

Rotary

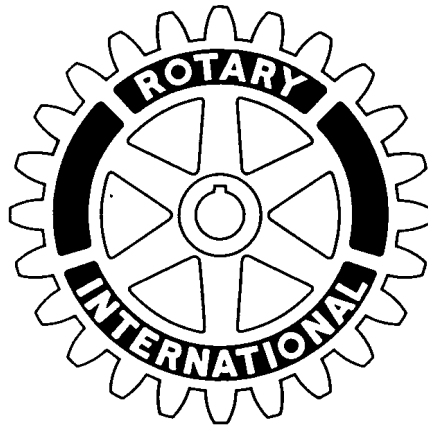


Year ended June 30, 2016



The Rotary Club of Toronto
and
The Rotary Club of Toronto
Charitable Foundation

Dedicated to
"improving the urban community with hope and dignity"



Report from the President



This past Rotary Year, The Rotary Club of Toronto was blessed with a very capable Board of Directors, they were:

(President Elect) Susan Hunter, (Vice President) Pat Neuman, (Treasurer) James McAuley, (Secretary) Carol Hutchinson, Lori Brazier; Harry Figov, Carolyn Purden, Marg Stanowski, Ross Amos, James Hunter, Binoy Luckoo, Kevin Power, Peter Simmie, Harry Figov, Shannon Lundquist, Dina Rashid and Barbara Thomson.

These are your fellow Rotarians that have faithfully kept the best interests of our Club uppermost in their efforts over the past year and I thank them personally and on your behalf.

The Board immediately set about balancing the Club's budget, which had slipped into a deficit. With the aid of our Treasurer, James McAuley, we returned "off budget" items back onto the budget which gave a more realistic idea of the Club's future financial picture. The result was new funding for the Children's Christmas Party, where over 525 guests were in attendance. I would also like to point out that though tremendous Club cooperation and the efforts of Pat Neuman, this event was brought in well under budget. Previously the Seniors' Christmas Party was also funded by the Philanthropic Fund, which could ill-afford it.

The Board recently changed the charge to non-members \$50 for special lunches which will make it a lot easier on the budget since the Club will no longer be subsidizing them.

The club had decided that the Members' Roster had become too time consuming for our always busy office staff. In order to have a printed roster, we managed to return to a slightly less elaborate printed version drawn from our online information. - A welcome return of a long standing tradition.

One of the initiatives of the Centennial Year was the student scholarship award which was funded by the Foundation in the amount of \$100,000. As we approached the 4th year of the scholarship and our 4th student, the scholarship committee launched a successful appeal to continue granting scholarships on a continuing basis. This is yet another gift to our community of which our Club can be justly proud.

In light of the Syrian Refugee debacle, the International Service Committee launched an effort to bring a Syrian Refugee Family to Canada. The required minimum is \$40,000 to bring a family to Canada. There was a temptation to just ask the Foundation to fund the \$40,000. However; to the credit of the International Service Committee and Maureen Bird, they set about the task of fundraising. They were very successful and raised in excess of \$55,000. This was a commendable effort indeed.

We often wonder at the number of Club committees, but the well-organized "Environmental Subcommittee" was so energetic and successful, it was approved as a full Philanthropic Committee of The Rotary Club of Toronto, commencing in the 2016/2017 Rotary Year."

At the request of the board, a review of the Granting Guidelines and Procedures regarding large asks will take place. The Foundation has established a Foundation Review Committee which will also identify and clarify the vetting of larger projects (working in conjunction with the Club Board and the Club's Philanthropic Committees).

On another front, we held another "Kids against Hunger" sweat equity event which was generously funded jointly by the CSC and the Y&C Committees. We had 48 volunteers that packed just under 23,000 meals for The First Nations' Community-Attawapiskat, located in Northern Ontario.

Recently, District Liaison Director Ross Amos, reported news that our Club was the "International Sponsor" of a grant proposal before the Rotary International World Foundation. This grant proposal was originally generated by the Rotary Club of Martha's Vineyard. The proposal will fund research into Alzheimer's disease, especially in women. The proposal was received positively by Rotary International. The information is going forward to the Rotary International Foundation for due diligence. Peter Love has drafted a three party agreement which was sent to Martha's Vineyard for their review and their club has indicated that they do not have any issues with the suggested indemnity clauses.

When the devastating Fort McMurray fires hit, we were able to approach our Foundation for \$30,000 in matching grants for the rebuilding of that unfortunate town in Alberta. The Etobicoke Rotary Club joined us in the effort which resulted in an additional amount for the cause in excess of \$20,000, in a further matching grant process. The matching of incoming donations, from individuals and neighbouring Rotary Clubs resulted in a total aid package of more than \$83,000, which was delivered to the local Rotary Club for the rebuilding of Fort McMurray.

The Rotary Club of Toronto once again ran the entrance program at "Etobicoke Ribfest", which is one of our major fundraisers. Etobicoke President and head of the Ribfest effort, Jack Fleming, did an excellent job of organizing the entire Ribfest. He was joined by immediate past District Governor, and Etobicoke member, Michael Bell, who worked tirelessly with his wife Jo-Ann. During the Ribfest, one of the Etobicoke Rotarian member's spouse Marius, was charged with constantly supplying the concessions with fresh ice which he delivered in a golf cart. After a long shift he jokingly asked "how come all the non-Rotarians do all the work?" I told him that Rotarians are really good delegators!

Since the Ribfest is held in a public park, we aren't allowed to charge admission, we can only ask for a donation (\$2). Greg Dobson, the incoming Etobicoke President, asked "what percentage gives the \$2?" it is the case that the vast majority give what is asked, and for everyone who doesn't, there is one who will give double or more than what we ask.

When I was collecting 'toonies' at the east gate, a young fellow about 15 or 16 years old approached me and asked: "\$2 right?" - "right" I said, "It is a donation, right?" - "right" I said again, - "so I don't have to pay it right?" - "right", I said, at this point his girlfriend said emphatically "give him the money". At this point he changed tactics and told me "here's a fiver, keep the change"...

Regarding our strategic plan, the next step was implemented this year and it covered “Governance”. I know, I know... for some of us, when this subject comes up, our eyes glaze over and we slowly lose the will to live. Fortunately, some of our own members not only enjoy the subject, but are also good at it. The members that I refer to are: Rose Amos, Marg Stanowski, Carolyn Purden and Peter Stephenson. They did some excellent work which included a survey of current Board members whom, I am lead to believe; would like to have some weightier subjects to consider. This will likely result in a heavier workload for the incoming Board and for that, those of us who are leaving the Board can only say:

“You’re welcome.”

In closing, our past District Governor, Michael Bell, asked us, as Presidents, to leave our Clubs better than we found them, I can say with some confidence that we have met that challenge. We have accomplished a lot together and set the stage to achieve even more.

A successful presidency cannot be accomplished without a lot of support. I want to thank incoming President Susan Hunter for her sage advice and for heading up the Strategic Planning Committee which continued to implement improved training for Committee Chairs, and Liaison Directors, and to ensure more effective committees. I thank Vice-President Pat Neuman for her support and tireless work in support of our Fundraising Projects. Further, I thank them for their friendship, which I truly value.

Let me also express my appreciation for the guidance of those Past Presidents who reside daily within 50 feet of my office: Richard White, Susan Howson and John Andras. As you can tell, I like to keep my resources close at hand. Further appreciation goes to our Board Members; they all had to devote substantial time and effort to ensure that the affairs of our Club were kept in order. And they did a wonderful job.

I wish to thank my lovely wife Kathie for letting me take this on; I couldn’t have done it without her. And of course, Carol Hutchinson, our Executive Director extraordinaire. She handled everything that I couldn’t, and that was a lot. On top of that, she got every sports analogy that I ever threw at her. That was an unexpected treat for an aging jock.

Finally let me thank (Foundation President) Peter Love, with whom I enjoyed working in a true spirit of cooperation and charitable giving at its best. As I hand over the gavel to Susan Hunter, I know she is prepared, capable, and eager to get going, I wish her well.

To all of you, our Club members, I thank you for the privilege of being your President, it has been an honour; and for me personally, a wonderful ride.



David Hetherington

President 2015-2016

THE ROTARY CLUB OF TORONTO

Organized on November 28th, 1912, as Club No. 55

OFFICERS

President: David Hetherington
President-Elect: Susan Hunter
Vice-President: Pat Neuman
Treasurer: James McAuley
Executive Director: Carol Hutchinson

DIRECTORS

Ross Amos
Lori Brazier*
Harry Figov*
James Hunter
Binoy Luckoo
Shannon Lundquist
Kevin Power
Carolyn Purden*
Dina Rashid
Peter Simmie
Margaret Stanowski*
Barbara Thomson
* retiring from Board

Immediate Past President: Steven Smith

Community Service Committee – Chair John Lloyd

The committee began the year actively in September with Rafael Lopez as Chair, Marg Stanowski as Board Liaison with John Joseph Mastandrea, Marcy Berg, Kerry Bowser and Kim Curry as committee members.

When Rafael Lopez left our club in September, John Joseph Mastandrea stepped in on a short-term basis as he left on a church sabbatical early in 2016. Before leaving John Joseph asked John Lloyd to join the committee, which he did and subsequently, he chaired the committee for the rest of the Rotary year.

The committee, at that time, consisted of John Lloyd as Chair, Marg Stanowski as Board Liaison, along with members Karen Scott, Marcy Berg, Kerry Bowser and Jonathan Wu.

The mission: It was determined by the original committee that the emphasis for this term would be FOOD, offering assistance to organizations in need of either food bank support to help their client base or wherever it was felt that assistance in this area was appropriate.

The following donations were agreed to by the committee and funded within our budget.

- 1) Native Women's Resource Centre of Toronto: Following a visit to the facility on Gerrard Street by Kurt Kroesen and John Lloyd, it was determined that their so-called food bank was "bare". It was actually quite shocking to see that the "food bank" cupboard contained 3 or 4 boxes of cereal and half a dozen tins of canned food. The directorship of Native Women's were delighted with our donation of \$5,000.
- 2) Kids Against Hunger Canada: At the request of our Board, a donation of \$3,500 was made, which was matched by a \$3,500 Youth and Children's Committee. Our committee was delighted to participate in this initiative and pleased to hear that the Board has decided to continue support.
- 3) Tides Canada Initiatives: This project came to our committee from the recently established Environment Committee, headed at that time by Kurt Kroesen. The donation of support was \$2,500.
- 4) PAL Toronto, an acronym for Performing Arts Lodges was brought to our attention by John Joseph. The facility includes 200 apartments and most residents are in a position to care for themselves. However, there are many in the facility; some young aspiring artists and some not so young, who find themselves in a position whereby they can either pay rent or eat, but not both. Our committee decided to assist in funding "Pal's Pantry" and the donation was for \$6,000, based on \$500 per month. This was of course, well received and our assistance was rewarded with a sign / poster of recognition.
- 5) Eastview Neighbourhood Community Centre: We received a request to support the "Good Food Market" at this well known centre. The community served is multi-cultural

in nature, many with serious concerns about feeding their families. The committee was strongly in support of this initiative and donated \$2,500.

- 6) At year end we were asked to receive a proposal from the Sherbourne Health Centre for health bus replacement. The committee met at the National club and welcomed Catherine Argiropoulos and her representatives. The proposal was well received and a positive recommendation was sent to Research and Appeals.

