



Annual Report 2004-2005

THE SCOTTISH RITE CHARITABLE
FOUNDATION OF CANADA

President's Report

It is tradition for the President's Report to reflect on the previous year and stamp it with a label such as exciting, or challenging or eventful. I want to break with tradition this year and turn my opening lines over to the grandfather of Carter, a 9-year-old boy who attended the London Learning Centre in 2003.

I do not know Carter's grandfather. His written comments were forwarded to me but I found them so compelling I want to share them with you.

"I write this letter to relate the experiences of my grandson, Carter, who is nine years old. Carter was doing poorly in school, being mouthy with his mother and really worrying his grandpa. Being the product of a broken home, we blamed that for a bit of his behaviour and learning problems. Tutors were hired but nothing seemed to help. Then I learned about the Scottish Rite Learning Centre for Dyslexic Children in London.

"Carter was the first student to begin tutoring in September 2003. He was one of six children. He fought me physically not to go for two trips. These trips are 1.5 hours from Chatham to London each way. After two trips there was no more fighting. He could tell that early that things were easier at school and his self esteem quickly grew.

"Today he is a happy little boy, doing well in school and making his grandpa proud. When I pick him up from school there is scarcely a time when the principal or a teacher does not give me the thumbs up and comment on how well he is doing.

"Talking with other parents, this story is repeated time and time again. The results are so good that we almost feel guilty

that our child is being helped while there are so many who need help as well.

"I could go on for pages, I am so ecstatic with the way Carter's life has turned around, but I'll close by telling the best present, the thing that makes all the time and the gasoline worthwhile. Last week Carter said to me 'Grandpa, I started reading Harry Potter.' I had to fight the tears and lost."

I've read that letter several times, and I hope you will, too. It makes crystal clear the value of our work, our donations and our Masonic membership. We care and we share. Shedding, for a moment, traditional Masonic modesty, I think we can be exceptionally proud of ourselves for supporting such important works as basic medical research and the Learning Centres for Dyslexic Children. Our service to the community is the touchstone of our tradition.

Speaking of the Learning Centres, I want to congratulate Windsor Valley for its successful quest to open a Learning Centre. Their Centre will open for students on September 19, 2005, with six tutors working on the third floor of the Masonic Temple in Windsor's downtown. On behalf of the Board of Directors, I would like to thank Carl Fairthorne, executive director of the Centre, and his fellow members of the development team, for their perseverance, not just in raising a significant amount of money, but also for their successful application to the Trillium Foundation for financial support and their patience throughout the construction process. It's been a long two years but, as the letter from Carter's 'grandpa' illustrated, the results are worth the wait. I expect the same sense of excitement is gripping Halifax Valley



John V. Lawer

as they move toward a January, 2006 opening of a Learning Centre in Dartmouth, where they have leased space in a formerly closed school. Our early congratulations to the Halifax team, led by Harold Crosby

This year – the Foundation's 41st – marks the beginning of a new award program to acknowledge Valley support for the Foundation. We thought long and hard about the criteria for these awards because we wanted every Valley – large and small – to have an equal opportunity to win. And I have every expectation that different Valleys will receive these awards over the years. However, this year, one Valley has swept the awards program.

You'll quickly guess who.

Highest average donation

Valleys raise money for the Charitable Foundation in two ways: individual giving and special events. Different Valleys invest varying amounts of effort into both fundraising approaches, so we felt it necessary to acknowledge both. This award divides the Valley's total donation by the total membership to

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Treasurer's Report

I am pleased to report we continue to enjoy a strong financial position and investment income in spite of the stock market remaining flat. The market value of our investment portfolio increased by \$500,000 this fiscal year to a total of \$12.9 million. This increase is net of the disbursement of \$547,00 for the Research and Learning Centre programs. Our income from investments is up by \$140,000 over last year earning a 7.3% rate of return. Donations increased by \$118,000 - \$90,000 of which related to our Learning Centre projects. Operating expenses represent 6.0% (7.9% 2004) of our income, remained within budget and are \$11,000 less than the prior year.

The Learning Centre in London enjoyed a second successful year of operations since its opening in September 2003. Funds raised for their operating fund continue at a level sufficient to cover the operating costs for their current as well as the next fiscal year.

Plans are in place and funds have been raised to open a Learning Centre in Windsor in September 2005. Halifax is well on its way with plans to open a Learning Centre in January 2006.

My concern remains focused on our assessment of the Valley's continuing ability to raise sufficient funds on an annual basis to meet the annual operating costs to keep these Centres open. A National Capital Fund has been established, the income from which is available as a backup for this annual requirement. The income from this fund is available for allocation to a specific Centre as approved by the directors. The funds donated to the National Capital Fund may be made with a note that they are to be transferred to a specific Learning Centre's Capital Fund once that Centre has been established and opened.

This policy, I trust, will encourage donations to the Learning Centre Project on a national basis regardless of the existence of a Centre in your locality, knowing that when the Center is opened, these funds will be transferred to the Capital Fund for that specific Centre. Without such a fund, any shortfall in the fundraising for the operating costs for the Learning Centre Project must draw on income from the General Capital Account. Such a draw would restrict our

ability to maintain the level of funding presently being used for our Grants, Awards and Bursary programs.

