

The Rotary Club of Toronto &
Rotary Club of Toronto Charitable Foundation

Rotary

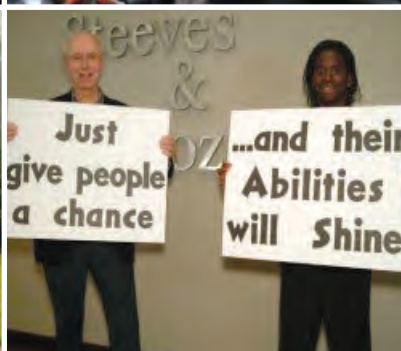


The Rotary Club of Toronto

**Annual Report &
Financial Statements**

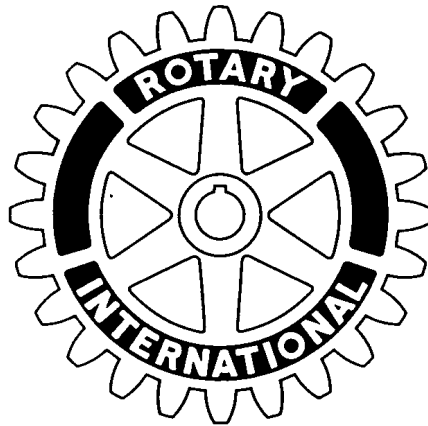
Year ended June 30, 2015

2014
2015



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



The Rotary Club of Toronto for over 100 years has made a significant difference in the lives of others both in our own community and abroad. Our goal this year, as in every year, has been to make The Rotary Club of Toronto even stronger in our ability to help others and to reinforce our commitment to Service above Self. Thanks to the Board of Directors, the committees and all our members, I believe that we have achieved that goal.

The primary objective this year was to continue to implement the Strategic Plan. A strategic planning committee was created in 2012 under the supervision of Past President Sandy Boucher to set a plan in motion to ensure the future of this fine club. The committee, with feedback from the membership, identified six strategic drivers that are key to this club's future success. These are: Engaged Membership, Inspired Communications, Effective Committees, Strong Foundation, Sustainable Finances and Governance. Over the past couple of years the focus of this club has been the implementation of the first two drivers, Engaged Membership and Inspired Communications.

The Membership Committee has made great progress in implementing strategy. For example, the "New Members Red Stripe" program has been very successful in engaging and integrating new members in our club. As well, initiatives are progressing to increase our membership through the referral networks of Rotarians in our club. There is also an initiative to attract corporate membership underway.

The Marketing and Communications Committee has also made great progress this year, in particular, on the social media front. We are now connected not just through the website, but we communicate on Facebook, LinkedIn and Twitter and we continue to develop our internal and external communications. This is a cornerstone to keeping our current membership engaged and attracting new members.

The implementation of these two strategic drivers was initiated last year and the Strategic Planning Committee, headed by incoming president David Hetherington, continued to oversee implementation.

This year we initiated the focus on Effective Committees. This was the major theme of our Club Assembly. A task force, headed by VP Susan Hunter, has outlined a comprehensive Effective Committees strategy which will be implemented over the next year.

We have had an exciting year and there were many highlights. We hosted Royalty at a very special lunch attended by the Crown Prince and Princess of Denmark. We were honoured to host a lunch at the CN Tower for Rotary International President Gary Huang when he traveled to Toronto to present at the, very successful Interota 2014, which was put on by Rotoract clubs from Toronto and Montreal. Past RI President Wilf Wilkinson was a very special guest at this lunch as well. RI International President Elect, Ravi Ravindran delivered an inspiring message to our club during his visit to Toronto for the Zone conference. In addition to the foregoing we have had, as usual, many excellent guest speakers thanks to the excellent efforts of the Programming Committee.

Throughout the year, we maintained our commitment and support of many of the causes we hold dear at the Rotary Club of Toronto. We have also explored new ways to provide Service above

Self. For example, we had a very successful Kid Against Hunger event which brought together Rotarians, Rotaractors, families and friends for a sweat equity project to help make a difference in the lives of Indigenous peoples in Canada while also engaging our members in the spirit of fellowship and charity.

Thanks to the Women's Initiative Committee, we were involved in the creation of a Safe House in partnership with Covenant House. We had a wonderful Remembrance Day celebration with special guest Brigadier General Julian Chapman and a subsequent visit from the Minister of Veteran's Affairs. Our International Service committee continues to work towards supporting water and sanitation projects that make a difference worldwide.

Thanks to the efforts of our Youth and Children's Committee, we conducted a very successful Youth Day Lunch and presented a number of Scholarship awards. Our Healthy Beginnings Committee has made wonderful progress in focusing its efforts to support mothers of newborns and children 0 – 6. We celebrated National Aboriginal Day thanks to the efforts of our Aboriginal Service Committee. Our Fellowship and Entertainment Committee arranged for many events bringing together Rotarians for events such as Frisbee Golf, Christmas Caroling in the Distillery District, theme dinners, wine tastings and more. As always we shared joy with the community as we hosted our annual Children's Christmas Party and, thanks to the efforts of our Seniors Committee, our Seniors Christmas Party. We also had a very successful Camp Scugog, preparing camp for underprivileged families while enjoying fellowship and fine dining!

It would be impossible to continue our good works if not for the ongoing efforts of our strong Foundation, Investment Committee, Research and Appeals and our Fundraising Committees. Fundraising efforts included the very successful Annual Fundraiser held at Steam Whistle Brewery, the Annual Golf Event and, of course, our involvement in Ribfest.

Over the years, the demographic of The Rotary Club of Toronto has changed significantly. Our membership includes people of varied backgrounds, professions and, yes, age groups. To address our changing demographics, we must continually evolve the ways in which we provide Service above Self. This includes assessing the wonderful traditions of our fine club and determining if there are ways in which we can innovate or improve while remaining true to our roots. "That's the way we have always done it" is not the mantra for a successfully growing club. As I mentioned at the beginning of the year, we must determine how best to retain the interest and commitment of our current membership while successfully attracting new members. For example, this year we initiated a "new tradition", the Presidents Cocktail Meeting, where we gather in a more social setting to conduct one of our meetings. We have made a concerted effort to engage and support both the Rotaract Club of Toronto and the U of T Rotaract club and look forward to continuing to develop and enrich our mutually beneficial relationships. As one of our esteemed past presidents once noted, Rotaractors are not Rotarians of the future, they are Rotarians today. We will continue to find new and innovative ways to provide Service Above Self while enjoying great fellowship and philanthropic accomplishments.