Karen Scott has kindly offered to Chair Community Services Committee for the July 1, 2016 to June 30, 2017 with Kerry Bowser as Secretary, while Marcy Berg and John Lloyd will continue on as committee members. Our first order of business according to the incoming Chair is to “build membership” in our Committee. We’re all working towards that end.

Environmental Service Sub-Committee (Com. Serv) – Chair Kurt Kroesen

In F'16 the Environmental sub-Committee (ESC) came of age. The Environmental sub-Committee, until late F'2016, was a sub-Committee of Community Services Committee (CSC). Over a number of years, sub-committee members, led by Kevin Power, undertook a number of steps required to be recognized as a full stand-alone committee. As of July 1, 2016 the Environmental sub-Committee formally became the Environment Committee.

F'16 saw the completion of 2 significant grants the ESC had secured some years before: i) the renovation of Ritchie Parkette to a natural garden and the addition of an ice rink with funding from the Weston Foundation and the hard work of Alanna Scott; ii) the planting of over 1,000 trees and shrubs with funding from the Great Lakes Guardian Community Fund by UFORA.

In F'16, the ESC had a budget of \$5,000. This was invested in environmental activities as follows:

- Peregrine Foundation of Canada - \$920 towards the purchase of climbing equipment with which to reach nests for monitoring and assisting fledglings that fail to fly the first time back into the nest;
- Not Far From the Tree - \$2,500 towards the purchase of equipment for the picking and transport of fruit from picking site to distribution centre;
- Urban Forest Associates for the planting of trees and bushes in selected Toronto parks.

In addition, ESC asked for and secured an additional \$2,500 from the Community Service Committee which was sent to Not Far From the Tree. Thank you CSC.

During F'16, ESC began a process of identifying its strategic niche in improving the Toronto environment. It is looking at finding an overarching theme for its work and a project that actualizes it. To date, it is considering such themes as food security, nature deficit disorder, and bringing nature back into the city. It has asked other groups to put forward proposals on these themes with a view to funding some of them from the committee budget but, more importantly, to secure a longer term financial commitment from the club and or foundation. Up to now, ESC has heard from Evergreen Brickworks and PACT. They are to provide proposals for the committee to consider in F'17. The ESC is also identifying other organizations that fit with its funding mandate (eg: Toronto Tools Library). There are also invitations to other organizations to co-host some type of volunteer event that would involve club members (eg: PlanetGeek, Not Far From the Tree).

F'17 promises to be a busy first year for the Environment Committee. New members welcome!

Fellowship and Entertainment Committee – Chair Brigitte Bogar

This following excerpt from the 1937 Rotary Club of Toronto Annual Report reflects the history and importance of the Fellowship and Entertainment Committee to the Rotary Club of Toronto. “The Fellowship Committee of the Toronto Rotary Club is the Club’s largest Committee, 86 of the Club’s over 400 members being active members of it by appointment of the Board of Directors... The Committee has met for noon luncheon once each week with a prearranged program. Attendance at the weekly meeting has ranged from 45 to a maximum of 102, averaging 65 per meeting.”¹

The current Fellowship and Entertainment now has 15 active members and is growing in activity and in profile within the Rotary Club of Toronto. Last year the committee re-launching birthday calls and cards, and will continue this tradition in the coming year. Half way through the year the committee chair Cliff Johnson took a leave of absence and Brigitte Bogar assumed the role as chair of the committee.

Over the past year has organized the following events:

- Brunch at Sassafraz (Anna Koneva)
- Mexican Dinner (Kevin Power)
- Headshots Event (Susan Hunter)
- Carolling at Dundas Square (John Joseph Mastandrea)
- Walking tour (June Brown)
- Pre-Christmas Party Sing-Along (June Brown)
- Birthday Cards and calls (June Brown, Dauna Jones-Simmonds and Brigitte Bogar)
- Puglia Supper Club (Neil Phillips)
- Wine Tasting at The National Club (Neil Phillips)
- TCJ Dinner (Lorna Johnson)
- Disc Golf on Toronto Island (Cliff and Lorna Johnson)
- Opera Nights (Lorna Johnson and Brigitte Bogar)
- Gaming Afternoon at Café De Melbourne (Lorna Johnson, Cliff Johnson and Brigitte Bogar)
- Four chefs and a bottle of wine - Dinner at Geoffrey Johnson’s En Ville Catering Company Factory (Brigitte Bogar)
- Group sing-a-longs at the Piano before each Club Meeting (Brigitte Bogar)

We anticipate that the level of Fellowship and Entertainment activity organized for the Club will increase moving forward. With the diversity of the Rotary Club of Toronto’s membership our philosophy for event selection is to find events that our members are passionate about. The Committee supports and promotes events which may only attract a few people, but those people who do attend have a good time and fellowship is achieved. If we as Club and Committee members are going to do an activity or attend a function or have always wanted to try something, inviting our fellow Rotarian Friends to join us enhances our experience and opens new doors to the club members. The key to more and varied events is to invite more members of the Club to join us, either as full time committee members or as ad hoc members to organize a single event.

We are developing and expanding our mission as we go and welcome all suggestions for events and individuals who are eager to organize an event. Our challenge for the coming year is expanding club and individual involvement in fellowship and entertainment events.

Fellowship could not be a success if it was not for each and every member on the committee to which I give my thanks as well as to specifically thank June Brown for taking on the role of vice chair, Andrea Vabalis for taking on the role as secretary and to Kevin Power for his active role as elision director and committee member.

Rotary Fundraising Committee – Chair Brian Porter

The Fundraising Committee consisted of: Chair, Brian Porter, Liaison Director, Pat Neuman, Kevin Power, Suzanne Seaquist, Fabio Ventolini, Dawn-Marie King, John Joseph Mastandrea, and new Committee members, Brigitte Bogar, Lorna Johnson and Trevor Lenders.

The Committee enjoyed a productive year, with meetings held on the third Monday of each month at 6 pm, at the National Club. A light dinner was served while the meeting took place.

Our **Major Fundraising project** was the Annual Fundraiser at the Steam Whistle Brewery on March 26, 2015. Members and guests were invited to a fun night of cards. The top ten won a variety of prizes, consisting of massages, a case of wine , overnights at lovely hotels, a wine bike tour, a gourmet picnic wine basket, golf foursome, dinner at the National Club, dinners at boutique restaurants, Blue Jays tickets, Argos tickets and a variety of gifts. Fabulous food was provided by EnVille. The following sub committees provided the

- Volunteers- Dawn-Marie and Brigitte
- Sponsorships and Prizes- Pat, Suzanne and Brian
- Organization and Tables- Fabio
- Marketing and Communications-examples: Poster, and Rotary Web Site-Trevor
- Administrative: Contract and Food (BWP)

A summary of revenue and expenses is as follows:

REVENUE	70,295.00
EXPENSES	(29,739.52)
ADMIN FEE 5%	<u>(3,514.75)</u>
Net amount donated to Rotary Club of Toronto	
Charitable FDN	<u>37,040.73</u>

Many thanks to our members who not only bought tickets, but donated money. Special thanks to the many volunteers - members from our club and Rotaractors, who helped to make the evening such a success!

Our **Other Fundraising project** was to assist the Rotary Club of Etobicoke with the Toronto Ribfest on Canada Day weekend. Over 100 Rotarians, friends and family volunteered to work shifts collecting toonies at the Ribfest entrance gates. It was indeed a shared fellowship event as the Rotaract Club of Toronto and Sunrise Rotary Club assisted as volunteers. Ribfest days saw our volunteers working tirelessly. Special thanks to everyone who helped at the gates, day supervising and overall assistance. The RibFest proceeds in total amounted to \$48,649.29

Funds were distributed as follows:

Day Managers		9,165.81
Total RCT Hours		23,687.37
Total Sunrise Hours		5,911.68
Total Toronto Rotaract Hours		7,091.30
Total UofT Rotaract Hours		2,793.13
		48,649.29

RibFest also generated discussion with the Etobicoke Club about how most fairly to distribute the revenue earned from the event. In the end, it was agree to split both expenses and revenue equally.

Total fundraising net for the year: \$85,690.02

Honours & Awards Committee

Chair and President Elect, 2015 Susan Hunter

The Honors and Awards Committee is responsible for the selection and recommendation to the President and Board of Directors of worthy recipients for various awards bestowed by The Rotary Club of Toronto. These include: Club Builder Award, Paul Harris Fellows/William Peace Award, the Pauline Hill Award for Making a Difference, and the RCT Distinguished Service Award.

The Committee may occasionally suggest recommendations for nominations to District or Rotary International awards.

Club Builder Award

Awarded to Rotarians who have significantly contributed to our Club, each new Club Builder exemplifies the four way test: Is it the Truth, Is it Fair to All Concerned, Will it Build Goodwill and Better Friendships, and Will it be Beneficial to All Concerned, in Everything They Do. Criteria include being a member for at least three years, and having had active committee or task force membership. They will have consistently and willingly demonstrated the four-way test in outstanding service to the Club and the Community.

**Awarded to: Binoy Luckoo
Prince Kumar**

Paul Harris Fellow / William Peace Award

This award is a great honour bestowed by our Club. The Paul Harris Fellow is given “*in appreciation of tangible and significant assistance given for the furtherance of better understanding and friendly relations among people of the world*”. The William Peace Award is only available to members of The Rotary Club of Toronto and is named after the first President of our Club. This joint award is made to Rotarians for the highest level of service at the Club level over a number of years, or for an outstanding contribution over the shorter term.

Awarded to: Peter Stephenson

The Pauline Hill Award for Making a Difference

This award is granted from time to time, either to a member or non-member of RCT, who exemplifies the traits of our former member, Pauline Hill. Namely: integrity, exceptional commitment to improving the conditions of the less fortunate, indomitable energy in pursuit of such improvement, and a spirit of goodwill and graciousness.

The RCT Distinguished Service Award

This occasional award, is given to “Honour a Member for their Outstanding Contribution to the Work and Development of the Club”. The recipient must be a William Peace Award recipient.

Indigenous Service Committee - Chair John Andras

The Indigenous Service Committee aims to build relationships with indigenous peoples and groups, and to promote awareness of indigenous history, culture, current issues and contributions to our fellow Rotarians and the community at large. The committee has two areas of interest:

- Education of indigenous children and youth
- Collaborating with other groups that seek to make a difference in indigenous communities.

The Committee participated in several in-kind collection campaigns. We delivered skates to Neskantaga, partnered with the Bridge Prison Ministry, Kawartha Truth and Reconciliation Support Group, Bishops College and The Rotary Club of Sherbrooke to deliver coats, clothing, books, school supplies and sports equipment to over a dozen separate fly-in communities. We are currently working with HIP (Honouring Indigenous People), INAC and other partners to create a transportation chain to facilitate the collection and distribution of in-kind donations for service clubs, church groups, corporations, and schools.

In partnership with HIP the playground we sponsored for Neskantaga last year was installed and is being used by the community.

We provided \$3,500.00, in partnership with One Laptop per Child, for computers to replace technology lost in a school fire in Wapekeka.

We sponsored \$3,500.00 for the PenPals Art project in Six Nations bringing together indigenous and settler children to create artwork on the theme of reconciliation

We donated \$3,000.00 to Bearskin First Nation to help fund a healing retreat for the youth in the community following the suicide of a 10 year old girl.

We provided \$2,000.00 to provide ongoing support for the Dolly Parton Imagination Library program in Sandy Lake First Nation.

