



# Annual Report 2002-2003

THE SCOTTISH RITE CHARITABLE  
FOUNDATION OF CANADA

## President's Report

The 2002-03 fiscal year was one of change, challenge and growth for the Scottish Rite Charitable Foundation.

Foremost among the 'growth' was the steady establishment of the Scottish Rite Charitable Foundation Learning Centre for Children in London, Ontario. This centre, the first of its kind in Canada, will help dyslexic children overcome their difficulties with reading, writing and associated behavioural problems. The Learning Centre, which will operate in the London Masonic Temple, will hold its formal opening ceremony on September 14, 2003. The tutoring is free for the children.

Also on the 'growth' side of the ledger, I am very pleased to see that Individual Giving has almost doubled this year over the previous year. Last year, individual Masons gave \$79,580 to the Foundation. This year, the figure is \$153,243. This is a remarkable turnaround. I would like to thank all those who donated to the Foundation and to those who worked very hard to increase the total.

In the area of 'challenge' I have to refer you to the reports of the Chair of the Awards Committee and the Treasurer. Essentially, with the decline in interest rates, our capital fund is generating less income. As a result, we had to reduce our funding of research in order to preserve our capital and to make provisions for the London Learning Centre and the possible

expansion of Learning Centres across the country.

Despite the decrease in funding levels, the grants and awards process, now in its second year of being handled by volunteers and the Hamilton office, is running quite smoothly. Many people are involved in the grants and awards process, but I especially want to thank Dr. Gareth Taylor, Dr. Paul Fraser and George Robbins of the Hamilton office for the masterful manner in which they handled 82 applications for funding. I also want to thank those involved in updating the on-line application process and Pierre Phaneuf for translating our documents into French. Their dedication to these worthy and time-consuming tasks is an inspiration.

In the 'change' category, I want to acknowledge Dick Barr, Chair of the Foundation's Valley Representatives, Harold Crosby, Chair of Communications and our communications consultants, The Lomberg Network of Toronto. At last year's annual meeting, Harold promised that Valley reps would receive material to help them do their jobs more effectively. The process began with posters, brochures and a new, modern look to our publications. The changes continued this year with Valley reps being provided reports that showed such useful information as the percentage of members who give to the Foundation and the dollar value of the average donation. Not only does



*John V. Lawer*

this help Valley reps monitor their own success but it might also introduce a note of friendly competition among Valleys.

As Harold explained last year, the total value of individual giving is based on two factors: the dollar value of the individual gift and the percentage of members who contribute (also called the participation rate). Before the Valley Reports were compiled we suspected that the average gift was generous but that the participation rate is rather low in many Valleys.

The numbers we assembled for Valley reps this year confirmed our suspicions. In 2002/03, the average national participation rate for our 49 Valleys is 5.3%. The average donation

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## Treasurer's Report

The uncertainty in the market continues from last year and at present looks as if it will continue through 2004. Yet even under these conditions, our portfolio generated income of \$680,000 this year just \$17,000 less than the income for the preceding eleven-month period. An analysis of our portfolio reveals that the investment in equities remains at 26% with a combined income from dividends and capital gains of \$164,878 or 24% of our total investment income.

Donations received for the capital fund are down \$46,000, yet we did receive \$66,000 for the operating fund for the London Learning Centre, bringing the total donations received for the capital and operating funds to a level similar to last year.

The awards committee and the treasurer are working very closely to maintain the maximum disbursements possible. The Foundation's commitment

to our share of the costs to maintain the London Learning Centre, combined with the decrease in interest rates, demand that we be cautious with the total disbursement for the grants, awards and bursaries. We do not want our commitments to these programs to exceed the amount we can sustain.

The London Learning Centre requires a one time start up donation of \$40,000 plus an annual commitment of \$15,000 from the Foundation. The London Valley has pledged similar amounts for their share of the start-up and annual operating costs for this Centre. To date, donations of \$13,000 have been received toward a capital fund established to support the Foundation's on-going annual obligation. London has received \$66,000 toward its share of the annual operating costs.

Looking ahead, our projections take into account those securities that are

maturing with interest rates in excess of 5% and have reduced the return on these funds to current market rates. Our projected investment income, net of realized capital gains, should remain at the \$560,000 level for the fiscal year 2004 and at the \$540,000 level for fiscal 2005.

It has been a pleasure to serve you as your Treasurer and I express our appreciation to RBC Dominion Securities for their guidance and advice in maintain an excellent return on our portfolio particularly under the current market that have prevailed during the last year. My thank you to our office staff, George Robbins, Sue Thompson, Margaret Tweedle, and Katie Benton for your co-operation and support making my job much easier this last year.

Respectfully submitted,

H. Edward Standish.  
*Treasurer.*

## Directors and Officers of the Foundation 2002-2003

### Executive

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

### Balance of Directors

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.M. MacLean  
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

	2003	2002
<b>Assets</b>		
Cash and term deposits	\$ 463,357	\$ 646,735
Accrued interest	197,338	174,490
GST receivable	5,934	4,687
Prepays	7,324	2,293
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	673,953	828,205
Investments (market value \$11,413,126; 2002 - \$10,918,723)	10,512,699	9,967,877
	<hr/>	<hr/>
	11,186,652	10,796,082
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<b>Liabilities</b>		
Payables and accruals	5,000	5,000
	<hr/>	<hr/>
<b>Net assets</b>		
Unrestricted net assets - Income retained for charitable and benevolent purposes	953,964	911,198
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Restricted net assets - Capital	10,227,688	9,879,884
	<hr/>	<hr/>
	11,181,652	10,791,082
	<hr/>	<hr/>
	\$ 11,186,652	\$10,796,082
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## Statement of Operations and Changes in Net Assets