It has been a great honour and privilege to serve as President of this wonderful Club over the past year and it would not have been possible without the kind words and support of my fellow Rotarians. Thank you all for your confidence and support during my term and for making this one of the very special years of my life. Thank you to Rotary Club of Toronto Charitable Foundation Chair Bob Smith and the Foundation Board, Research and Appeals and the Investment Committee for

the excellent work they continue to do in overseeing and growing the Foundation which supports our club's good works.

I am especially thankful for the support of David Hetherington, Susan Hunter, the Board members of The Rotary Club of Toronto as well as the Chairs, the many committee members, that have not only personally supported me, but have made such a difference to our club's success through their collective efforts. And, of course, thank you to our wonderful Executive Director, Carol Hutchinson and Belliappa Teetharmada for their unwavering support.

I truly believe that, in the spirit of fellowship and the belief in Service above Self, The Rotary Club of Toronto continues to make a significant difference in the lives of others and that through our continued efforts we will continue to "Light Up Rotary"!

Yours in Rotary,

A handwritten signature in dark ink, appearing to read "S. Smith", written in a cursive style.

Steven Smith

President 2014-2015

THE ROTARY CLUB OF TORONTO

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

OFFICERS

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

DIRECTORS

Ross Amos
Lori Brazier
Harry Figov
James Hunter
Carolyn Purden
Dina Rashid
Peter Simmie
Margaret Stanowski
Rohit Tamhane*
Fabio Ventolini*
Greg Vermeulen*
Mario Voltolina*
* retiring from Board

Immediate Past President: Richard White

Aboriginal Service Committee

In our fourth year, the Aboriginal Service Committee continues to bring Rotarians, agencies and indigenous leaders together in the spirit of Truth and Reconciliation.

We partnered with First Nations' School accessing donations of backpacks and school supplies through Katy Perry's "Let Roar Happen" campaign. We participated in the school's Careers Day program to introduce Grade 8 aboriginal youth to a variety of potential career paths.

We partnered with One Laptop per Child on two projects providing tablet and laptop computers to schools in Nesktantaga (\$4,000.00) following a cluster of youth suicide and to Wapekeka (\$3,500.00 matched by TD Bank) after all technology was lost during a fire in the community's school.

We followed up with Nesktantaga First Nation with a \$5,000.00 donation to HIP (Honouring Indigenous Peoples) toward a new playground.

We provided \$2,500.00 toward the purchase of a new bus for FEAT which helps connect children (mostly aboriginal) with their parents who are in the penal system.

The Committee also provided in-kind donations of diapers, baseball hats, shirts and jackets to Native Child and Family Services. The Committee was honoured by the agency for our work to establish the Scarborough GED Program.

Our Committee welcomes regular guests and experts to help guide us and to provide information and education to our members including presentations from the Chiefs of Ontario on water and education issues. We hosted activist Cindy Blackstock at a Friday luncheon in honour of National Aboriginal Day

The committee is involved with HIP, the LG's Aboriginal Forums, Princes Charities Canada, made presentation to the Canadian Council for Aboriginal Business AGM, and held a forum bringing together indigenous educational leaders with the upper management of Carillion Canada. Member David Sharpe travelled to KI with Andree Cazabon on the 3rd Reconciliation Exchange.

The Aboriginal Service Committee has been nominated for the City of Toronto's Hubbard Award for Race Relations.

This year, in addition to our regular activities, we will be hosting National Chief Perry Bellegarde on November 27th and we are organizing a forum to bring together indigenous leaders, agencies and club members to identify a potential major project(s).

We meet on the first Wednesday of each month at Native Child and Family Services, 40 College Street, beginning at 4:30PM. Any club member interested in Truth and Reconciliation and the unfinished business of Confederation should consider joining us.

John Andras, Chair

Community Service Committee

Our MANDATE: The Community Service Committee is responsible for supporting programs for the purpose of improving the quality of life for certain segments of the population in our urban community. This may include those groups who are most vulnerable to the economic, social and environmental challenges of an urban environment - the homeless, single-parent families, recent immigrants and the poor.

We thank all of our committed members and the guidance of Binoy Luckoo (Chair), Rafael Lopez (Secretary) and Ross Amos (Board Liaison).

In addition to the Committee's broad-based community work, the Community Service Committee has an Environmental Sub Committee, chaired by Alex Zalewski, which takes the lead on environmental issues within our Club.

Through a combination of financial grants and people assistance, including sweat equity, the Community Service Committee supported the following new and continuing philanthropic initiatives:

- **The Neighbourhood Centre** – provide Christmas hampers containing meals, toys, books, winter clothing to needy families of the Secord & Taylor-Massey Communities of Toronto. This donation is to help the Neighbourhood Centre to purchase these hampers and distribute them to the qualified families (\$1,500)
- **St Joseph & Margarets** – purchase and distribution of winter boots, coats and survival kits to homeless people (\$1,400)
- **Aids Committee of Toronto (ACT)** – to support the Totally outRIGHT program undertaken by the AIDS Committee of Toronto (ACT), a leadership program to help develop leadership skills of 45 young GBTQ men in Toronto (\$3,500)
- **Seeds of Hope Foundation** – purchase and distribution of socks to the homeless people of Toronto in winter 2015 (\$500)
- **Metropolitan United Church** – support the Out of the Cold program at Metropolitan United Church which provides a place where those on the streets in the Queen Street/Church Street area can come in for a hot meal on Thursdays during the winter months (\$2,000)
- **Metropolitan United Church** – help fund the church for the purchase of a replacement minivan to be used in the outreach program to help homeless and needy people. The van is used to transport the homeless to homes/shelters, to pick up non-perishable food items, to deliver food, furniture and other items to the homes and shelters (\$5,000)
- **St Michael's Homes** – St Michael's Homes consist of 4 houses in downtown Toronto providing residential treatments, transitional support and out-patient services to men 19 years and over. They are setting up a new food program to help the men they service prepare their own food on a budget. This program will help the men be able to transition out of the homes and be able to take care of their nutrition requirements on a budget (\$2,500)
- **LEAF Adopt-a-Park-Tree Program** – help the support and training required for Friends of parks groups to establish successful tree adoption activities in the Regent Park area. The program consists of planning, training of group leaders and mulching and Tree Tour event (\$2,500)

The Environmental Sub Committee assisted the following organizations with their environmental initiatives:

- **Urban Forest Associates - Rotary Ecosystem Project** – tree planting projects (\$1,700)
- **LEAF Project Regent Park** – Funded a gardening program in Regent Park (\$2,500)
- **Eva's Initiatives** – Funded a gardening program for homeless youth at one of the downtown shelters administered by Eva's Initiatives (\$767).

