



Annual Report 2017-2018

The Scottish Rite Charitable Foundation of Canada

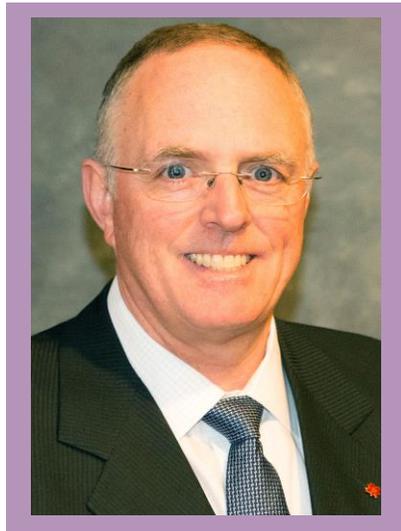
President's Report

"Do the difficult things while they are easy and do the great things while they are small. A journey of a thousand miles must begin with a single step." These words were written by Lao-Tzu an ancient Chinese philosopher and writer and very accurately describes how we need to approach our goal to Help Solve the Puzzles of the Mind. The human brain is the most complex biological structure known and our understanding of the brain is still limited. Our grants program seeks to help unravel the puzzles and help with understanding the basic biology and the health challenges such as dementia (Alzheimer's and related dementias) and Parkinson's disease as examples while the Learning Centre program is a practical application assisting those with Dyslexia.

Our ability to increase the funding to the granting program will no doubt help our funded researchers and could not have been accomplished without the tremendous support received from the 50th Anniversary Capital Fund.

This year also marked the tenth edition of the "Clarion", jointly published by the SRCF and Supreme Council and sent to all Scottish Rite members in Canada. Congratulations to our Editor in Chief, Ill. Bro. Darian Bacon 32° and his Editorial Board for another outstanding issue.

This year will see two new Directors being elected. We thank Ill. Bro. Gordon Greasley who will be stepping down as a Director in September for his service to the Foundation. Also this September



Dr. Gareth R. Taylor

marks the end of Ill. Bro. Terry A. McLean's term as Sovereign Grand Commander. Ill. Bro. McLean has served the Foundation as a Director during his term as Lieutenant Grand Commander and also as Sovereign Grand Commander. We will miss his support and wisdom as a Foundation Director and wish both Terry and Gord all the best in their future endeavours.

This was an exciting year for the Learning Centre program with the Learning Centre for Hamilton opening its doors to its first students in May of this year. We look forward to the official opening on September 16, 2018. Congratulations to Ill. Bro. Donald D. Thornton and all those who have been involved in getting this Learning Centre off the ground. Ill. Bro. Matthew F. Todd, Executive Director Learning Centres reported on the number

of graduates for the Learning Centre program. The numbers continue to grow year over year. This program continues to make a tremendous impact and difference in these communities.

The Foundation Board also approved a new poster and brochure to help promote the efforts of the Foundation. Please contact the office if you would like copies of these.

Special thanks goes to the Directors, Officers, Committee Chairman, 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.

"However difficult life may seem, there is always something you can do and succeed at." - Stephen Hawking

Dr. Gareth R. Taylor
President

Treasurer's Report

The Foundation receives wonderful support from Scottish Rite members, families, friends and other organizations. Donations and bequests reflect continued support in the current year. The financial highlights of the year ended May 31, 2018 follow.¹

Donations and bequests in the current year amounted to \$674,144 compared to \$299,560 in the prior year. Investment income of \$457,635 was lower than \$844,722 earned last year due to the sale of underperforming stocks and lower capital gains. Crude prices have been increasing which affects the value of our equity portfolio and the Canadian dollar. Improving equity markets have led to higher returns. Interest rates remain low but are now moving upwards which impacts 42% of the portfolio. At year end, an unrealized gain of \$30,103 was recognized compared with an unrealized gain of \$224,095 in 2017.

Expenses for the year of \$141,035 were similar to those of \$140,012 in the prior year. The Foundation incurred costs of \$28,191 for the second part of an advanced language training course for tutor trainers in 2017. These costs incurred by the Foundation demonstrate the continuing commitment to Learning Centre operations. Another language training program is planned for the fall of 2018. Professional fees reflect principally a different treatment of HST charges and accruals in 2018 compared to 2017. The spring 2018 Directors' meeting was held by conference call rather than in Hamilton as in 2017. Promotion and Public Relations were higher in 2018 due to a change in cost sharing related to the Clarion magazine with Supreme Council.

Research grants and bursaries were \$435,639 in 2018 compared to \$439,636 in 2017. Many supporters donated directly to the Foundation but requested that their donations be directed to specific Learning Centres. Distributions to Learning Centres in the current year were \$385,808 compared to \$4,850 in 2017. A new Learning Centre in Hamilton was incorporated on November 7, 2016 and donations of \$331,800 received in the current and previous years were paid to Hamilton Learning Centre in the spring of 2018. The Foundation also donated to Hamilton Learning Centre \$5,000 to assist with incorporation costs and \$40,000 for capital improvements.

