteria for future satellite operations. Overall statistics show 114 volunteer Tutors tutoring 157 children and accumulating more than 7300 tutoring hours. During the past year, there have been 63 children who have completed the Orton-Gillingham program and have moved on in their educational journey. All 8 Centres have now graduated children and have been dedicated and recognized as mature Centres.

The Foundation has provided funding for a 45 hours Advanced Language Course which was held in four sessions. The last session was held in Halifax, in May, and there were 9 graduates completing the course. These graduates are eligible to take further studies/training to become Orton-Gillingham Trainers and/or Centre Senior Mentors. The annual Centre Directors meeting was held in Halifax in May, and most of the Directors attended an Orton-Gillingham Workshop facilitated by William VanCleave and sponsored by the Halifax Centre. These annual meetings are funded by the Foundation and enable the Centre Directors to compare notes and be a resource for each other in our Canadian network. The Foundation is also providing funding for a Trainers meeting in Hamilton, Ontario in October. This will provide an opportunity for the Trainers from across Canada to discuss, and improve training techniques, and to plan a future Advanced Language course. Three of the graduates from the Advanced Language course are Certified Tutors from the Nova Scotia Department of Labour and Advanced Education and with further advancement they will help to sustain the adult learning program in that province.

The Hamilton Learning Centre is getting closer to becoming a reality with many of the initial steps in place and a possible opening early in 2018.

The key to success for any Centre is, of course, sustaining financial support from on-going fund raising activities. There needs to be strong support from the Valley where the Centre is located, as well as Valleys in surrounding areas to join in promoting and helping to maintain the operating costs required to sustain a Centre. Along with the financial support, each Centre needs a staff of volunteers who are the life blood of each Centre. Those people who have, and continue to fill these roles, find it a very rewarding and fulfilling experience. The total yearly operating budget for the 8 Centres will exceed \$775,000 again this year, which is a huge amount for the Centres to raise.

The Learning Centre Program has been a huge success and the Scottish Rite Charitable Foundation is fulfilling a desperate need to children diagnosed with dyslexia, in the 8 communities where we have Learning Centres. The program has been a tremendous boost to the profile and recognition of Freemasons right across the country.

Matthew F. Todd

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

1. Telephone: Call the Foundation Office at 905-522-0033 during regular business hours (Monday to Friday, 8:30 a.m. to 4:00 p.m. EST) and have your Visa or MasterCard ready.

2. Printable Form: (available on our website) If you would like to make a donation by mail or fax, please complete the form and return with your payment.

3. On-line: (available on our website) You will be directed to a secure online site hosted by Canadahelps.org (third party donation). *If you wish to donate to a specific project or other Foundation initiative, please enter that information in the comments box on the donation page.*

4. Blue Envelope: Use your "blue envelope" that you periodically get in the mail or obtain one from your Valley Secretary.

5. Estate Planning: Include the Foundation in the planning of your Estate; naming the Foundation as a beneficiary of a new or existing life insurance policy; gifting stocks,

bonds, mutual funds or term deposits; or willing residual funds from a RRIF. Both the brochure and the form can be found on our website.

6. Memorial Donation: If you wish to make a donation in the name or memory of someone, you can do so by calling the office or fill out the memorial section of the "Printable Form" or "Blue Envelope".

7. Securities Transfer – A Win/Win Donation: Did you know that you are able to make a gift to the Foundation by transferring Securities? This way you avoid paying capital gains on the Security (stock) being transferred, the SRCF would receive the full value of the stock being transferred, and you would receive a donation receipt for tax purposes for the full value of the stock on the day it is being transferred. Simply call the Office for the proper form and they will guide you through the process or download the form available on our website.

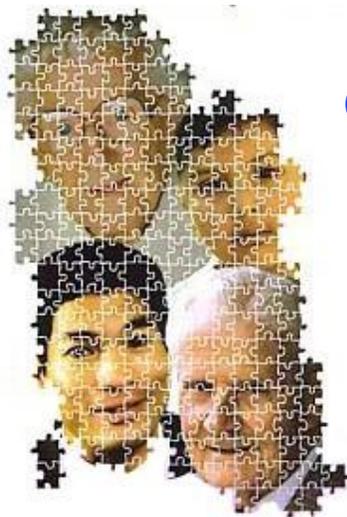
8. Fund Raising: Participate in fund raising events for the Foundation.

Note: You do not need to be a member of the Scottish Rite or be a Mason to make a donation to the Scottish Rite Charitable Foundation. **Anyone** can make a donation using one of the options listed above.

Income Tax receipts will be issued for a *minimum donation of \$20* to the Foundation.

"One time" or specified "monthly" donations can be made using your Visa or Master Card. See the Printable Form, Blue Envelope or Donation Card.

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 a pewter pin crafted in the shape of the Foundation Logo to wear.



Scottish Rite
Charitable Foundation
of Canada

Helping to Solve
"Puzzles of the Mind"
since 1964