The committee helped support the Rotary Club of Guelph in its successful bid for a \$300,000.00 Arctic Inspiration Prize to bring amplification technology to Nunavut schools. We also worked with the Ontario Camps Association to integrate culturally appropriate indigenous teachings and interactions in Ontario summer camps. In partnership with HIP, we hosted a Kairos Blanket Exercise and 37 Rotarians and guests experienced the history of colonialism through indigenous eyes. We also had presentations from 4 Seasons of Reconciliation, First Nations School, and Growing North. All could develop into major projects worthy of consideration by the Rotary Club of Toronto Foundation.

The committee hosted two special Friday Rotary luncheons. On November 27th National Chief Perry Bellegarde presented and on June 24th we celebrated National Aboriginal Day with Dr.

Suzanne Stewart as the featured presenter. Both events featured Drums, opening and closing messages Elders, participation by Lieutenant Governor Elizabeth Dowdeswell and inspiring messages by two superb speakers. We meet on the first Thursday of each month at Native Child and Family Service Toronto, 30 College Street from 4:30-6:00. New members are always welcome.

International Service Committee – Chair Heather Findlay

The International Service Committee (ISC) supports high-impact projects that make a sustainable and lasting difference around the world. In 2015-16, ISC has supported projects in Syria, Ghana, South Africa, Laos, Uganda, Malawi, and many other countries. These projects provide access to clean water and sanitation; vital health services and access to life-saving medicines, surgeries and medical equipment; skills training and development; education and landmines eradication. This year, the committee has been especially focused on providing access to clean water, hygiene and sanitation in Uganda through WASRAG as well as supporting vulnerable populations including refugees and those impacted by HIV/AIDS. The ISC recently raised over \$60,000 to sponsor a Syrian refugee family in Canada and has put together a caring and passionate taskforce to support this family's transition to Canadian life. Many members of the ISC have been personally involved implementing these projects around the world and significantly transforming the quality of life of hundreds of thousands of people worldwide.

Background

The International Service Committee [ISC] determines allocations to projects operating outside of Canada. The allocations are made through three distinct channels:

- (1) Projects developed by Rotary Clubs around the world
- (2) Projects supported by Rotary International and/or the Rotary Foundation
- (3) Projects operated by a Canadian charity or operated by an entity for The Rotary Club of Toronto through a written agreement

All projects are firstly reviewed by its Steering Committee to determine whether the project fits within the ISC guidelines and merits further consideration. At that point the ISC may then appoint a member [or members] to undertake due diligence with respect to a request, the organization implementing the tasks and the appropriate amount of and scope of financing. The ISC's annual budget for these projects was CAD\$30,000 in 2014-2015. Certain projects that support the care of vulnerable populations impacted by HIV are funded through additional proceeds from Rotary's Trump AIDS Walk, \$3,304 in 2015.

Marketing and Communications Committee – Chair Sylvia Geist.

The Marketing and Communications Committee (MCC) has continued to improve the communication internally among club members and to widen its connection with the public with its use of the Club's social media channels. The established goals for 2016 were successfully completed. New members with communication and marketing skills joined the committee, Friday's luncheon speakers and Club activities were posted on the Rotary Club of Toronto's social media channels.

Seven creative issues of "Making a Difference" were published that focused on the work of the Foundation and Philanthropic Committees. On behalf of the Club, a small "Buzz Group" was established to provide continuity of content and frequency of postings on LinkedIn, Facebook and Twitter. Individual club members were also encouraged to use their own social media channels to keep their personal network informed of our Club's interesting activities and values. On May 10, 2016, an energetic LinkedIn Workshop was held for our membership with Leslie Hughes, a Social Media Corporate Trainer and professor at Durham College that demonstrated actionable steps to highlight the effective use of online presence for our Club and for individual members. Connecting with Membership and Program Committees strengthened the achievement of the goals of the MCC.

The Marketing and Communications Committee continues to increase the level of knowledge and awareness of "who we are and what we do" to its members and to the community.

Voice Sub – Committee (Marketing and Communications) – Chair Jeff Dobson

The Voice Committee continues to provide an informative newsletter to all Club members and beyond with a distribution list that includes community partners and, of course, our own website. The size of the editorial team is down again this year to six editors from eight last year. It has been a struggle to secure new editors and two are on leave from the club. Despite the lower numbers, the team did a marvelous job preparing over forty issues in this Rotary year. In a tradition started by Sylvia Geist a few years ago, the outgoing President, David Hetherington, was presented with a hardcover bound edition of all issues published during his year.

We continue to encourage all members to provide content in order to feel a sense of engagement in the club, however, with so much happening in the club securing content for publishing is not usually a problem. The Making A Difference insert was included several times this year and has been well received as an informative deep dive into the work of our Foundation and the various philanthropic committees.

Vice-Chair Maureen Bird assumes the role of Chair and Editor-in-Chief for 2016-17. As a passionate Rotarian and experienced editor, the Voice is in good hands.

Scholarship Committee – Chair Richard White

The Scholarship program originated as one of the \$100,000 Club Centennial Projects and the first of three scholarships under the Centennial Project was awarded in the spring of 2012. In 2015, the Scholarship Committee became a permanent committee of the Club with a mandate to award one full tuition scholarship each year. The first scholarship under the new ongoing program was awarded in the spring of 2015 to Poorva Patel.

The scholarship is open to outstanding students graduating from a TDSB or TDCSB secondary school who can demonstrate financial need, academic excellence, moral character, leadership and breadth and depth of community service and who will be attending a College or University in the Greater Toronto Area.

This scholarship makes a post-secondary education possible for these talented young people who might not otherwise be able to continue their studies due to serious financial circumstances. Aside from the financial support, one member of the Scholarship Committee takes on a very important and gratifying mentorship role with each student throughout their undergraduate years. This is invaluable for the student making the difficult transition to post-secondary education often without appropriate role models. These students become ambassadors for Rotary and participate in Club events such as Youth Day. Each student is encouraged to become members of the university Rotaract Club and participate in their activities. This also provides an opportunity for them to be involved in the life of the college or university and meet like-minded students.

In January 2016, the committee prepared and submitted a new revised application to the TDSB and the TDCSB to be distributed to potential candidates. We received numerous applicants and selected Anna Majeed as our latest scholarship winner. She is studying Life Sciences at the University of Toronto St. George Campus.

My thanks to the members of the committee – Don Brooks, Charles Dillingham, Shannon Lundquist, Sarah Hui and Barbara Thomson - for their time and devotion to the futures of our scholarship recipients.

Senior Citizen's Committee – Chair Mary Lach

The Senior Citizens Committee had a very successful and productive year during 2015-2016 with a mandate to support services and programs by improving the quality of life for disadvantaged seniors in our community.

Four traditional events are held each year. They are: Meals for Seniors at Thanksgiving and Easter when 150 meals were delivered at each event, by Rotarians to shut-ins and seniors on fixed income. The June Picnic held at Second Mile Club for 75 Seniors and The Seniors Christmas Party.

The Seniors Christmas Party originated in 1961. Each year over 240 seniors are invited to the Royal York Hotel for a traditional turkey dinner. This year we had grade 6 Crescent School boys choir sing Christmas Carols and a visit from Santa. Many generous Rotarians contributed by Caroling at the event, providing transportation and donated their lunch tickets in support of "Take a Senior to Lunch"

A few years ago, The Rotary Club of Toronto, Charitable Foundation received capital grants from the sale of Laughten Centre amounting to \$3.2 million dollars with the understanding that the income generated by these funds would be used to benefit disadvantaged seniors in downtown Toronto. The Foundation Board suggested that the Senior Citizens Committee establish a process for identifying additional projects to help seniors in our community.

An application process was developed by the sub-committee, based on the criteria used by the Foundation. The Senior Citizens Committee reviews proposals and forwards their recommendations to Research and Appeals Committee for their due diligence, prior to the submission of proposals to the Foundation Board for consideration. This year, the Foundation Board approved the following:

- 1) **WEST TORONTO SUPPORT SERVICES - \$32,500.** Since 1985, this agency continues to support the independence of older adults and adults with disabilities. There is an increasing number of older adults living alone with financial constraints and limited mobility. West Toronto Support Services transportation program consists of wheelchair accessible bus, a mini-van and a car that needed to be replaced. These funds helped them purchase a 2016 Toyota Camry Hybrid LE.
- 2) **SPRINT or SENIOR PEOPLES RESOURCES IN NORTH TORONTO INC. - \$33,000.** SPRINT has been caring for seniors and enabling seniors' independence since 1983. Their transportation program provides seniors with access to appointments and Adult Day Programs. A 2016 Toyota Camry Hybrid LE was purchased in May which will ensure the safe transportation of seniors to much needed services.
- 3) **CIRCLE OF HOME CARE SERVICES - \$32,500.** It has been in operation for over 42 years providing home care services to residents across Metropolitan Toronto. The request was for 50% matching funds to purchase \$65,000 wheel-chair accessible van. It will be used with frail and the elderly requiring assisted transportation from emergency and elders' acute care units of Mount Sinai and Bridgepoint to their homes.

- 4) **THE GOOD NEIGHBOURS' CLUB - \$18,500.** The Good Neighbours' Club is a drop-in centre serving homeless, marginally housed and socially isolated men aged 50+ since 1933. They submitted a proposal for a new telephone system that would include a voice mail box for every member which could be accessed from anywhere in the city. Telephones are a lifeline for members which allows them to access information regarding medical appointments, housing and social opportunities. The installation of the new system was completed in June.
- 5) **THE TORONTO PUBLIC LIBRARY - \$15,000.** An expansion of the "Retirement Planning on Low Income". A financial literacy program designed to provide attendees near retirement age access to expert advice to maximize their income at retirement. This funding will be expanded from 4 to 18 branches, focusing on downtown core.
- 6) **FRED VICTOR - \$8,800.** A pilot project that will train socially isolated, vulnerable seniors in St James Town. The project will include the purchase of tablet computers and will test the benefits of connecting seniors with access to technology. This project will commence in September. Once successful, Telus has expressed interest to continue with the program.

In addition, the Senior Citizens Committee donated:

- **HOMES FIRST - \$4,000.** Homes First, provides safe and stable housing with support services to break the cycle of homelessness to those that suffer with mental illness and addictions. 200 kits will help support human dignity and restore a sense normalcy. A kit includes kleenex, disposable razor, shaving cream, toothbrush, toothpaste, shampoo, deodorant, soap, chopstick and lotion.
- **416 COMMUNITY SUPPORT FOR WOMEN - \$4,100.** Since 1984, this agency meets the needs of homeless women in Regent Park. It has evolved into a welcoming community for women with mental health issues, addiction and social isolation. It provides refuge for women and the resources required for the preservation of their health and dignity. This donation will replenish their art and food supplies.

I would like to thank all the committee members for their support, dedication and continued compassion for seniors in our community.

Women's Initiatives Committee – Chair Marcy Berg

This year saw our major project come to fruition. For the last 5 years the Women's Initiative Committee (WIC) has been committed to establishing a safe house for young women victims involved with Domestic Human Trafficking.

We had a major funding request before the Foundation to help with construction of the project. In September, a few members had a chance to tour the new house and it was a very proud to be a Toronto Rotarian moment. Every single member contributed to this significant project. You contributed by being a member, joining committees, attending meetings and dedicating skills. Thank you to the foundation members both past and present who have looked after our Foundation to ensure these significant projects continue to serve our community.