It has been both a privilege and rewarding experience to serve as members of the Community Services Committee during the 2014/15 year.

We thank the outgoing executive members for their continued support and all of the Committee members for their active involvement and commitment.

We look forward to making 2015/2016 a great year of service for the committee and its members.

Binoy Luckoo, Chair

Fellowship and Entertainment Committee

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 12 active members and is growing in activity and in profile within the Rotary Club of Toronto. The committee is re-launching birthday calls and cards. The committee has developed an events tracking and calendar tool and over the past year has organized the following events:

- Dinner and Shopping at the European Christmas Market (Andrea Vabalis)
- Carolling at St. Michael’s Hospital (John Joseph Mastandrea)
- Brunch at The Hot House Restaurant (Anna Koneva)
- Disc Golf on Toronto Island (Cliff and Lorna Johnson)
- Scotch Tasting at The National Club (Neil Phillips)
- Wine Tasting at The National Club (Steve Smith)
- A Cuban Dinner at the Lisa Marie Restaurant (Neil Phillips)
- A Filipino Fusion Night at Lamesa Filipino Kitchen (Susan Hunter)
- An Asparagus Dinner at Geoffrey Johnson’s Catering Company Factory (Cliff Johnson)
- 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 Brigitte Bogar for taking on the role of vice chair and Andrew Mercer as the committee secretary.

Cliff Johnson, Chair

¹ Page 41 of the April 1938 edition of The Rotarian

Fundraising Committee

The Fundraisng Committee consisted of: Chair, Pat Neuman, Liaison Director, Susan Hunter, Kevin Power, Brian Porter, Suzanne Seaquist, Fabio Ventolini, Shannon Lundquist, Dawn-Marie King, John Joseph Mastandrea, and John Lloyd.

The committee enjoyed a great 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 , Honda Indy tickets, 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 gift cards.

Fabulous food was provided by EnVille. Let the drum roll....we realized just over \$46,000 net.

Many thanks to our members who not only bought tickets, but donated money. It was a huge success as it was sold out! Special thanks to the many volunteers - members from our club and Rotaracters, 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.

When rain and nasty weather cancelled Saturday night and all day Sunday's festivities, we breathed a sigh of relief regarding the weather but lost crucial dollars for our efforts. The rest of the Ribfest days saw our volunteers working tirelessly to make up for those other days. Special thanks to everyone who helped at the gates, day supervising and overall assistance. We raised \$46,500, then shared \$8700 with the two other clubs according to hours worked)...our net was \$38,000. It was indeed rewarding and lots of fun!

Total fundraising net for the year: \$84,000. Well done, Rotary members and Rotaract!!

Healthy Beginnings Committee

The Bag Program

The Healthy Beginnings Committee has had a very active and exciting year. The Committee focused on evaluating and restructuring the Community Program entitled the “Bag Program for Children Ages from 0-6 years old”. There are 12 community agencies in the downtown area who receive donations 4 times per year from the Healthy Beginnings Bag Program.

A special “thank you” to Jackie Davies who has made it possible for this unique community program, “The Bag Program (ages 0-6)” to make a significant contribution to the downtown agencies who work tirelessly with the disadvantaged mothers and their babies. And of course, the established Pauline Hill Fund secures that the Bag program will continue to flourish.

This year agencies were organised into three distinct Hubs depending on their location. Throughout the year, comprehensive evaluation was requested from these agencies of the content of the bags, and the priority needs of their target populations. All the agencies highly valued the bag program and felt that it made a significant contribution to the work of their agency and made a significant difference to the mothers and their children. They all advocated for the continuance of the program. They agreed that other agencies (who might be on a waiting list) would also benefit from the bag program and the program should be expanded if possible.

A distribution centre was established at a downtown location for agencies to pick up contents for their bags. Purchased supplies and donations were delivered to the distribution centre in the morning and the agencies picked up the contents in the afternoon. This system was assessed and found to be efficient and effective. All the agencies did have the capacity to pick up their supplies.

The purpose in the establishment of the distribution centre: 1) to encourage agencies to increase their participation in the bag program, 2) to reduce the need to recruit Rotary volunteers to pack the bags and Rotary drivers to deliver the bags to the agencies and 3) to eliminate the need to find a place to store supplies.

Funding for Community Projects

Agencies were encouraged to submit community projects to the Healthy Beginnings’ Committee. Although the Committee did not grant any funding to any of the new submitted community programs involvement with other community proposals and grants will be considered in next year.

Thank you to all the committee members for their active participation and energy.

If you are interested in making a difference in the lives of children from 0-6 and their families, join our committee. We meet every 3rd Friday at 1:30 p.m. in the Rotary boardroom. For more information, please contact: sgeist@rogers.com

Chair, Sylvia Geist

Honours & Awards Committee

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 also makes recommendations, from time to time, for nominations to District or Rotary International awards.

Club Builder Award

Awarded to Rotarians who have made a very real contribution 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: Lori Brazier
Greg Vermeulen
Valerie Clarke**

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: Jeff Dobson
Sylvia Geist
Susan Hunter
David Libby
Kevin Power
Ric Williams**

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.

Awarded to: Maureen Bird

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.

Awarded to: Neil Philips

David Hetherington
Chair and President-Elect, 2014-15

International Service Committee

The International Service Committee (ISC) supports high-impact projects that make a sustainable and lasting difference around the world. In 2014-2015, some of the projects that ISC supported include:

- Helped fund a Global Grant to provide access to clean water to Uganda through WASRAG
- Donated to Doctors Without Borders to provide care to victims of the Ebola crisis in West Africa
- Contributed to the *Canadian Landmine Foundation* to help successfully clear Mozambique of landmines
- Provided food security to remote, vulnerable women and children in Tanzania through *Olive Branch for Children*
- Supported the Global Grant for the New Sight Eye Centre to provide care for the blind and vision-impaired in remote impoverished regions of Liberia
- Supported our club's sweat equity project in Malawi to build a school in an economically disadvantaged community
- Promoted awareness, educated the public and raised \$3,304 through the *Trump Aids Walk*
- Donated nine latrines to landmine victims in Cambodia through *A Mine Free World*
- Electrified Majengo orphanage with solar power in Tanzania so students could study, install fans to prevent malaria and have access to pumped water and technology
- Provided a small 3-wheeled taxi for an orphanage in Tanzania to nurture economic development and raise funds to care for the children
- Provided water filters in remote communities of Laos in partnership with Whitby Sunrise Rotary
- Provided fistula repair surgeries in Uganda for marginalized women
- Supported a skills training and economic development project through *Together We Give* in Kenhardt, South Africa

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.