Net revenue of \$199,400 was lower than in 2017, \$783,879, mainly due to the donations to Hamilton LC.

The portfolio had a market value of \$17.2 million at May 31, 2018 and \$16.8 million in 2017. 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. Equity prices reflect higher valuations and our advisor is holding cash to be prepared to take advantage of buying opportunities. Net assets were \$17.9 million in 2018 compared to \$17.7 million in 2017.

Commodity and equity markets have shown signs of improvement during 2018. 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 5.6%. 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 2018 audited financial statements due to available space. The full 2018 audited set of comparative financial statements is available by contacting the Foundation's office.

2017-2018 Financial Highlights

Statement of Operations

May 31, 2018	2018	2017
Donations	147,549	257,304
Bequests	526,595	42,256
Donations & Bequests	674,144	299,560
Investment income	494,207	462,282
Gain on disposal	-38,946	382,185
Other income	2,374	255
Investment Income	457,635	844,722
	1,131,779	1,144,282
Expenses		
Admin	52,847	55,133
Directors		6,462
Insurance	8,263	8,234
National LC	33,234	36,939
Professional fees	25,900	17,000
Promo & Public Rel.	16,101	13,368
IT	4,690	2,876
	141,035	140,012
Excess of revenue over expenses	990,744	1,004,270
Distributions		
Research grants	420,639	421,636
Bursaries	15,000	18,000
Donations to LCs	385,808	4,850
	821,447	444,486
Excess of revenue over expenses	169,297	559,784
Unrealized gain	30,103	224,095
Excess	199,400	783,879

Statement of Financial Position

Year ended May 31	2018	2017
Assets		
Cash	786,136	976,505
Receivables	460	460
GST/HST receivable	2,794	3,100
Prepays	7,609	7,609
	796,999	987,674
Investments	17,157,111	16,757,790
	17,954,110	17,745,464
Liabilities		
Payables & accruals	37,336	28,090
Net assets	17,916,774	17,717,374
	17,954,110	17,745,464

Statement of Changes in Net Assets

Year ended May 31	2018	2017
Net assets, beginning of year	17,717,374	16,933,495
Excess	199,400	783,879
Net assets, end of year	17,916,774	17,717,374

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 23 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 2017-2018 was \$417,385.

The Foundation was again 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 16 bursaries totaling \$16,500 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. Ayman ElAli Université Laval, Quebec City, QC <i>The role of apolipoprotein E4-canonical Wnt pathway crosstalk at the blood-brain barrier in Alzheimer's disease</i>	\$105,000
Dr. Baptiste Lacoste Co-applicant: Dr. Jean-Claude Beique Ottawa Hospital Research Institute, Ottawa, ON <i>Contribution of cerebrovascular deficits to the pathophysiology of Autism Spectrum Disorders</i>	\$105,000
Dr. Rebecca MacPherson Brock University, St. Catharines, ON <i>The role of estrogen on brain insulin signaling in obese insulin resistant female mice</i>	\$99,000
Dr. Guang Yang University of Calgary, Calgary, AB <i>The roles of glyoxalase 1 and maternal diabetes in neuronal morphogenesis: A mechanism for the gene environment interaction in Autism</i>	\$105,000

Learning Centre Program

The Learning Centre Program operates with 9 Centres in Canada, and 1 Satellite operation in Bracebridge, Ontario. A new Centre in Hamilton began tutoring children in April and will be officially opened in September. Overall statistics show 123 volunteer Tutors tutoring 170 children and accumulating more than 8500 tutoring hours. During the past year, there have been 45 children who have completed the Orton-Gillingham program and have moved on in their educational journey. Eight Centres have now graduated children and have been dedicated and recognized as mature Centres.

The Foundation will assist with funding for a 45 hour Advanced Language Course which will be held in four sessions, with the first session in London during the Supreme Council Sessions. The candidates will attend a two-day workshop conducted by William VanCleave. The candidates for this Advanced Language course are certified tutors from 6 of our Centres, and hopefully, some will go on with further training to become certified Trainers.

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 rolls, find it a very rewarding and fulfilling experience. Recruiting volunteer tutors is not easy as it is a tremendous commitment for tutor trainees to take the required training and other requirements including 100 hours of practicum with 2 children. The total yearly operating budget for the 9 Centres will exceed \$800,000 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 10 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 Foundation

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.

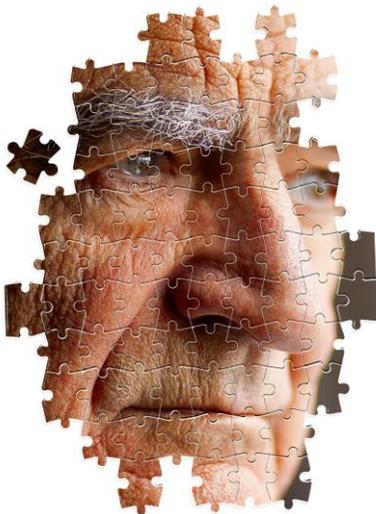
8. Fund Raising: Participate in fund raising events for the Foundation.

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 MasterCard. 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 silver plated 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**