Between the Foundation and our relationship with the Tippet Foundation we were able to provide nearly \$300,000 and the recreation facility in the house is named after our club. This house will give 7 young women a chance at a normal life after what is a horrific experience. It also means more convictions for pimps going forward and the best first step towards ending the practice of human trafficking. The next and most important step will be educating those with the ability to help these women and intervening. Convent house has an ambitious program they are launching and this year we dedicated our entire budget to the initiative.

The Women's Initiative Committee is looking forward to the next chapter and taking on new challenges. We welcome new members.

Youth and Children's Service Committee – Chair Prince Kumar

Our Mandate: The committee supports programs which benefit children and youth in the areas of health, education, child abuse and neglect, social development and life enrichment.

Our Membership: The success of our 2015-2016 year is attributable to our dedicated members and friends of YCS. A special thanks to our members for playing an active role in all initiatives: Lorraine Lloyd (played a key role as Secretary for many of the meetings), Prince Kumar (Chair), Jeff Dobson, Pat Neuman, Brent Thomas (Director – Community Outreach and our incoming Chair for 2016-2017), Binoy Luckoo (Board Liaison), Terry Wray, John Fortney, Anthony Whalen (was our Secretary for some of the meetings), Ross Amos, John Whincup, and Shelley McIntyre (who was our Vice Chair for majority of the year and helped immensely in reviewing various proposals and cultivating community partner relationships). Thank you to our Friends of YCS for continuing to support and volunteering on an as needed basis: Karl Kremer, Errol Paulicpulle, Jack Hakimian, Michael Morgan, Emre Yurga, Annie Chu, Jayson Phelps, Edvard Ryder and Rotaractors Sarah Hui and Earlyn Etienne.

Our Sub-committees: We thank all our sub-committee members and volunteers for making a difference in impacting the lives of the youth and children of our community. The sub-committees include – Children's Christmas Party (Chair – Pat Neuman/ Lorraine Lloyd), Youth Exchange, RYLA, Youth Initiatives (Chair – Binoy Luckoo), Youth Leadership Expo (Chair – Jayson Phelps), Youth Civic Leadership Awards, Youth Day Luncheon, and Healthy Beginnings (Chair – Sylvia Geist).

A special thanks to all the members of the The Rotaract Club of Toronto and The Rotaract Club of University of Toronto who have provided immense support to our projects.

2015-16 Highlights:

This year we took our committee meetings directly to where it all happens – our community partners. We saw first-hand the impact our Rotary dollars were having. We thank Charlie's Freewheels and Unity Charity for hosting the first of these kinds of community outreach meetings. We learned how the two organizations had used the funds to improve the lives of youth, and heard first hand from the youth participants of both organizations.

Annual Children's Christmas Party – In its 86th year, this amazing event has become a trademark at the Royal York Hotel and touches the hearts of so many wonderful children, youth, parents, volunteers and community organizations. With a \$20,000 budget the sub-committee did a phenomenal job in ensuring hundreds of children with various abilities are provided with a day to remember. The event sees about 100 volunteers, including police officers, firemen, auxiliary officers, Rotarians and their families, Rotaractors and District Youth Exchange Students. In total about 600 guests are facilitated in this iconic Christmas party. It is heartwarming to see the Children in their element and actively participating and enjoying the event, irrespective of the immense daily challenges they face – they are the true heroes and we as Rotarians are honoured to have this opportunity to celebrate with them.

Annual Youth Leadership Expo (YLE) – In its 4th year, our club has formed a partnership with the Toronto District School Board and strengthened ties with the Toronto Catholic District School Board. We bring together many community partners, hands on workshops, and motivational speakers to inspire, empower and build leadership skills for up to 500 Toronto's Grade 7 to 10 students. A YouTube video shot by youth, featuring youth says it all: https://www.youtube.com/watch?v=8vV1aApM_MU. The

Rotaractors take on a lead role in organizing the event and select grade 11 and 12 students facilitate interactive sessions with small groups of grade 7 to 10 students to help encourage them to build an action plan, engage with community partners and develop community leadership ideas.

Annual Youth Day Luncheon and Youth Civic Leadership Awards (YCLA) – High school students from the City of Toronto with the help of their guidance councillors and teachers apply for these awards. We experience so many amazing and inspiring student applicants. The award recipients and finalists are recognized at our Rotary Youth Day luncheon. Congratulations to the award recipients: Deborah Dada, Rathesh Balendran, D'Angelo Gordon and Akeda Sayram. Both the Executive Directors from TDSB and TCDSB were present at the event to support their students. Youth entertainers engaged and entertained the Rotary audience, including our Rotary International President Elect.

In total for YLE, Youth Day Luncheon and YCLA we spent \$10,958.60. Thank you to The Rotary Club of Toronto, corporate sponsors (TD Securities Inc. and Royal Bank of Canada), YCS committee, The Rotaract Club of Toronto, The Rotaract Club of University of Toronto and Toronto Community Housing.

Healthy Beginnings: Our health beginnings sub-committee was hard at work and supported many charities and initiatives with a total giving of \$9,815.87.

This year we also supported many worthy projects including:

Sojourn House: \$2,500 in support of seed money for kitchen equipment for their cooking training program in the shelter and transitional house.

Miles Nadal Jewish Community Centre: \$4,480 in support of their pilot project bringing children of various abilities together with the Inclusive Children's Musical Theatre Project.

Kids Against Hunger: \$3,500 for supply and logistics for 23,334 dried food meals that were shipped to a Northern Ontario community in need. Rotarians and friends volunteered to pack the meals.

Rotaract TO Trip: \$800 for the first ever international Rotaract Trip to Toronto, enhancing international youth cooperation with Rotaractors from Turkey, Mexico, Taiwan, Ecuador, Poland and Italy.

The Chill Foundation: \$2,500 for new safety equipment (25 helmets, 10 knee/elbow pad sets and 25 skateboard build sets) for the students to use during weekly skateboard lessons, as well as for a pilot project learning opportunity where 25 students will build their own skateboards.

Dusk Dances Inc.: \$2,500 for an educational project that creates an opportunity for youth in underserved communities to engage with the arts via Dusk Dances in the Schools, bringing cultural education to help children grow.

Volunteer Readers Programme: \$3,700 in support of the growth of the reading program with one-time funding for 400 graduation gift books and certificates for students of the 2016-2017 term.

Children's Peace Theatre: \$3,556 towards The Solidarity Project which is engaging black and indigenous youth via workshops in a collaborative arts process with artists and Elders to curate conversations and deepen awareness and understanding of cultures and spiritual practices in order to build new relationships between these two groups.

We were fortunate to help review larger asks and provide our recommendations to the board and the club foundation. Eva's initiative was awarded \$100,000 towards the building of the new Eva's Phoenix facility and naming of a Rotary house consisting of a shared suite with accommodation for 5 homeless youth to live in, while they learn life skills and have access to employment training programs.

We started discussions with Rotaract Clubs to engage in a partnership granting model to make a hands-on positive impact with the youth and children of our great Toronto community. We hope to take this model to new actionable heights in 2016-2017 under the guidance of our incoming chair Brent Thomas.

The YCS committee wrapped up our year with our annual potluck celebratory event at the rooftop gardens of Carrot Commons.

For Rotarians, we encourage you to find out more about our committee by coming to our monthly meetings at the Royal York Hotel every third Tuesday of the month at 5:30 pm. For our youth and community partners, we thank you for the great work you do in making an impact in the lives of the youth and children of our wonderful community.

Healthy Beginnings Sub-Committee (Youth and Children) – Chair Sylvia Geist

The Healthy Beginnings Committee has had another very successful year. The Committee grew in size in its membership and continued to focus on the needs of children ages from infancy to 6 years old. These agencies received diapers, wipes, sleepers, socks, hats, shirts, puzzles, flashlights, Rotary Bags to name a few of the items. Moms received promotional items such as hand lotions, hand soaps, cologne, and vanity kits. The committee members organized these items and the agencies arranged for staff to pick them up at the two designated locations. In this manner, issue of storage was resolved and was no longer a barrier for the implementation of the Rotary Community Bag Program.

Ten agencies received these items, 4 times this year (fall, winter, spring and summer). Agencies complete receipt forms on the day of each delivery, thus providing the committee with data as to the numbers of children and their mothers being assisted by this program. An approximate 500 mothers and their children receive the contents of the Bag Program on each delivery date. The committee has developed an agency survey that will be conducted next year to expand our knowledge and more specific data on the effectiveness of our Community Bag Program.

The Rotary Community Bag Program offers a unique program in the downtown area for mothers and their children. The diapers are especially appreciated, since they are costly for the mothers to purchase. The other items are certainly welcomed, valued and are very practical in their use. The agencies have frequently commented that this program serves a valuable purpose, addresses a significant need in the community and want the Bag program to be continued as long as possible.

Thank you to all the committee members for their active participation, sense of humour and continued commitment. With their interest and energy the Healthy Beginnings Committee will continue their successful partnership with its community.

If you are interested in making a difference in the lives of children from infancy to age 6 and their families, join our committee. We meet every 3rd Friday at 1:30 in the Rotary Board Room. Next year the success of the committee will continue under the capable leadership of Kerry Bowser who assumes the role of the Chair and Luba Rascheff, who continues to be the Lead for the Community Bag Program.



Financial Statements

The Rotary Club of Toronto

June 30, 2016

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Independent Auditor's Report

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To the Members of
The Rotary Club of Toronto

We have audited the accompanying financial statements of **The Rotary Club of Toronto**, which comprise the statement of financial position as at June 30, 2016, and the statements of operations and changes in fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independent Auditor's Report (continued)

Basis for qualified opinion

In common with many not-for-profit organizations, **The Rotary Club of Toronto** derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the **The Rotary Club of Toronto**. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenses, and cash flows for the years ended June 30, 2016 and 2015, current assets as at June 30, 2016 and 2015, and fund balances as at July 1, 2014 and 2015, and June 30, 2016 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **The Rotary Club of Toronto** as at June 30, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Toronto, Canada
November 17, 2016

Chartered Professional Accountants
Licensed Public Accountants

The Rotary Club of Toronto

Statement of Operations and Changes in Fund Balances

Year ended June 30

	Operating Fund	Philanthropic Fund	Total 2016	Total 2015
Revenue				
Lunch plan	\$ 177,361	\$ -	\$ 177,361	\$ 202,458
Membership dues	124,813	-	124,813	137,164
Miscellaneous	21,027	-	21,027	6,629
Event administration fees	-	-	-	6,539
Entrance fees	3,600	-	3,600	3,000
Restricted donations (Schedule 1)		195,265	195,265	217,215
Donations from Rotary Club of Toronto Charitable Foundation (Note 5)	-	112,500	112,500	105,000
Funds raised by Special Events Committee (Schedule 1)	-	175,283	175,283	192,603
Investment income	-	56,935	56,935	10,991
Other income	-	-	-	2,152
Other donations	-	11,472	11,472	15,011
	<u>326,801</u>	<u>551,455</u>	<u>878,256</u>	<u>898,762</u>
Philanthropic expenses				
Committee activities (Schedule 1)	-	114,525	114,525	119,136
Restricted projects (Note 7 and Schedule 1)	-	195,265	195,265	217,215
Special events (Schedule 1)	-	97,473	97,473	123,691
Donation to Rotary Club of Toronto Charitable Foundation (Note 5)	-	74,563	74,563	86,881
General	-	7,312	7,312	3,651
	<u>-</u>	<u>489,138</u>	<u>489,138</u>	<u>550,574</u>
Operating expenses (Schedule 2)	501,071	-	501,071	530,832
Recovery from Rotary Club of Toronto Charitable Foundation (Note 5)	<u>(115,000)</u>	<u>-</u>	<u>(115,000)</u>	<u>(87,000)</u>
	<u>386,071</u>	<u>-</u>	<u>386,071</u>	<u>443,832</u>
Excess (deficiency) of revenue over expenses	(59,270)	62,317	3,047	(95,644)
Fund balances, beginning of year	153,097	602,067	755,164	850,808
Interfund transfer (Note 9)	<u>68,000</u>	<u>(68,000)</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 161,827</u>	<u>\$ 596,384</u>	<u>\$ 758,211</u>	<u>\$ 755,164</u>

See accompanying notes and schedules to the financial statements.