Scholarship Committee

The Rotary Club of Toronto and the Toronto Argonauts Community Scholarship program was one of the Centennial Projects and originated in 2012. The intent was to award 3 full-tuition scholarships to students who exemplify the traits of perseverance and determination, as well as a commitment to academics. The students would also have to demonstrate financial need and commitment to improving their community.

Souleik Kheyre was the first recipient. She is attending the University of Toronto – St George Campus majoring in International Relations and Employment Relations and minoring in African Studies. Souleik is entering her fourth year in the fall of 2015 and hopes to attend Law School after graduation.

Naresh Sritharan was the second recipient and is attending the University of Toronto – Scarborough Campus majoring in Human & Physical Geography with a double minor in Applied Statistics and Psychology. Naresh is entering his third year in the fall of 2015 and hopes to pursue a career in teaching.

John Chen was the third recipient and is attending the University of Toronto – St. George Campus in the Engineering Science Program. He is entering his second year in the fall of 2015 and hopes to pursue post-graduate studies.

In the spring of 2014, the Rotary Club of Toronto Charitable Foundation agreed to continue the program with one new full-tuition scholarship awarded each year. In the spring of 2015, **Poorva Patel** was awarded the fourth scholarship and will be attending the University of Toronto – Scarborough Campus in the fall of 2015 in the Life Sciences Program and hopes to pursue a career in neuroscience research.

A very important part of the scholarship program is mentoring. A committee member volunteers to mentor each student and provides valuable guidance and support by monitoring the student's progress, providing direction and encouragement and acting as a role model. This is particularly valuable to the student in the first two years of their undergraduate studies.

It is very rewarding to be able to assist these amazing students to reach their potential both personally and professionally while they balance their continued volunteerism in their community.

Barbara Thomson, Chair

Senior Citizen's Committee

Our Mandate:

The Senior Citizen's Committee (SCC) is responsible for supporting services and programming for the purpose of improving the quality of life for disadvantaged seniors in our community. This includes those individuals who are homeless, under-housed and shut-ins who are most vulnerable to the economic, social and environmental challenges of a metropolitan city.

New Developments:

In addition to the traditional events: Seniors Annual Christmas Party, Seniors Summer Picnic and the Thanksgiving and Easter Meals-on-Wheels Programs, the SCC formed a sub-committee at the request of the Rotary Club of Toronto Charitable Foundation Board to consider a grant stream process unique to the Rotary Club of Toronto. In order to streamline the process for agencies to apply for funding by the Foundation for larger and more specific senior's projects, a comprehensive application package was developed.

Grant Stream Application Process and Outcomes:

The application package was distributed to all of the agencies (over 40 in total) that participated in the 2014 Forum with a submission deadline of December 15, 2014. Several packages were received that met the initial criteria and were reviewed by the sub-committee. Recommendations were made to the Charitable Foundation and the Research and Appeals Committee reviewed the proposals applying their rigorous due diligence. Four agencies were successful in being granted funding for transportation and programming that would significantly contribute to the lives of disadvantaged seniors.

Philanthropic Initiatives:

- **Laptops** – It was determined in our 2014 Forum that access to information, programming and services was a significant gap for seniors and computers were identified as a means for seniors to access information and to stay connected with family & friends. There were 9 agencies that received laptop computers.
- **416 Community Support for Women** - The SCC unanimously voted to assist this worthwhile organization with vehicle maintenance, website updates, a new fence, renovation of their activity and program rooms as well as tables and program supplies
- **ArtHeart Community Art Centre** – The SCC supported another valuable program in the downtown community with special programming specifically targeting seniors. Through our committee research, it was determined that this agency provides programming that improves multi-generational interaction, reduces social isolation, provides nutritional meals and art classes to seniors which we agreed to support
- **Yonge Street Mission** – the SCC recommended the RCT support this unique and extensive meal program which was ultimately funded to support seniors
- **Better Living Health & Community Services** – a community kitchen and cooking classes for seniors to provide education on good nutrition and healthy eating was also funded by the SCC

It was a very exciting year with the addition of several new members. A special thank you our new members and to our longstanding core membership for their compassion, support and continued dedication to seniors in our community.

Barbara Thomson, Chair

Women's Initiatives Committee

As the Chair of the Women's Initiative Committee it gives me pleasure to submit this report. The committee had a great year and was pleased to see one of its major projects take a big step forward.

The committee decided to continue its theme of Domestic Violence for the fiscal year. Following the criteria we had established, funds were awarded to Nellie's Shelter, Oolagen Education and Employment Training for Young Women and to Sistering for their Start up Kits given to Women fleeing domestic violence. Nellie's shelter is a long established women's shelter in Toronto that provides safe housing for women. Oolagen is an accredited youth mental health agency that helps stabilize kids/families in turmoil. Sistering is a drop in Centre operating in Toronto and provides practical and emotional support to homeless, under-housed, and low income **Toronto** women.

The Committee continued with its main project working on the Safe House in Toronto. January was a big month for us. On January 29th the City had a big announcement with Mayor John Tory and The Rotary Club of Toronto was mentioned as an intricate part of the project. The next day we hosted the regular Rotary luncheon and were able to share our news with the Club. Bruce Rivers from Covenant House addressed the Club and thanked the Club for all their efforts in getting this project started. We hosted the guest speaker for the day, Jasmine Herlt from Human Rights Watch.

The committee continued its distribution of laptops and the recipients were Elizabeth Fry Society, The Working Skills Centre, Sistering, Microskills Working Women Services and Ladies Learning Code. In December Sylvia Milne and Suzanne Boggliid agreed to continue meetings with Covenant House to assess their ongoing needs with the Domestic Trafficking project. We are dedicated to continuing our work with this project.

The Chair of the committee, Sylvie Leger, left our Club early to take a job in London England. We were sad to say goodbye to her and made her promise we would see her again when she returned.