	2003	2002 (11 months)
<b>Revenue</b>		
Bank and term deposit interest	\$6,627	\$ 11,938
Donations – London Learning Centre	66,354	-
Investment income	578,384	498,862
Amortization of bond discount/premium	(9,691)	(11,760)
Gain on disposal of investments	100,105	198,347
	<u>741,779</u>	<u>697,387</u>
<b>Expenses</b>		
Administration fees	<u>71,755</u>	<u>76,241</u>
<b>Excess of income over expenses</b>	670,024	621,146
<b>Distribution</b>		
Grants	404,329	-
Awards	123,845	-
Bursaries	14,000	-
London Learning Centre Project	5,000	-
	<u>547,174</u>	<u>-</u>
<b>Excess of income over expenses and distribution</b>	<u>122,850</u>	<u>621,146</u>

## Statement of capital revenue

	2003	2002 (11 months)
<b>Revenue</b>		
Donations		
Individuals	\$153,243	\$79,580
Lodges and Masonic organizations	34,105	60,819
London Learning Centre donations	13,004	-
Bequests	<u>67,368</u>	<u>172,825</u>
<b>Capital revenue</b>	<u>\$ 267,720</u>	<u>\$ 313,224</u>

## President's Report

*(Continued from page 1)*

by those who give is \$85.99. The participation rate ranges from a low of 0.69% to a wonderful high of 19.3%. What we're hoping is that, armed with these facts, Valley reps will be encouraged to increase the participation rate.

By way of illustrating 'best practices' here are the top 12 participation rates by Valley in 2002/03:

Central Alberta	19.3%
Medicine Hat	17.1
Summerside	13.3
Kamloops	12.6
Lethbridge	12.0
Victoria	11.9
Woodstock	11.3
Fort William	10.1
Quebec	9.5
Sarnia	9.3
London	8.7
Sydney	8.6

I realize there are other ways that members can contribute to the Foundation but these Valleys are an encouragement to all of us.

As I said at the beginning, 2002/03 was a period of change, challenge and growth for the Foundation. I expect next year will be more of the same. I hope you are as excited about the prospects as I am.

Respectfully submitted,

John V. Lawer  
*President*

# Grants and Awards

This year marks the second year in which the Foundation received and processed applications. While it took longer to handle the 82 applications than we expected, everything moved ahead smoothly. I would like to especially thank Dr. Gareth Taylor, who coordinates the adjudication process with help from Dr. Paul Fraser, a past SRCF Grant recipient, and generous assistance from professional colleagues across Canada. It is only through the dedicated efforts of these professional researchers, who donate their time and talent during the summer holiday season, that worthy recipients can be selected.

In addition to handling the applications ourselves, we made a change this year in the manner in which we promote the availability of Scottish Rite Charitable Foundation grants and awards. 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 will no longer make a general mailing of printed material to Universities and Colleges across Canada, thus realizing a considerable saving in printing, postage and office workload. The Foundation's website is

[www.scottishritemasons-can.org/foundation](http://www.scottishritemasons-can.org/foundation)

I would like to thank Dr. Taylor, George Robbins of the Hamilton office and web-master Bro. Jim Kirk-White for their tireless efforts to update the material on our web site and their efforts to correct SRCF information that appears on other web sites in Canada and the United States.

The committee is also indebted to Ill Bro. Pierre Phaneuf, Valley of Montreal, for translating the information and application forms into French. Translations are available from the Hamilton office and will be included on the SRCF web site.

As mentioned in last year's annual report, Foundation income declined as a result of lower interest rates on our investments. This decreasing interest income, coupled with required funding for the London Learning Centre for Children, has forced a major revision in the level of funding available for research grants and graduate student awards. In an effort to distribute the impact of reduced funding over the next several years, the value of grants and awards available this year has been reduced by approximately 18% from the \$552,579 awarded in 2002 to \$450,000 available for 2003-04.

The inclusion of yearly funding for the London Learning Centre for Children and the anticipated expansion of this program to other centres across Canada will have a significant impact on the amount of money remaining to support the Foundation's traditional outreach in supporting medical/biological research into the puzzles of the mind. As a result of the funding changes, and the impact of the Learning Centre, we recommend that discussions be held to review the SRCF's mission statement and to consider the impact of incorporating the London and future Learning Centres in the Foundation's long-standing charitable outreach program.

The SRCF receives many letters of thanks and appreciation from recipients. As Chairman, I accepted an invitation to attend an international conference of the Autistic Society held in Toronto last fall. A number of attendees and expert presenters in attendance had been past recipients of SRCF research funding and they expressed public appreciation for the support received from the Foundation.

Finally, I want to thank all the Provincial Deputies and Valley Foundation representative who personally presented awards to recipients last fall. Some of the presentations were made at Universities while others were made during Scottish Rite meetings to which the recipient was invited as a special guest. This is a most important duty as it provides an opportunity for a face-to-face meeting and discussion between the Scottish Rite and Supreme Council representative and the recipient. Feedback from such meetings is vital to the Foundation to gain a clearer understanding of the research being funded while the recipient gains a better understanding as to who we are.

Scottish Rite members can be assured that their donations are thankfully received and are being faithfully applied for the cause of good; supporting researchers across Canada in their search for solutions to the puzzles of the mind.

Respectfully submitted,

Donald R Thornton

Chair, Awards Committee