The Rotary Club of Toronto

Statement of Financial Position

June 30

	Operating Fund	Philanthropic Fund	2016 Total	2015 Total
Assets				
Current				
Cash	\$ 5,883	\$ 75,032	\$ 80,915	\$ 142,753
Accounts receivable	12,134	3,748	15,882	15,966
Investments (Note 3)	-	771,451	771,451	668,648
Due from Foundation (Note 5)	-	-	-	688
Prepaid expenses	705	2,000	2,705	10,138
Interfund balance	186,125	(186,125)	-	-
	204,847	666,106	870,953	838,193
Equipment (Note 6)	-	-	-	1,018
	<u>\$ 204,847</u>	<u>\$ 666,106</u>	<u>\$ 870,953</u>	<u>\$ 839,211</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 4)	\$ 40,438	\$ 15,631	\$ 56,069	\$ 50,260
Due to Foundation (Note 5)	1,122	320	1,442	-
Deferred contributions (Note 7)	-	52,311	52,311	31,537
Deferred revenue	1,460	1,460	2,920	2,250
	43,020	69,722	112,742	84,047
Fund balances				
Internally restricted for designated projects (Note 8)	-	12,201	12,201	9,414
Unrestricted	161,827	584,183	746,010	745,750
	161,827	596,384	758,211	755,164
	<u>\$ 204,847</u>	<u>\$ 666,106</u>	<u>\$ 870,953</u>	<u>\$ 839,211</u>

On behalf of the Board of Directors



Treasurer



Director

The Rotary Club of Toronto

Statement of Cash Flows

Year ended June 30	2016	2015
Increase (decrease) in cash		
Operating		
Excess (deficiency) of revenue over expenses	\$ 3,047	\$ (95,644)
Items not affecting cash		
Amortization of equipment	1,018	1,018
Recognition of deferred contributions	(195,265)	(217,215)
Realized gains on investments	(381)	(57,867)
Unrealized (gains) loss on investments	<u>(24,303)</u>	<u>76,967</u>
	<u>(215,884)</u>	<u>(292,741)</u>
Contributions received and deferred	<u>216,039</u>	<u>200,320</u>
Change in non-cash working capital items		
Accounts receivable	84	4,315
Prepaid expenses	7,433	(3,983)
Accounts payable and accrued liabilities	5,809	(3,652)
Due from/to Foundation	2,130	(738)
Deferred revenue	<u>670</u>	<u>2,250</u>
	<u>16,126</u>	<u>(1,808)</u>
	<u>16,281</u>	<u>(94,229)</u>
Investing		
Proceeds on sale of investments	77,833	188,396
Purchase of investments	<u>(155,952)</u>	<u>(10,604)</u>
	<u>(78,119)</u>	<u>177,792</u>
Increase (decrease) in cash	(61,838)	83,563
Cash		
Beginning of year	<u>142,753</u>	<u>59,190</u>
End of year	<u>\$ 80,915</u>	<u>\$ 142,753</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

1. Nature of the organization

The Rotary Club of Toronto (the "Club") was incorporated without share capital under the laws of Ontario, and is a not-for-profit service club. Its members provide community services both locally and internationally. The Club is exempt from income taxes under Section 149 of the Income Tax Act (Canada) and is a registered charity.

2. Summary of significant accounting policies

The Club has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Club and applied in these financial statements.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the statement of financial position, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. The items requiring the use of significant estimates include the allowance for uncollectible amounts and accruals. Actual results could differ from these estimates.

Revenue recognition and fund balances

The Club follows the deferral method of accounting within the Operating and Philanthropic funds.

The Operating Fund reflects membership fees, lunch plan revenue and miscellaneous revenues, which are recorded as earned. Fees received in advance are deferred.

Revenue raised by the Club, which is designated to be used for philanthropic activities, including donations directed to other registered charities, is allocated to the Philanthropic Fund. Externally restricted contributions related to special projects in the Philanthropic Fund are deferred and recognized as revenue in the year in which the related expenses are incurred. Other donations and bequests are recorded when received. Proceeds received for philanthropic events in advance are deferred.

Certain of the net assets of the Philanthropic Fund are internally restricted for use in designated projects as reflected in Note 8.

Equipment

Equipment is recorded at cost. The Club amortizes the cost of equipment over its estimated useful life as follows:

Furniture and equipment	33% per annum
Computer equipment	33% per annum

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

2. Summary of significant accounting policies (continued)

Financial instruments

The Club's financial instruments are comprised of cash, accounts receivable, investments, due from/to Rotary Club of Toronto Charitable Foundation and accounts payable.

Initial measurement

The Club's financial instruments obtained in arm's length transactions are initially measured at their fair value. The Club's financial instruments obtained in related party transactions are measured at their exchange amount.

Subsequent measurement

At each reporting date, the Club measures its financial assets and liabilities at amortized cost, except for cash and investments, which are measured at fair value. The Club has irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Club's investments are recorded in the statement of operations.

For financial assets measured at amortized cost, the Club regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Club determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Contributed goods and services

Contributed goods and services are not recorded in the accounts because of the difficulty in determining their fair value.

Objectives, policies and processes for managing capital

The Club considers its capital to consist of its Operating and Philanthropic Fund balances. The Club's objectives when managing its capital are to safeguard the Club's ability to provide quality charitable activities for its members.

During fiscal 2016 there have been no significant changes to the Club's capital management objectives, policies and processes in the year nor has there been any change in what the Club considers to be its capital.

Charity disbursement requirement

The Club is subject to the disbursement requirement set by the Canada Revenue Agency for Canadian charities, and as at June 30, 2016 was in compliance with this requirement.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

3. Investments

	<u>2016</u>	<u>2015</u>
Philanthropic Fund		
Fixed income		
iShares CDN S/T BOND ETF	\$ 99,540	\$ 100,660
Home TR HISA-A/NL/NFRAC	<u>79,915</u>	<u>1,913</u>
	<u>179,455</u>	<u>102,573</u>
Shares and trust units		
Altagas Ltd	25,088	30,432
Arc Resources Ltd	33,090	32,100
BCE Inc	61,100	53,060
Canadian National Railway	45,738	43,236
Crescent Point Energy Corp	10,200	12,815
Emera Incorporated	48,610	39,340
Faircourt Gold Income-A	19,485	16,200
Great West Lifeco Inc	30,600	32,724
iShares SP/TSX CP MAT ETF	13,760	11,780
iShares Real EST 50 ETF	40,494	32,531
Masco Corporation	48,300	39,922
Pembina Pipeline Corp.	39,150	40,370
Royal Bank of Canada	45,804	45,828
Telus Corp	37,413	38,727
Toronto Dominion Bank	38,773	37,128
Wells Fargo Co	<u>43,118</u>	<u>49,108</u>
	<u>580,724</u>	<u>555,301</u>
Cash surrender value of life insurance policy	<u>11,273</u>	<u>10,774</u>
	<u>\$ 771,451</u>	<u>\$ 668,648</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

4. Accounts payable and accrued liabilities

	<u>2016</u>	<u>2015</u>
Trade accounts payable and accrued liabilities	\$ 52,601	\$ 46,712
Government remittances payable	<u>3,468</u>	<u>3,548</u>
	<u>\$ 56,069</u>	<u>\$ 50,260</u>

5. Due to Foundation

The Club's operations and philanthropic activities are supported by the Rotary Club of Toronto Charitable Foundation ("Foundation"). The Foundation is a charitable foundation and is exempt from income taxes under Section 149 of the Income Tax Act (Canada). The Foundation's primary mission is to fund programs in the City of Toronto, which benefit children and youth in areas of health, women's initiatives, education, social development, life enrichment, aboriginal service, and the prevention of child abuse and neglect. It also funds community programs for the homeless, disabled and seniors and contributes, from time to time, to international Rotary projects which assist children and youth. The Club is related to the Foundation as a result of shared management and given Board of Director members are drawn from the same membership.

The balance of \$1,442 presented as "Due to Foundation" (2015 – Due from Foundation of \$688) is non-interest bearing and is due on demand.

During the year, the Philanthropic Fund received unrestricted donations from the Foundation in the amount of \$112,500 (2015 - \$105,000) recognized as donations from Rotary Club of Toronto Charitable Foundation and in the amount of \$13,787 (2015 - \$5,804) recognized as fundraising by special events committee revenue.

During the year the Philanthropic Fund received restricted funds from the Foundation in the amount of \$81,099 (2015 - \$58,209) recognized as restricted donations.

In addition, the Operating Fund received \$115,000 (2015 - \$87,000) from the Foundation as reimbursement of administration services provided. The Club approved a donation to the Foundation of \$74,563 (2015 - \$86,881), being the surplus from annual fundraising events.

6. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Office furniture and equipment	\$ 47,269	\$ 47,269	\$ -	\$ -
Computer equipment	<u>13,953</u>	<u>13,953</u>	<u>-</u>	<u>1,018</u>
	<u>\$ 61,222</u>	<u>\$ 61,222</u>	<u>\$ -</u>	<u>\$ 1,018</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

7. Deferred contributions

Deferred contributions in the Philanthropic Fund represent unspent externally restricted donations, as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 31,537	\$ 48,432
Donations received and deferred	216,039	200,320
Donations disbursed and recognized as revenue	<u>(195,265)</u>	<u>(217,215)</u>
Balance, end of year	<u>\$ 52,311</u>	<u>\$ 31,537</u>

8. Internally restricted for designated projects

	<u>2016</u>	<u>2015</u>
Fund balance, beginning of year	\$ 9,414	\$ 9,061
Amounts restricted	112,500	105,000
Expenses	<u>(109,713)</u>	<u>(104,647)</u>
Fund balance, end of year	<u>\$ 12,201</u>	<u>\$ 9,414</u>

The Club's Board of Directors has designated funds to be used for undertaking special projects. The internally restricted net assets are not available for use without the approval of the Board of Directors.

9. Interfund transfer

The Philanthropic Fund transferred \$68,000 (2015 - \$68,000) to the Operating Fund on account of shared operating expenses.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

10. Financial instruments

The Club's main financial instrument risk exposure is detailed as follows and remains unchanged from the prior year.

Concentration risk

The Club is subject to concentration risk as it maintains its cash balances at a high quality financial institution in Ontario which, from time to time, may exceed the insured amount of \$100,000 provided by Canadian Depository Insurance Corporation. As at June 30, 2016, the Club holds \$78,996 (2015 - \$58,132) with its bank and \$1,920 (2015 - \$84,621) with its custodian.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Club's main credit risks relate to its accounts receivable and accrued interest receivable and the bonds, included in investments. To mitigate risk the Club engages the services of investment managers to manage its portfolio investments. Credit risk associated with these financial assets is low.