The committee worked hard this year and deserves a big pat on the back. I would like to thank all the members for their support and for helping me get up and running as the new Chair.

Marcy Berg, Chair

Youth and Children's Service Committee

Our Mandate: The committee is responsible for supporting the needs of children and youth in the community. 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 2014-2015 year has been a very successful year due to our dedicated members and friends of the Youth and Children's Service Committee. A special thanks to our members: Don Brooks, Jeff Dobson, Prince Kumar (Chair), Binoy Luckoo, Pat Neuman (Past Chair), Karl Kremer, Lorraine Lloyd (Secretary), Terry Wray, and John Fortney; Our Board Liaison: Carolyn Purden; and Our friends of Youth and Children's Service Committee. Errol Paulicpulle, John Whincup, Joe Pochodyniak and Emre Yurga.

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), Argos 50/50 (Chair – Kevin Power), Youth Exchange, RYLA, Youth Leadership Expo (Chair – Jeff Dobson), Youth Civic Leadership Awards (Chair-Don Brooks), and Youth Day Luncheon (Chair – Binoy Luckoo). In 2015-2016 we look forward to welcoming Healthy Beginnings to our sub-committees.

A special thanks to the members of the The Rotaract Club of Toronto, who have provided an immense amount of support and vibrancy to a lot of our sub-committees and projects.

2014-15 Highlights:

Annual Children's Christmas Party – This event is club event and our committee and The Rotary Club of Toronto has been hosting it for the past 85 years. It has a separate budget of \$20,000 which is year marked separately from the Youth and Children's Service Committee usual budget. The sub-committee does a phenomenal job in putting together this event, and with their years of experience, they have made this huge complex event seamless and operational like clockwork. It requires about 100 volunteers, including police officers, firemen, auxiliary officers, Rotarians and their families, Rotaractors and District Youth Exchange Students. Hundreds of children with disabilities and their families (in total about 600 guests) are provided a few hours of fun, music, Christmas cheer, activities, food and gifts. 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. The media are in attendance and we have been featured on CTV and Global Saturday evening news.

Annual Youth Leadership Expo (YLE) – Started in our centennial year, this is a fairly young event, and already the attendance of fully engaged Toronto students has grown from 170 to approx. 600 in our 3rd annual event. This interactive day is designed to inspire and empower young people to make a difference. The sub-committee consists of Youth and Children's Service Committee members, The Rotaract Club of Toronto members, and Toronto District School Board members. Two keynote presenters provided inspiration and empowerment to act, numerous community partners participated with 17 booths in the Marketplace for Social Change – giving students avenues to make a difference, and 20 specially selected grade 12 facilitators trained by a Rotaractor facilitated debrief breakout sessions, so that the students walk out with their personalized action plans.

Annual Youth Day Luncheon and Youth Civic Leadership Awards (YCLA) – For several years we have been hosting the Youth Day Luncheon, celebrating the youth civic leadership in our community. High school students from the City of Toronto with the help of their guidance councillors and teachers apply for the Youth Civic Leadership Awards. It is a tough process as so many amazing and inspiring students apply each year and 4 monetary awards and in total 10 finalists are recognized on the Youth Day Luncheon. With our growing partnership with Toronto District School Board, both executives from Toronto District School Board (TDSB) and the Toronto Catholic District School Board (TCDSB) were present at the event. Youth entertainers engaged and entertained the Rotary audience.

The funding for the Youth Leadership Expo, Youth Day Luncheon and Youth Civic Leadership Awards combined is supported by The Rotary Club of Toronto, corporate sponsorship, the Youth Children's Service Committee budget, The Rotary Club of Toronto, and \$500 each for the awards from The Rotaract Club of Toronto, The Rotaract Club of University of Toronto and Toronto Community Housing. The total expense for these events for this year was \$15,481.05. With a slightly higher budget anticipated for next year, we have \$8,000 of corporate sponsorship from (Harvey Kalles Real Estate Ltd, Terreque Children's Foundation, TD Securities Inc., StraNexus Inc. and Royal Bank) and \$7,500 approved from The Rotary Club of Toronto board for 2015-2016 events.

In our support of our community partners and the great initiatives they are embarking on in line with our mandate, the Youth and Children's Service Committee granted:

F.E.A.T. (LAMP Community Health Centre): \$5,000 – Fostering, Empowering, Advocating, Together for children of incarcerated parents

Charlie's FreeWheels: \$3,500

UNITY Charity: \$3,500

Peace by PEACE Toronto: \$3,000

The Rotary Club of Courtice: \$2,000 for Youth Exchange

Rotary Youth Leadership Awards (RYLA): \$950

Arts For Children and Youth (AFCY): \$930

In our support of our community partners and the great initiatives they are embarking on in line with our mandate, the Youth and Children's Service Committee granted (continued from page one):

Alpha Delta Phi Toronto Chapter: \$500

Toronto Police 52 Division Youth Outreach: \$500

The Duke of Edinburgh's Award Young Canadians Challenge (Ontario): \$500

Volunteer Toronto: \$500

Get Real: \$500

TedX Youth: \$500

Peacebuilders International (Canada): \$500

Children's Mental Health Ontario (for The New Mentality): \$500

Apart from the above contributions, the Youth and Children's Service Committee also provides for indirect funding for several youth oriented organizations through our partnership with the **Toronto Argonauts** via our Argos 50/50 sub-committee.

Chair, Prince Kumar



Financial Statements

The Rotary Club of Toronto

June 30, 2015

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Independent Auditor's Report

Grant Thornton LLP
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200 King Street West, Box 11
Toronto, ON
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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, 2015, 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 my 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, 2015 and 2014, current assets as at June 30, 2015 and 2014, and fund balances as at July 1, 2013 and 2014, and June 30, 2014 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2014 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, 2015 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 18, 2015