Other Valleys have expressed an interest in opening a Learning Centre in their area. The Centre in London and the new Centres being opened in Windsor and Halifax have created an excitement for this endeavor. The reports from students and tutors in London, and the request for us to increase the capacity not only in London but also in other areas, illustrate the need for programs for dyslexic children. To meet this need we must proceed with caution in the preparation of our projections and the assessment of the sponsoring Valley's ability to continue to raise the funds needed to cover the annual operating costs. Opening a Centre is a long-term commitment; it is not just being able to raise funds for the initial start-up expenses.

It continues to be a pleasure to serve you as your Treasurer. I have expressed your appreciation to the office staff, George Robbins, Sue Thompson, Janey Smith and Annie Thompson for their continuing contribution to the successful operation of our Foundation.

Respectfully submitted,
H. Edward Standish, Treasurer

Directors and Officers of the Foundation 2004-2005

Executive

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

Balance of Directors

R.A. Barnett
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.R. Richards
C.A. Sankey
I.D. Steeves
J.E.E. Winch

Appointed Officers

T.E. Lewis, *Assistant Treasurer*
G.R. Robbins, *Assistant Secretary*

Statement of financial position

| | 2005 | 2004 |
|---|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 472,573 | \$ 10,606 |
| Accrued interest | 307,000 | 305,869 |
| GST receivable | 1,843 | 2,692 |
| Prepays | 34,503 | 7,754 |
| | <u>815,919</u> | <u>326,921</u> |
| Equipment | 6,901 | 13,803 |
| Investments (market value \$12,923,967; 2004 - 12,416,471) | 11,815,036 | 11,414,053 |
| | <u>\$12,637,856</u> | <u>\$11,754,777</u> |
| Liabilities | | |
| Payables and accruals | \$ 15,487 | \$ 5,000 |
| Net assets | | |
| Net assets invested in equipment | 6,901 | 13,803 |
| Unrestricted net assets - Income retained for charitable and benevolent purposes | 1,127,855 | 985,545 |
| Internally restricted net assets - Capital | 11,487,613 | 10,750,429 |
| | <u>12,622,369</u> | <u>11,749,777</u> |
| | <u>\$12,637,856</u> | <u>\$11,754,777</u> |

Statement of Operations and Changes in Net Assets

| | 2005 | 2004 |
|---|-------------------|-------------------|
| Revenue | | |
| Bank and term deposit interest | \$ 1,293 | \$ 9,922 |
| Donations – London Learning Centre | 34,013 | 46,175 |
| Investment income | 651,425 | 616,337 |
| Gain on disposal of investments | 421,402 | 315,738 |
| | <u>1,108,133</u> | <u>988,172</u> |
| Expenses | | |
| Administration fees | 36,403 | 31,980 |
| Insurance | 14,065 | 10,699 |
| Lapel pins | (567) | 1,275 |
| Professional fees | 7,728 | 6,210 |
| Computer consulting | 983 | 724 |
| Directors and committee meetings | 1,874 | 3,418 |
| London learning centres - national expense | 5,610 | 1,928 |
| Printing and office supplies | 1,019 | 7,374 |
| Postage | 4,561 | 2,501 |
| Promotion and public relations | 14,702 | 31,659 |
| Miscellaneous | 2,500 | 2,130 |
| | <u>88,878</u> | <u>99,898</u> |
| Excess of income revenue over expenses | 1,019,255 | 888,274 |
| Distribution | | |
| Grants | 381,723 | 418,789 |
| Awards | 91,750 | 97,500 |
| Bursaries | 8,000 | 12,000 |
| London Learning Centre Project | 65,251 | 62,011 |
| | <u>546,724</u> | <u>590,300</u> |
| Excess of income revenue over expenses and distribution | <u>\$ 472,531</u> | <u>\$ 297,974</u> |

Statement of capital revenue

| | 2005 | 2004 |
|---|------------------|------------------|
| Revenue | | |
| Donations | | |
| Individuals, Lodges and Masonic organizations | \$138,972 | \$143,138 |
| London Learning Centre donations | 96,685 | 46,682 |
| Other Learning Centre donations | 52,085 | — |
| Bequests | 112,320 | 80,331 |
| | <u>\$400,062</u> | <u>\$270,151</u> |

President's Report

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reach an 'average donation' figure. The top five Valleys are:

| | Avg. donation | Total | Member- ship |
|----------|------------------|----------|-----------------|
| Windsor | \$129.84 | \$75,439 | 581 |
| Montreal | 58.20 | 23,220 | 399 |
| London | 42.37 | 66,812 | 1,577 |
| Fraser | 31.27 | 8,225 | 263 |
| Chatham | 20.45 | 5,643 | 276 |

Highest participation rate

The participation rate award is based on the number of individual donors as a percentage of the total membership. While we recognize the importance of fundraising events, individual support is something we continue to emphasize as part of our Masonic duty. The top five Valleys are:

| | Participation rate |
|----------|--------------------|
| Windsor | 14.83% |
| Victoria | 14.24 |
| Sudbury | 11.59 |
| Kamloops | 11.54 |
| London | 10.91 |

By way of comparison, the national participation rate in 2004-05 was 5.4%, down from 6.6% in 2003-04. We are hopeful the rate will rise in 2005-06 and that we will eventually reach our minimum target of 10% participation.