Liquidity risk

The Club's liquidity risk represents the risk that the Club could encounter difficulty in meeting obligations associated with its financial liabilities. The Club is, therefore, exposed to liquidity risk with respect to its accounts payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Club is exposed to interest rate risk on the fixed income investments held in its investment portfolio, which subject the Club to fair value risk.

b) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. An amount of \$131,912 (2015 - \$121,560), comprising approximately 17% of the Club's investments are denominated in US dollars. These amounts have been converted into Canadian dollars at the prevailing foreign exchange rate as of June 30, 2016. Consequently these assets are exposed to foreign exchange fluctuations.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2016

10. Financial instruments (continued)

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Club is exposed to other price risk through its investments in publicly traded shares and bonds.

The Rotary Club of Toronto

Schedules to the Financial Statements

Year ended June 30, 2016

Philanthropic Fund Revenue and Expenses

Schedule 1

	<u>2016</u>	<u>2015</u>
Fundraising by Special Events Committee revenue		
Steam Whistle Dinner	\$ 66,780	\$ 75,634
Rotary Ribfest	46,500	70,000
Golf Day	29,778	32,405
Christmas Party (Note 5)	21,324	-
Argos 50/50 Tickets	6,957	10,565
Ace of Clubs	3,944	3,647
Kids Against Hunger	-	352
	<u>\$ 175,283</u>	<u>\$ 192,603</u>
Restricted donations revenue and related expenses (Notes 5 and 7)		
Argos 50/50 Tickets	\$ 53,302	\$ 95,930
International Service	31,632	44,675
Scholarship Committee	29,923	-
International Service	23,571	-
Community Service	13,346	20,967
Syrian Refugee Relief	12,621	-
Indigenous Service	8,465	31
Camp Scugog	7,303	6,833
Youth and Children Service	6,994	41,955
Healthy Beginnings	2,749	74
RI Challenge Walk	1,825	-
Rotaract	1,511	-
Polar Bear Dip	1,446	-
Gatsby Event	355	-
Women's Initiative	222	-
UofT Rotaractor	-	650
Senior Citizens	-	6,100
	<u>\$ 195,265</u>	<u>\$ 217,215</u>
Committee activities expenses		
Youth and Children Service	\$ 27,500	\$ 21,715
Community Service	24,500	25,500
Women's Initiatives	15,000	15,000
Indigenous Service	12,749	12,500
Golf Day donation	12,574	13,924
Senior Citizens	9,963	9,932
Healthy Beginnings	6,129	10,000
Argos 50/50 Administration costs	6,110	10,565
	<u>\$ 114,525</u>	<u>\$ 119,136</u>

The Rotary Club of Toronto

Schedules to the Financial Statements

Year ended June 30, 2016

Philanthropic Fund Revenue and Expenses - continued

Schedule 1

	<u>2016</u>	<u>2015</u>
Special events expenses		
Steam Whistle Dinner	\$ 23,740	\$ 23,717
Children's Christmas Party	21,273	19,700
Senior's Christmas Party	21,010	18,798
Golf Day	17,204	18,481
Rotary Ribfest	8,978	29,192
Other Projects	5,268	8,403
Kids Against Hunger	-	5,400
	<u>\$ 97,473</u>	<u>\$ 123,691</u>

The Rotary Club of Toronto

Schedules to the Financial Statements

Year ended June 30, 2016

Operating Fund Expenses		Schedule 2	
	2016		2015
Office			
Salaries and benefits	\$ 137,951	\$	132,939
Rent	20,902		20,902
Professional fees	14,699		14,724
Computer software	12,674		11,485
Maintenance and repair	7,777		6,270
Telephone	6,152		5,926
Miscellaneous	5,239		7,070
Insurance	3,710		3,900
Stationery, printing and supplies	3,446		4,105
Amortization of equipment	1,018		1,018
Bad debts	-		585
	<u>213,568</u>		<u>208,924</u>
General			
Lunch plan costs	192,235		222,223
Conferences and conventions	22,485		23,446
Program and Friday meetings	11,023		16,422
Sundry	9,783		9,992
Fellowship events	7,911		523
Presentations and club awards	3,059		4,101
Badges, pins and banners	561		2,058
	<u>247,057</u>		<u>278,765</u>
Rotary communications			
Printing	13,738		17,117
Postage	265		722
	<u>14,003</u>		<u>17,839</u>
Rotary per capital levies			
Rotary International	17,343		16,054
District 7070	9,100		9,250
	<u>26,443</u>		<u>25,304</u>
	<u>\$ 501,071</u>	<u>\$</u>	<u>530,832</u>

ROTARY CLUB OF TORONTO CHARITABLE FOUNDATION

ANNUAL REPORT 2015-2016

During the 2015 -2016 fiscal year the Rotary Club of Toronto Charitable Foundation continued its important and creative mission to help the disadvantaged, both here in Toronto (its primary focus) and elsewhere in the world where its contribution can have a meaningful impact. Responding to requests for funds, the Foundation directed its resources to help the homeless and those suffering from mental health and addiction challenges, seniors, children, communities suffering from natural disasters, members of Toronto's indigenous community and many others for whom life has become a struggle.



During the year, the Foundation donated or committed a total of \$856,296 to 20 charities carrying out this important work including The Rotary Club of Toronto Philanthropic Fund, Centre for Addiction and Mental Health (CAMH), Covenant House and Eva's Initiatives and many others.

In addition, we continue to support Rotary International (RI), including RI's signature project to eradicate polio from the world through its End Polio Now Campaign. The Foundation also pays an equivalent of \$200 per annum for each Rotary Club of Toronto Member to the RI Foundation and is the largest worldwide donor to ShelterBox, an organization established by Rotarians to provide immediate temporary housing and life support resources to the victims of hurricanes, earthquakes, tsunamis and similar disasters. During the year, we paid \$10,000 to RI's Polio campaign, and \$34,160 to ShelterBox in support of their campaigns. One project for which we are particularly proud, is the funding we provided, through matching funds, to Fort McMurray, Alberta following the catastrophic forest fire it suffered earlier this year. Donations totaling \$71,401.31, including \$30,000 out of the Foundation's funds, were sent to the local Rotary Club to assist in the community's recovery.

The Foundation's mandate is primarily focused on addressing social problems in downtown Toronto, including issues related to children, youth, seniors and community programs. In addition, the Foundation occasionally provides funds for issues relating to indigenous peoples of our country outside the city, as well as a limited number of international projects.

The Foundation has two standing committees, made up of members of the Club. The Research and Appeals (R & A) Committee advises the Foundation's Board on matters relating to the donations we make, including investigations of funding applications. The Investment Committee advises the Board on the prudent administration of the Board's endowment, including making investment decisions relating to its portfolio. Candidates

for membership in the two Committees are recruited and appointed by the Board of Directors of the Foundation based on the unique skill sets required to fulfill the mandates of each Committee.

Appeals for funding received by the Foundation are assigned to the R & A Committee (ably chaired this last year by Valerie Clarke), whose members are appointed by the Board to carry out due diligence on the appeals, guided by the Foundation's Project Evaluation Guidelines. A great deal of work is required to examine the worthiness and effectiveness of the requesting organization, the merits of the project to be funded, the ability of the agency to get adequate financial support for the project to proceed, the probability of the project being sustained on an ongoing basis and any other issues that need be addressed to ensure the success of the initiative and the sound use of our contributions. The Committee also examines whether a project falls within the Foundation's mandate. The process involves assigning applications to committee members who investigate appeals, submit reports, make recommendations, and vote on whether the Board should approve any proposal, including any conditions that should be attached. All recommendations submitted to the Foundation Board are the result of a collective decision of the Committee. In 2015-16, 39 such appeals were referred to the Committee and 9, for a total value of \$247,800, were approved by the Board.

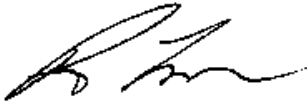
In addition to more routine applications, the Foundation occasionally receives requests for larger donations in excess of \$50,000. In these cases, the Foundation Board, usually in consultation with the Board of Directors of The Rotary Club of Toronto, will decide whether investigation is warranted. If so, the appeal will be referred to the R & A Committee for due diligence and recommendation. During this past year 5 such appeals were received and 3 were approved.

The Foundation is grateful to each of the members of the Research and Appeals Committee for the time and knowledge that they bring to this review process.

The ability of the Foundation to fund these many worthwhile and necessary projects is highly dependent on the management of the assets in its portfolio. Our Investment Committee, under its capable co-chairs Bill Empey and Tony Houghton, is made up of Club members appointed by the Foundation Board to oversee the investment of the Foundation's assets. The investment policy and the asset mix that they strive to maintain is established by the Board, based on recommendations of the Committee. At June 30, 2016, the assets of the Foundation amounted to \$17,798,118 compared with \$17,397,056 the previous year. The Board of the Foundation is thankful for the efforts and skill of its Investment Committee for its skill in managing our investments.

Foundation Vice President Susan Howson, has been chairing a new committee of the Foundation, charged with examining the Foundation's procedures for approving large donations, and other aspects of the Foundation's structure, with a view to making the Foundation more effective in achieving its goals. The report of the committee should be available early in the coming year. I am grateful to Susan for taking on this difficult and

important work. I am, as always, mindful of the exceptional work done by our Executive Director, Carol Hutchinson, and the staff in the Rotary office to make things happen as and when they should. Finally, I am grateful to the members of The Rotary Club of Toronto for their continuing understanding, encouragement and support.

A handwritten signature in black ink, appearing to read 'P. Love', with a stylized, flowing script.

Peter Love
President

ROTARY CLUB OF TORONTO CHARITABLE FOUNDATION

Incorporated July 20, 1951, under the Laws of Ontario

OFFICERS

President: Peter Love
Vice-President: Susan Howson
Treasurer: Blair Spinney
Secretary: Carol Hutchinson

BOARD OF DIRECTORS

Valerie Clarke
William Empey
David Hetherington
James Hunter
Susan Hunter
Silvia Milne
Pat Neuman
Peter Simmie
Marg Stanowski

HONOURARY DIRECTORS

Robert Smith
Steve Smith
Brian C. Westlake
Richard White

ROTARY CLUB OF TORONTO CHARITABLE FOUNDATION

Mission Statement

The Rotary Club of Toronto Charitable Foundation is the fundraising and granting entity of the Rotary Club of Toronto. Its primary mission is to fund programs, in the City of Toronto, which benefit children and youth in the areas of health, education, child abuse and neglect, social development and life enrichment. It also funds community programs for the homeless, disabled and seniors and contributes, from time to time, to international Rotary projects which assist children and youth.

Values Statement

The Rotary Club of Toronto Charitable Foundation has adopted the following values:

- Excellence in fulfilling its mission and goals
- Highest ethical standards and adherence to accepted fundraising and granting practices
- Integrity and fairness in all undertakings
- Adherence to the guiding principles of Rotary including the four way test
- Excellence in the governance and administration of the Foundation's affairs
- Compliance with all regulatory and statutory requirements

Approved by the

Foundation Board Nov. 2, 2004

The Research & Appeals Committee

Annual Report – 2015-2016

The Research and Appeals Committee reviews unsolicited appeals for funding that are received in the Rotary office. The Committee's role is to conduct due diligence reviews using its Project Evaluation Guidelines, and making recommendations to the Foundation. The focus is the downtown area of Toronto with an emphasis on seniors, youth, children and community programs. Applications must have Canadian registered charitable status to be considered and grants are not made to individuals.