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 2015	Total 2014
Revenue				
Lunch plan	\$ 202,458	\$ -	\$ 202,458	\$ 175,136
Membership dues	137,164	-	137,164	144,747
Miscellaneous	6,629	-	6,629	9,234
Event administration fees	6,539	-	6,539	6,539
Entrance fees	3,000	-	3,000	3,900
Restricted donations (Schedule 1)	-	217,215	217,215	238,219
Donations from Rotary Club of Toronto Charitable Foundation (Note 5)	-	105,000	105,000	105,000
Funds raised by Special Events Committee (Schedule 1)	-	192,603	192,603	172,181
Investment income	-	10,991	10,991	163,127
Other Income	-	2,152	2,152	-
Other donations	-	15,011	15,011	7,066
	<u>355,790</u>	<u>542,972</u>	<u>898,762</u>	<u>1,025,149</u>
Philanthropic expenses				
Committee activities (Schedule 1)	-	119,136	119,136	135,251
Restricted projects (Note 7 and Schedule 1)	-	217,215	217,215	238,219
Special events (Schedule 1)	-	123,691	123,691	107,768
Donation to Rotary Club of Toronto Charitable Foundation (Note 5)	-	86,881	86,881	85,320
General	-	3,651	3,651	3,593
	<u>-</u>	<u>550,574</u>	<u>550,574</u>	<u>570,151</u>
Operating expenses (Schedule 2)	530,832	-	530,832	472,090
Recovery from Rotary Club of Toronto Charitable Foundation (Note 5)	<u>(87,000)</u>	<u>-</u>	<u>(87,000)</u>	<u>(87,000)</u>
	<u>443,832</u>	<u>-</u>	<u>443,832</u>	<u>385,090</u>
(Deficiency) excess of revenue over expenses	(88,042)	(7,602)	(95,644)	69,908
Fund balances, beginning of year	173,139	677,669	850,808	780,900
Interfund transfer (Note 9)	<u>68,000</u>	<u>(68,000)</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 153,097</u>	<u>\$ 602,067</u>	<u>\$ 755,164</u>	<u>\$ 850,808</u>

See accompanying notes and schedules to the financial statements.


The Rotary Club of Toronto

Statement of Financial Position

June 30

	<u>Operating Fund</u>	<u>Philanthropic Fund</u>	<u>2015 Total</u>	<u>2014 Total</u>
Assets				
Current				
Cash	\$ 4,970	\$ 137,783	\$ 142,753	\$ 59,190
Accounts receivable	13,405	2,561	15,966	20,281
Investments (Note 3)	-	668,648	668,648	865,540
Due from Foundation (Note 5)	688	-	688	-
Prepaid expenses	7,563	2,575	10,138	6,155
Interfund balance	<u>162,121</u>	<u>(162,121)</u>	<u>-</u>	<u>-</u>
	188,747	649,446	838,193	951,166
Equipment (Note 6)	<u>1,018</u>	<u>-</u>	<u>1,018</u>	<u>2,036</u>
	<u>\$ 189,765</u>	<u>\$ 649,446</u>	<u>\$ 839,211</u>	<u>\$ 953,202</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 4)	\$ 36,668	\$ 13,592	\$ 50,260	\$ 53,912
Due to Foundation (Note 5)	-	-	-	50
Deferred contributions (Note 7)	-	31,537	31,537	48,432
Deferred revenue	<u>-</u>	<u>2,250</u>	<u>2,250</u>	<u>-</u>
	<u>36,668</u>	<u>47,379</u>	<u>84,047</u>	<u>102,394</u>
Fund balances				
Internally restricted for designated projects (Note 8)	-	9,414	9,414	9,061
Unrestricted	<u>153,097</u>	<u>592,653</u>	<u>745,750</u>	<u>841,747</u>
	<u>153,097</u>	<u>602,067</u>	<u>755,164</u>	<u>850,808</u>
	<u>\$ 189,765</u>	<u>\$ 649,446</u>	<u>\$ 839,211</u>	<u>\$ 953,202</u>

On behalf of the Board of Directors



Treasurer



Director

The Rotary Club of Toronto

Statement of Cash Flows

Year ended June 30	2015	2014
Increase (decrease) in cash		
Operating		
Excess (deficiency) of revenue over expenses	\$ (95,644)	\$ 69,908
Items not affecting cash		
Amortization of equipment	1,018	772
Recognition of deferred contributions	(217,215)	(238,219)
Realized loss (gains) on investments	(57,867)	(13,603)
Unrealized loss (gains) on investments	<u>76,967</u>	<u>(117,861)</u>
	<u>(292,741)</u>	<u>(299,003)</u>
Contributions received and deferred	<u>200,320</u>	<u>245,206</u>
Change in non-cash working capital items		
Accounts receivable	4,315	31,528
Prepaid expenses	(3,983)	160
Accounts payable and accrued liabilities	(3,652)	(55,724)
Due from/to Foundation	(738)	657
Deferred revenue	<u>2,250</u>	<u>(315)</u>
	<u>(1,808)</u>	<u>(23,694)</u>
	<u>(94,229)</u>	<u>(77,491)</u>
Investing		
Proceeds on sale of investments	188,396	62,317
Purchase of investments	(10,604)	(39,888)
Purchase of equipment	<u>-</u>	<u>(2,808)</u>
	<u>177,792</u>	<u>19,621</u>
Increase (decrease) in cash	83,563	(57,870)
Cash		
Beginning of year	<u>59,190</u>	<u>117,060</u>
End of year	<u>\$ 142,753</u>	<u>\$ 59,190</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

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, 2015

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 2015 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.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

3. Investments

	<u>2015</u>	<u>2014</u>
Philanthropic Fund		
Fixed income		
iShares CDN S/T BOND ETF	\$ 100,660	\$ -
Home TR HISA-A/NL/NFRAC	1,913	39,969
iShares DEX S/T Bond	-	100,240
iShares SP/TSX	-	19,704
	<u>102,573</u>	<u>159,913</u>
Shares and trust units		
Altagas	30,432	39,264
Arc Resources Ltd	32,100	48,735
BCE	53,060	48,400
Canadian National Railway	43,236	-
Canadian Pacific Rail	-	41,640
Crescent Point Energy Corp	12,815	23,645
Emera Incorporated	39,340	34,110
Faircourt Gold Income	16,200	21,240
Great West Life	32,724	27,162
iShares SP/TSX CP MAT ETF	11,780	-
iShares CDSP	-	14,260
iShares Real EST	32,531	27,948
Labrador Iron Ore	-	30,680
Masco Corporation	39,922	28,441
Pembina Pipeline	40,370	68,865
Qualcomm Inc.	-	33,822
Royal Bank of Canada	45,828	45,768
Telus Corp	38,727	55,678
Toronto Dominion Bank	37,128	65,916
Wells Fargo Co	49,108	39,279
	<u>555,301</u>	<u>694,853</u>
Cash surrender value of life insurance policy	<u>10,774</u>	<u>10,774</u>
	<u>\$ 668,648</u>	<u>\$ 865,540</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

4. Accounts payable and accrued liabilities

	<u>2015</u>	<u>2014</u>
Trade accounts payable and accrued liabilities	\$ 46,712	\$ 53,912
Government remittances payable	<u>3,548</u>	<u>-</u>
	<u>\$ 50,260</u>	<u>\$ 53,912</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 balance of \$688 presented as "Due from Foundation" (2014 - \$50 Due to Foundation) 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 \$105,000 (2014 - \$105,000). The Philanthropic Fund also received from the Foundation restricted donations in the amount of \$58,209 (2014 - \$56,000). In addition, the Operating Fund received \$87,000 (2014 - \$87,000) from the Foundation as reimbursement of administration services provided. The Club approved a donation to the Foundation of \$86,881 (2014 - \$85,320), being the surplus from annual fundraising events.