Largest increase in donation

Sometimes, we just have to go for the big figure, and this is the category. This category is simply the greatest increase in total donation in 2004-05 compared with 2003-04.

The top five Valleys are:

| | Increase | 04-05 total |
|----------|-------------|-------------|
| Windsor | \$38,526.96 | \$75,438.76 |
| London | 25,917.27 | 66,812.12 |
| Montreal | 21,110.00 | 23,220.00 |
| Hamilton | 12,841.91 | 33,894.01 |
| Toronto | 7,626.87 | 31,357.29 |

Congratulations to everyone in the top five, but especially Windsor. Windsor Valley has always been a major supporter of the Scottish Rite Charitable Foundation, but now, with their new Learning Centre, the Valley has set an extraordinary standard for others.

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Grants, Awards and Bursaries

Since its inception 41 years ago, the Scottish Rite Charitable Foundation of Canada has supported researchers seeking to understand and find cures for the puzzles of the mind especially as it affects children and those of advanced years who are affected by Alzheimer's disease.

Support for doctoral researchers and graduate students registered in doctoral programs focused on physical-biological and the social aspects of intellectual impairment has been, and continues to be, the Foundation's primary undertaking.

While much effort has been directed towards this work, it is the nature of such research that there are few "eureka" moments. It is only dogged, painstaking study that reveals small kernels of understanding, which when put together over time, helps unravel the puzzles of the mind. Success can be seen in new effective treatments and a better quality of life for those coping

with these conditions, along with family and caregivers supporting the afflicted.

It is the policy of the Awards Committee to support 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 sparkplug in starting a successful career.

In 2004-05, the Awards Committee received 27 new applications for Major \$35,000 Research Grants, 14 new applications for \$10,000 Graduate Student Awards and 10 applications for \$2,000 College Bursaries.

The Foundation continues its support of 4 Major grant recipients for a 2nd year and 4 recipients for a 3rd year. Total Major Grants in support of research into the physical-biological aspects of

intellectual impairment for 2005-2006 will be approximately \$450,000. Funding to assist Doctoral students in their research will be \$75,000. Bursaries valued at \$2,000 each, one for each Province and Territory, has been made available through local community colleges

The Awards committee processes applications voluntarily. The Foundation is indebted to Dr. Paul Fraser, a past SRCF Grant recipient, who with Dr. Gareth Taylor coordinates the adjudication process with the generous assistance from their professional colleagues across Canada and the US.

Information and application forms for Major Grants, Graduate Student Awards and College Bursaries are available online at (www.srcf.ca).

Respectfully submitted,

Donald R Thornton
Chair, Awards Committee

Dr. Gareth R. Taylor
Vice-Chair

President's Report

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I want to stay with a 'money theme' for a moment, because there's one other person I would like to thank, and that is Bro. Andy Anderson of London. Three years ago Andy started a walkathon to raise money for the national Learning Centre Expansion Fund. Andy felt then, and he still does, that Learning Centres are an invaluable contribution to a community and a valuable service for Scottish Rite to support. This year, nine Valleys participated in the walkathon and raised \$11,000. Andy is determined that more Valleys will participate next year. Don't be surprised to hear from him.

The Treasurer's Report, and the accompanying details from our audited statements, are a clear statement of our financial position, and I have little to add, except to observe that Learning Centres clearly attract new funding. I wholeheartedly agree with the value of Learning Centres but I want to assure the membership that we are not abandoning our commitment to support basic

research in the area of mental disabilities. This has been, and will continue, to be a priority for the Foundation.

In addition to those persons to whom I have already expressed appreciation in this report, a sincere thank you on behalf of all the beneficiaries of your labours. I particularly extend my personal appreciation to the chairmen and members of all committees.

Revised applications for major grants, awards to graduates and bursaries have been prepared and posted to the Foundation's website, and, once again, Donald R. Thornton, Dr. Gareth Taylor, Dr. Paul Fraser and others have adjudicated the applications for the grants and awards, and Dr. Taylor has updated the website.

Our Treasurer, H. Edward Standish, CA, has again expended many hours ensuring that the Foundation's finances are in good order. His duties increased with the establishment of the Learning Centres

for Dyslexic Children and, this year, with the establishment of new banking arrangements. We are grateful to him for his skill and commitment.

Thanks also to each Valley representative, Grand Secretary and Registrar who promote the Foundation's activities and communicates with Scottish Rite members in every Valley.

In the Hamilton office, the devotion of George Robbins and Sue Thompson in expediting the daily work involved in ensuring the smooth functioning of the Foundation's activities is much appreciated.

And a very special thank you is extended, of course, to all donors to the Foundation. To you I simply say that everyone, at times, needs help. And help given is not something expended. It is, like love, the real flowering of the human spirit.

Respectfully submitted,
John V. Lawer, President