The Foundation Board authorizes all grants and Research and Appeals Committee's role is strictly advisory. Appeals are assigned to committee members who conduct an in-depth review. This review may involve calls to or visiting the appeal agencies, interviewing senior staff, examining relevant financial information and other important details.

Research & Appeals Committee members prepare a written report by applying the Project Evaluation Guidelines. These reports are presented at the monthly meetings of the Research and Appeals Committee and votes are conducted on each appeal. All recommendations to the Foundation Board are a result of a collective decision of the Committee.

In 2014-2015 Research and Appeals Committee reviewed 55 appeals and 14 were recommended for approval.

The successful appeals were made to the following charities:

- Eva's Initiatives
- War Child Canada
- Homes First Meal Program
- The Living City Foundation

Research & Appeals Committee also conducts due diligence and comments and provides recommendations to the Foundation Board on major projects selected by the Seniors Committee. These projects were made possible by the restricted Laughlin Fund.

Seniors projects:

- West Tower Support Services
- SPRINT
- Fred Victor Centre
- Good Neighbours Club
- Toronto Public Library
- Circle of Care

The Foundation Board provided \$240,000 for R & A appeals and a further \$140,300 for Seniors appeals.

Appeals directed to our Foundation for grants in excess of \$75,000 are assigned to the Research & Appeals Committee for due diligence and comments only. A report is provided to the Foundation Board following a similar process as described above.

R & A also conducted due diligence and provided comments on the following proposals for 2015-16:

- Fred Victor Centre
- Covenant House
- Canadian Rotarian Water Foundation
- Sherbourne Health Centre – Health Bus replacement

Valerie Clarke
Chair



Financial Statements

Rotary Club of Toronto Charitable Foundation

June 30, 2016

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Statement of Changes in Fund Balances	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15



Grant Thornton

Independent Auditor's Report

Grant Thornton LLP
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Toronto, ON
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To the Board of Directors of
Rotary Club of Toronto Charitable Foundation

We have audited the accompanying financial statements of **Rotary Club of Toronto Charitable Foundation**, which comprise the statement of financial position as at June 30, 2016 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Independent Auditor's Report (continued)

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many not-for-profit organizations, **Rotary Club of Toronto Charitable Foundation** derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the **Rotary Club of Toronto Charitable Foundation**. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditures, and cash flows for the years ended June 30, 2016 and 2015, current assets as at June 30, 2016 and 2015, and fund balances as at July 1, 2014 and 2015, and June 30, 2016 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Rotary Club of Toronto Charitable Foundation** as at June 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The image shows a handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Toronto, Canada
November 25, 2016

Chartered Professional Accountants
Licensed Public Accountants

Rotary Club of Toronto Charitable Foundation

Statement of Operations

Year ended June 30	2016	2015
Revenue		
Dividend income	\$ 547,850	\$ 514,182
Realized gain (loss) on investments	443,920	(33,035)
Donations received (Notes 4 and 6)	<u>121,553</u>	<u>175,843</u>
	<u>1,113,323</u>	<u>656,990</u>
Expenditures		
Charitable donations (Notes 3 and 4)	856,296	682,759
Administration and general		
The Rotary Club of Toronto (Note 4)	115,000	87,000
Professional services	14,593	15,417
Premiums on life insurance policy	<u>1,501</u>	<u>313</u>
	<u>987,390</u>	<u>785,489</u>
Excess (deficiency) of revenue over expenditures before unrealized gain on investments	125,933	(128,499)
Unrealized gain on investments	<u>275,581</u>	<u>506,992</u>
Excess of revenue over expenditures	<u>\$ 401,514</u>	<u>\$ 378,493</u>

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation Statement of Changes in Fund Balances

Year ended June 30, 2016

	Unrestricted					
		Jean K. Cowan Rotary Memorial Fund			Cumulative Unrealized Gain on Investments Fund	Total 2015
	General Fund		Restricted Funds (Note 6)			Total 2016
Fund balances, beginning of year	\$ 3,020,343	\$ 3,924,361	\$ 4,241,818	\$ 6,198,387		\$ 17,384,909
Excess (deficiency) of revenue over expenditures	(39,755)	(51,665)	217,343	275,581		378,493
Fund balances, end of year	\$ 2,980,588	\$ 3,872,706	\$ 4,459,161	\$ 6,473,968		\$ 17,384,909

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation

Statement of Financial Position

June 30

2016

2015

Assets

Current

Cash	\$ 502,158	\$ 233,182
Due from The Rotary Club of Toronto (Note 4)	1,442	-
Prepaid expenses	-	1,188
Investments (Note 5)	<u>17,294,518</u>	<u>17,162,686</u>
	<u>\$ 17,798,118</u>	<u>\$ 17,397,056</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 11,695	\$ 11,459
Due to The Rotary Club of Toronto (Note 4)	<u>-</u>	<u>688</u>
	<u>11,695</u>	<u>12,147</u>

Fund balances

Unrestricted

General Fund	2,980,588	3,020,343
Jean K. Cowan Rotary Memorial Fund	3,872,706	3,924,361

Externally restricted (Note 6)

The Laughlen Trust Fund	4,001,800	3,821,312
Andrew Westlake Memorial Fund	88,150	81,385
Pauline Hill Endowment Fund	50,901	48,207
Andras Family Endowment Fund	301,852	274,468
Gerry Nudds Endowment Fund	16,458	16,446

Cumulative Unrealized Gain on Investments Fund	<u>6,473,968</u>	<u>6,198,387</u>
	<u>17,786,423</u>	<u>17,384,909</u>
	<u>\$ 17,798,118</u>	<u>\$ 17,397,056</u>

On behalf of the Board of Directors



Treasurer



Director

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation

Statement of Cash Flows

Year ended June 30	2016	2015
Increase (decrease) in cash		
Operating activities		
Excess of revenue over expenditures	\$ 401,514	\$ 378,493
Item not affecting cash		
Realized (gain) loss on investments	(443,920)	33,035
Unrealized gain on investments	<u>(275,581)</u>	<u>(506,992)</u>
	(317,987)	(95,464)
Change in non-cash working capital items		
Prepaid expenses	1,188	(1,188)
Accounts payable and accrued liabilities	236	(771)
Due to/from The Rotary Club of Toronto	<u>(2,130)</u>	<u>738</u>
	<u>(318,693)</u>	<u>(96,685)</u>
Investing activities		
Purchase of investments	(8,048,325)	(9,659,513)
Proceeds on disposal of investments	<u>8,635,994</u>	<u>9,715,449</u>
	<u>587,669</u>	<u>55,936</u>
Increase (decrease) in cash	268,976	(40,749)
Cash		
Beginning of year	<u>233,182</u>	<u>273,931</u>
End of year	<u>\$ 502,158</u>	<u>\$ 233,182</u>

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

1. Nature of the Foundation

Rotary Club of Toronto Charitable Foundation (the "Foundation") is a corporation authorized by Ontario charter to accept gifts and bequests and to administer the income and capital of the funds entrusted to it. The Foundation is a charitable foundation and is exempt from income taxes under Section 149.1(1)(a) of the Income Tax Act (Canada).

The Foundation's primary mission is to fund programs in the City of Toronto, which benefit seniors, children and youth in areas of health, the homeless, disabled persons, women's initiatives, education, social development, indigenous service, life enrichment and the prevention of child abuse and neglect. The Foundation contributes, from time to time, to national and international projects.

2. Summary of significant accounting policies

The Foundation has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Foundation and applied in these financial statements.

Revenue recognition

Donations are recognized when received. Investment income is recognized on an accrual basis.

Contributed goods and services

Contributed goods and services are not recognized in the accounts as their fair value is not reasonably determinable.

Fund balances

The Foundation follows the restricted fund method of accounting for contributions. Designated donations are credited to specific restricted funds as per the donor's wishes and undesignated donations are credited to the unrestricted funds. Investment income, including realized gains and losses, are allocated to all funds in proportion to opening fund balances. Unrealized gains and losses are recognized in the Cumulative Unrealized Gain on Investments Fund. Restricted funds are charged with disbursements for designated charitable donations and with a proportionate share of other expenditures. Unrestricted funds are charged with disbursements for non-designated charitable donations and a proportionate share of other expenditures.

(a) Unrestricted funds

The General Fund and Jean K. Cowan Rotary Memorial Fund include the unrestricted activities of the Foundation.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

2. Summary of significant accounting policies (continued)

Fund balances (continued)

(b) Restricted funds

While the funds are restricted as to use, there are no restrictions over the disbursement of the restricted funds, subject to the objectives, policies and procedures for managing capital.

The Laughlen Trust Fund was established in 2011 and included the balance previously held in the Laughlen Fund, which had been established in 2005. The purpose of this fund is to serve the needs of senior citizens in the Province of Ontario with priority given to those in the Toronto area. \$3,207,311 in donations have been received by this fund since 2005, and charitable donations totalling \$980,049 have been expended from this fund.

The Andrew Westlake Memorial Fund was established in 1996. The purpose of this fund is to support educational programs for youth.

The Pauline Hill Endowment Fund was established in 2003. The purpose of this fund is to support charitable initiatives for the well-being of children prenatal to age six and needy mothers who are receiving public assistance. Funding comes from gifts, memorials and tribute giving designated to this fund.

The Andras Family Endowment Fund was established in 2008. The purpose of this fund is to support the general charitable purposes of The Rotary Club of Toronto (the "Club") and the Foundation.

The Gerry Nudds Endowment Fund was established in 2008. The purpose of this fund is to support the charitable projects and educational programs for The Rotaract Club of Toronto.

(c) Cumulative Unrealized Gain on Investments Fund

This fund holds the cumulative unrealized gain or loss on individual investments until the year in which an investment is disposed. Upon disposition, the cumulative gain or loss on each investment is relieved from this fund and recognized in the form of realized gains or losses to all other funds in proportion to their opening fund balances.

Objectives, policies and procedures for managing capital

The Foundation's capital is comprised of its fund balances as described above.

The Foundation's objectives when managing its capital are: (a) to provide funding to various charitable organizations so that they can continue to build and sustain an excellence in their performances and programs; (b) to preserve the long-term purchasing power of the Foundation's externally restricted funds to meet the expectation of donors and prospective donors and to ensure that a real (inflation protected) level of operating support for the Club is maintained; and (c) to cover the operating expenses of managing the Foundation's investments.

To achieve these objectives, the Foundation has established an Investment Policy Statement and Guidelines that are designated to achieve an appropriate balance between investment returns and risk by monitoring and following on a regular basis: (i) investment mix, (ii) quality of investments, (iii) selection of investment managers, and (iv) relative performance against similar funds.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

2. Summary of significant accounting policies (continued)

Charity disbursement requirement

The Foundation is subject to the disbursement requirement set by the Canada Revenue Agency for Canadian charities, and as at June 30, 2016 was in compliance with this requirement.

Financial instruments

The Foundation's financial instruments are comprised of cash, due from/to The Rotary Club of Toronto, investments and accounts payable.