Related party transactions included in revenues and expenses are recorded at their exchange amounts.

6. Equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Office furniture and equipment	\$ 47,269	\$ 47,269	\$ -	\$ -
Computer equipment	<u>13,953</u>	<u>12,935</u>	<u>1,018</u>	<u>2,036</u>
	<u>\$ 61,222</u>	<u>\$ 60,204</u>	<u>\$ 1,018</u>	<u>\$ 2,036</u>

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

7. Deferred contributions

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

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 48,432	\$ 41,445
Donations received and deferred	200,320	245,206
Donations disbursed and recognized as revenue	<u>(217,215)</u>	<u>(238,219)</u>
Balance, end of year	<u>\$ 31,537</u>	<u>\$ 48,432</u>

8. Internally restricted for designated projects

	<u>2015</u>	<u>2014</u>
Fund balance, beginning of year	\$ 9,061	\$ 9,367
Amounts restricted	105,000	105,000
Expenses	<u>(104,647)</u>	<u>(105,306)</u>
Fund balance, end of year	<u>\$ 9,414</u>	<u>\$ 9,061</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 (2014 - \$68,000) to the Operating Fund on account of shared operating expenses.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

10. Financial instruments

The Club's main financial instrument risk exposure is detailed as follows.

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, 2015, the Club holds \$58,132 (2014 - \$57,613) with its bank and \$84,621 (2014 - \$1,577) 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 professional 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.

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 its bonds and debentures held in its investment portfolio, which are fixed interest rate financial instruments. Fixed- interest instruments subject the Club to fair value risk.

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 \$121,560 (2014 - \$129,489), comprising approximately 18% 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, 2015. Consequently these assets are exposed to foreign exchange fluctuations.

The Rotary Club of Toronto

Notes to Financial Statements

June 30, 2015

10. Financial instruments (continued)

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, 2015

Philanthropic Fund Revenue and Expenses		Schedule 1
	2015	2014
Fundraising by Special Events Committee revenue		
Steam Whistle Dinner	\$ 75,634	\$ 59,074
Ribfest	70,000	65,000
Golf Day	32,405	29,388
Argos 50/50 Tickets	10,565	14,980
Ace of Clubs	3,647	3,739
Kids Against Hunger	352	-
	\$ 192,603	\$ 172,181
Restricted donations revenue and related expenses (Note 7)		
Argos 50/50 Tickets	\$ 95,930	\$ 141,857
International Service	44,675	73,937
Community Service	20,967	11,804
Camp Scugog	6,833	6,730
Aboriginal Service	31	2,724
Healthy Beginnings	74	892
Youth and Children Service	41,955	275
UofT Rotaractor	650	-
Senior Citizens	6,100	-
	\$ 217,215	\$ 238,219
Committee activities expenses		
Women's Initiatives	\$ 15,000	25,000
Community Service	25,500	20,559
Youth and Children Service	21,715	18,285
Aboriginal Service	12,500	15,000
Argos 50/50 Administration costs	10,565	14,830
Golf Day donation	13,924	14,712
Healthy Beginnings	10,000	10,000
International Service	-	8,520
Senior Citizens	9,932	8,345
	\$ 119,136	\$ 135,251
Special events expenses		
Steam Whistle Dinner	\$ 23,717	\$ 24,460
Children's Christmas Party	19,700	21,683
Senior's Christmas Party	18,798	18,834
Other Projects	8,403	17,837
Golf Day	18,481	14,676
Kids Against Hunger	5,400	-
Ribfest	29,192	10,278
	\$ 123,691	\$ 107,768

The Rotary Club of Toronto

Schedules to the Financial Statements

Year ended June 30, 2015

Operating Fund Expenses		Schedule 2	
	<u>2015</u>		<u>2014</u>
Office			
Salaries and benefits	\$ 132,939	\$	135,471
Rent	20,902		20,925
Professional fees	14,724		14,700
Computer software	11,485		9,819
Miscellaneous	7,070		6,214
Telephone	5,926		5,224
Maintenance and repair	6,270		5,116
Insurance	3,900		4,078
Stationery, printing and supplies	4,105		3,896
Amortization of equipment	1,018		772
Bad debts (recovery)	585		(207)
	<u>208,924</u>		<u>206,008</u>
General			
Lunch plan costs	222,223		181,495
Program and Friday meetings	16,422		16,036
Conferences and conventions	23,446		13,239
Sundry	9,992		8,122
Centennial events	523		2,615
Presentations and club awards	4,101		2,300
Badges, pins and banners	2,058		1,889
	<u>278,765</u>		<u>225,696</u>
Rotary communications			
Printing	17,117		16,323
Postage	722		393
	<u>17,839</u>		<u>16,716</u>
Rotary per capita levies			
Rotary International	16,054		14,838
District 7070	9,250		8,832
	<u>25,304</u>		<u>23,670</u>
	<u>\$ 530,832</u>	<u>\$</u>	<u>472,090</u>

ROTARY CLUB OF TORONTO CHARITABLE FOUNDATION

Incorporated July 20, 1951, under the Laws of Ontario

OFFICERS

President: Robert D. Smith

Vice-President: Peter Love

Treasurer: Blair Spinney

Secretary: Carol Hutchinson

BOARD OF DIRECTORS

Ross Amos

Valerie Clarke

Susan Howson

David Hetherington

James Hunter

Susan Hunter

Carolyn Purden

Steven Smith

Blair Spinney

HONOURARY DIRECTORS

Brian C. Westlake

Richard White

ROTARY CLUB OF TORONTO CHARITABLE FOUNDATION

ANNUAL REPORT 2014 - 2015

During the 2014 -2015 fiscal year the Rotary Club of Toronto Charitable Foundation continued to receive many appeals from registered charitable organizations throughout the community seeking financial and advisory support. The causes and their projects were intended to help families, seniors groups, children, community services, international needs and many others who are vulnerable and need organizations such as ours to enable them to overcome the challenges of everyday life that so many of us take for granted.