Initial measurement

The Foundation's financial instruments obtained in arms length transactions are initially measured at their fair value. The Foundation's financial instruments obtained in related party transactions are measured at their exchange amount.

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities at amortized cost, except for cash and investments, which are measured at fair value. The Foundation has irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Foundation's investments are recorded in the statement of operations.

For financial assets measured at amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

3. Charitable donations

	<u>2016</u>	<u>2015</u>
416 Community Support for Women	\$ -	\$ 15,500
Andrew Westlake Memorial Race	450	600
Barbra Schlifer Commemorative Clinic	-	11,000
Canadian Red Cross	-	1,000
Canadian Rotarian Water Foundation	15,000	-
Care Canada	-	18,000
Centre for Addition and Mental Health	75,000	-
Circle of Home Care Services Toronto	32,550	-
Community Association for Riding for the Disabled	-	9,000
Covenant House Toronto	137,500	1,000
Creating Together Family Resource Centre	-	-
Dixon Hall	-	33,000
Dowling Community Service Residence	-	12,000
Eva's Initiatives for Homeless Youth	100,000	-
Food Share Toronto	-	59,000
Fred Victor Centre	6,800	-
Gilda's Club Greater Toronto	-	10,000
Homes First Foundation	25,000	-
Lake Scugog United Church Camp Inc.	12,000	7,000
National Youth Orchestra of Canada	-	15,000
Native Child and Family Services of Toronto	-	15,000
Nellie's	-	14,231
New Circles Community Services	-	14,115
New Visions Toronto	-	7,800
PaCt – Urban Peace Program	12,500	-
Regent Park Film Festival Inc.	-	5,000
Rosedale United Church	8,000	-
Senior People's Resources in North Toronto Inc.	33,000	-
Shelterbox Canada	34,160	30,000
Sistering - Woman's Place	-	25,000
SKETCH	5,000	5,000
St. Matthew's Bracondale House	-	1,000
St. Stephen's Community House	-	10,000
Sunshine Centre for Seniors	-	10,000
The Concerned Kids Charity of Toronto	-	5,000
The Good Neighbours' Club	18,500	-
The Living City Foundation	30,000	-
The Rotary Club of Toronto (Note 4)	207,386	169,013
The Rotary Foundation (Canada)	55,000	50,000
The Woodgreen Foundation	-	75,000
Three to Be	-	15,000
Tides Canada Foundation	1,000	-
Toronto City Mission	-	5,000
Toronto Public Library Foundation	15,000	-
Toronto Science Fair	-	4,500
Voice for Hearing Impaired Children	-	10,000

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

3. Charitable donations (continued)

	<u>2016</u>	<u>2015</u>
West Toronto Support Services	32,500	-
Yonge Street Mission	<u>-</u>	<u>20,000</u>
Total charitable donations	<u>\$ 856,296</u>	<u>\$ 682,759</u>

The Foundation's donations in support of the Centennial included \$22,045 (2015 - \$21,888) to The Rotary Club of Toronto.

4. Due to/from The Rotary Club of Toronto

The Club is a not-for-profit service club, a registered charity, and is exempt from income taxes under Section 149 of the Income Tax Act (Canada). The Club's members provide community services locally, nationally and internationally. The Foundation is related to the Club as a result of shared management and given Board of Director members are drawn from the same membership. The Foundation supports the Club's philanthropic and charitable operations.

The balance of \$1,442 presented as "Due From The Rotary Club of Toronto" (2015 - \$688 Due to The Rotary Club of Toronto) relates to the net proceeds from committee and special event activities of the Club. This balance is non-interest bearing and due on demand.

During the year, the Foundation donated an amount of \$207,386 (2015 - \$169,013) to the Philanthropic Fund of the Club to support various philanthropic activities (Note 3). Included in that amount, was \$10,000 (2015 - \$10,000) in support of the Senior Citizens committee. In addition, \$115,000 (2015 - \$87,000) was paid to the Operating Fund of the Club as reimbursement of administration services provided.

The Foundation recognized as donations received from the Club, an amount of \$74,563 (2015 - \$86,881), being the surplus from the Club's annual fundraising event. Related party transactions included in revenue and expenditures are recorded at their exchange amounts.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

5. Investments

	2016	2015
Common stock		
Algonquin Power & Utilities	\$ 356,700	\$ 280,800
Bank of Montreal	654,240	740,100
BCE Inc.	611,000	530,600
Bristol Myers Squibb Company	382,725	332,008
Brookfield Asset Management	377,395	386,214
Brookfield BUSN PRTNS LPU	4,337	-
Canadian National Railway	350,658	331,476
Caterpillar Inc.	-	105,804
Crescent Point Energy Corp.	102,000	128,150
Emera Incorporated	486,100	393,400
Enbridge Inc.	273,400	292,050
Faircourt Gold Income - A	173,200	144,000
Glaxo Smithkline-PLC-ADR	112,762	103,908
General Electric Company	327,619	265,147
Inter Pipeline Fund A LUP	287,490	301,350
Interfor Corp	77,000	-
International Forest Production Ltd. - A – SV	-	143,430
iShares SP/TSX CP MAT	-	58,900
iShares FTSE NAR R/EST 50	-	542,182
iShares REAL EST 50 ETF	674,907	-
Keyera Corporation	412,832	436,599
Manitoba Telecom Services Inc.	246,480	181,415
Masco Corporation	354,199	266,145
Newalta Corporation	27,606	183,438
Northland Power Inc.	221,700	158,200
Pembina Pipeline Corporation	313,200	322,960
Peyto Exploration & Development Corp	259,275	228,975
Pfizer Inc.	228,958	209,127
Procter & Gamble Company	165,221	146,395
Royal Bank of Canada	610,720	763,800
Seaspan Corporation	90,738	117,692
SEC Technologies SPDR SBI	208,802	191,077
Sector SPDR TR INT-FINL	89,177	91,235
Sienna Senior Living Inc	170,700	154,500
SunLife Financial Services Inc.	320,916	315,544
Teck Resources Ltd.	68,000	49,520
Telus Corporation	498,840	516,360
Thomson Reuters Corporation	313,200	285,360
Toronto Dominion Bank	664,680	742,560
TransCanada Corporation	584,000	507,600
United Technologies Corporation	200,130	207,561
Valero Energy Corporation	165,832	195,218
Vanguard FTSE Europe ETF	-	309,739
Verizon Communications	363,276	290,709
Wells Fargo	264,870	301,661
WSP Global Inc.	220,752	220,136
	12,316,137	12,473,045

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

5. Investments (continued)

	<u>2016</u>	<u>2015</u>
Preferred Shares		
BCE Inc 1st PFD-R	\$ 25,004	\$ 23,128
BMO S&P/TSX LADD PFD ETF	12,480	15,470
Brookfield Pty - AAA S-H PF	-	25,050
Canadian 50 ADV-F T/U	28,160	36,721
Weston George 5.20% - III PF	<u>24,260</u>	<u>23,900</u>
	<u>89,904</u>	<u>124,269</u>
Bonds		
iShares DeX S/T	398,160	402,640
iShares 1-5Y LADD CP BD ETF	191,400	195,400
Aberdeen Asia-Pacific Inc.	<u>134,850</u>	<u>141,520</u>
	<u>724,410</u>	<u>739,560</u>
Bankers Acceptances		
FBA, July 5, 2016	599,934	-
FBA, August 8, 2016	999,160	-
FBA August 24, 2016	998,810	-
FBA, August 17, 2015	-	998,820
FBA, July 20, 2015	-	999,510
FBA, September 21, 2015	<u>-</u>	<u>997,950</u>
	<u>2,597,904</u>	<u>2,996,280</u>
Other		
Savings accounts	725,885	292,436
Vanguard FTSE Europe ETF	279,100	-
Ishares Global AGRI INDEX ETF	356,290	361,020
Crombie Real Estate Income Trust	153,500	124,700
Cash surrender value of life insurance policy	<u>51,388</u>	<u>51,376</u>
	<u>1,566,163</u>	<u>829,532</u>
Total	<u>\$ 17,294,518</u>	<u>\$ 17,162,686</u>

Rotary Club of Toronto Charitable Foundation Notes to Financial Statements

June 30, 2016

6. Restricted funds

	The Laughlen Trust Fund	Andrew Westlake Memorial Fund	Pauline Hill Endowment Fund	Andras Family Endowment Fund	Gerry Nudds Endowment Fund	Total 2016	Total 2015
Fund balances, beginning of year	\$ 3,821,312	\$ 81,385	\$ 48,207	\$ 274,468	\$ 16,446	\$ 4,241,818	\$ 4,353,959
Excess of revenue over expenditures before the following	338,788	7,215	4,274	24,334	1,458	376,069	145,613
Donations received	-	-	150	27,050	-	27,200	39,150
Charitable donations	(158,300)	(450)	(1,730)	(24,000)	(1,446)	(185,926)	(296,904)
Fund balances, end of year	\$ 4,001,800	\$ 88,150	\$ 50,901	\$ 301,852	\$ 16,458	\$ 4,459,161	\$ 4,241,818

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2016

7. Financial instruments

The Foundation is exposed to various risks through its financial instruments. The Foundation's main financial instrument risk exposure is detailed as follows and remains unchanged from the prior year.

Concentration risk

The Foundation is subject to concentration risk as it maintains its cash balances at a high quality financial institution in Ontario which, from time to time, may exceed the insured amount of \$100,000 provided by the Canadian Depository Insurance Corporation. As at June 30, 2016, the Foundation holds \$24,984 (2015 - \$49,028) with its bank and \$477,174 (2015 - \$184,154) with its custodian.

To the extent that the Foundation holds positions in a particular sector or asset class, the Foundation is subject to an increased risk that its investments in that particular sector may decline because of changing expectations for the performance of that sector. The Foundation holds a diversified investment portfolio and accordingly does not have significant sector or asset class concentration risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on the fixed income investments held in its investment portfolio, which subject the Foundation to fair value risk.

b) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. An amount of \$3,629,216 (2015 - \$3,365,868), comprising approximately 20.5% (2015 – 19.5%) of the Foundation's investments are denominated in US dollars. These amounts have been converted into Canadian dollars at the prevailing foreign exchange rate as of June 30, 2016. Consequently these assets are exposed to foreign exchange fluctuations.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in publicly traded shares and bonds.

ROTARY CLUB OF TORONTO CHARITABLE
FOUNDATION BENEFACTORS

Carolyn Anthony

Arcadia Home Care Inc.

Lloyd Barbara

Margaret Dykes Page

John Farrell

Harold Hetherington

Ron Himelfarb

Humphrey Funeral Home/
A.W. Miles Chapel Limited

Elizabeth Howson

Susan Howson

Douglas A. Hughes

Lorna Johnson

Elana Levinson

Mackie Research
Capital Corp.

Ontario FEIsters

Patricia A. Sanderson

Chris Snyder

Carl Spiess

St. Michael's Hospital

Robert Thompson

Walter Thompson

Grant Thornton

Richard White

Corporate Members

Grant Thornton LLP

St. Michael's Hospital



St. Michael's

Inspired Care. Inspiring Science.

During the past Rotary year many members, individuals or organizations donated to the Club's Charitable Foundation. The Board of Directors is grateful for this interest and support.

The Foundation relies upon a continuing source of gifts and bequests in order to expand its ability to support Club and community projects.





Rotary

The Rotary Club of Toronto

The Rotary Club of Toronto

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