The Foundation donated (and committed) a total of \$645,188 to charities during the year. The organizations that benefitted included the The Rotary Club of Toronto Philanthropic Fund, Centre for Addiction and Mental Health (CAMH), The Concerned Kids Charity, Woodgreen Seniors, FoodShare Toronto Program, Gilda's Club, Voice for Hearing Impaired Children, Native Child and Family Services, Dowling Community Residence, The Toronto City Mission, Nellies – Womens Hostels, Barbara Schlifer Commemorative Clinic, New Circles Community Services, Shelterbox Canada and Care Canada to name a few.

In addition, we continue to support Rotary International projects including the massive commitment to eradicate polio from the world through Rotary International's End Polio Now Campaign. The Foundation also pays an equivalent of \$200 per annum for each Rotary Club of Toronto Member towards the RI Foundation and is the largest worldwide donor to ShelterBox .

The Foundation's mandate is largely limited to addressing social problems in the downtown area of the City of Toronto with the main focus being issues related to children, youth, seniors and community programs. The only exceptions are applications addressing aboriginal issues and the occasional international project.

The Foundation has two committees; one investigates funding applications (Research and Appeals) and the other manages our portfolio (Investment).

The Foundation received these appeals for funding during the year, assigning them to the Foundation's Research and Appeals Committee. The members of this committee are appointed by the Board and carry out due diligence on these applications and are guided by the Foundation's Project Evaluation Guidelines. A great deal of work is required to examine the value of the appeal, the quality of the requesting organization, the merits of the project to be funded, the ability of the agency to get the full financial support for the project, 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 process involves assigning each application to a Committee Member who investigates the application, submits a written report, thoroughly defends their recommendation, followed by a vote of their peers. All recommendations submitted to the Foundation Board are the result of a collective decision of the Committee. In 2014-15 fifty-one such appeals were referred to this Committee and twenty-three, for a total value of \$368,188, received favourable recommendations.

These applications for funding included five that were generated out of an initiative created as a result of the infusion of capital transferred from The Laughlen Foundation in recent years. This money is to be used for charitable causes in support of senior's issues. To that end, The Rotary Club of Toronto Seniors Committee reached out to organizations addressing senior's challenges in the Community and identified access and transportation as an early focus of these funds. The initiative differs from our usual appeals in that the Club's Seniors Citizens'

Committee will reach out to appropriate organizations to generate such appeals. In this, the first year, 5 appeals were received and 4 were approved at a total cost of \$183,000.

In addition to these normal applications, the Foundation occasionally receives requests for donations which exceed \$50,000 and, often for considerably more. In these cases, the Foundation Board, usually in consultation with the Board of Directors of The Rotary Club of Toronto, and where the application appears to be consistent with the Foundation's mandate, will decide whether or not each has significant merit to investigate. The appeal will be referred to Research and Appeals for due diligence and its findings will be considered by the Board of the Foundation in its final deliberations. During this past year three such appeals were received and one was approved. The approved project is a contribution to the Centre for Addiction and Mental Health allowing it to re-locate, expand and update the dental clinic which serves the special needs of its community and serves as a very important training facility for University of Toronto dental students as they deal with a disproportionate number of difficult and severe cases.

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 Committee is ably chaired by Valerie Clark.

The ability of The Rotary Club of Toronto Charitable Foundation to fund these many worthwhile and necessary projects is highly dependent on the management of the assets in its portfolio. Our Investment Committee, like the Research and Appeals Committee, is made up of several Club Members who are selected and 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 but is largely driven by the recommendations of the Investment Committee. At June 30, 2015, the assets of the Foundation amounted to \$17,295,463 vs. 16,954,069 a year earlier. The Board of the Foundation is thankful for the efforts and skill of its Investment Committee for its proficient management of the investments of the Foundation and for the returns that have been achieved in an investment climate that remains somewhat volatile. The Committee consists of ten members and the mandate is to invest the funds entrusted to the Foundation in securities that provide a maximum return commensurate with prudent investment practice and subject to regulatory requirements. The objective is to grow the value of the Fund with the view to provide sufficient earnings to meet our annual giving requirements and to exceed inflation, thus preserving the capital. This Committee manages our financial assets with great skill and has achieved excellent results under the capable leadership of Susan Howson and allows the Foundation to continue to increase our initiatives on behalf of the disadvantaged in Toronto.

The candidates for membership in the two Committees of the Rotary Club of Toronto Charitable Foundation are recruited and appointed by the Board of Directors of the Foundation owing to the unique skill sets required to fulfill the mandates of each Committee.

I have thoroughly enjoyed the three years that I have served as President of the Rotary Club of Toronto Charitable Foundation and am truly grateful to and inspired by each of those individuals who have served this Board so enthusiastically and capably during these years. I am especially grateful to Peter Love for his selfless support and for the extra effort that he continues to provide to this special Foundation. Again, we are exceptionally well served by our Executive Director, Carol Hutchinson and the staff in the Rotary office. Finally, I am grateful to the members of The Rotary Club of Toronto for their continuing understanding, encouragement and support. Donations from our Club Members, their families and friends are an essential ingredient in ensuring the continued health of the Foundation.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Smith', with a stylized flourish at the end.

Robert D. Smith
President

The Research and Appeals Committee

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 role is strictly advisory. Appeals are assigned to committee members who carry out a review. This may involve calls to or visiting the appeal premises, interviewing senior staff, examining relevant financial information and other important details.

The Committee member prepares a written report by applying its Project Evaluation Guidelines. These reports are presented at the monthly meetings of the Research and Appeals Committee which then votes 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 47 appeals and 20 were recommended for approval.

The Foundation Board provided \$200,188 for these approved appeals. The smallest grant was \$1,000 and the largest grant was \$20,000.

The successful appeals were made to the following charities:

- Regent Park Film Festival
- The Concerned Kids' Charity
- Voice for Hearing Impaired Children
- FoodShare Toronto
- Native Child & Family Services
- Three To Be
- Dowling Community Residence
- Toronto Science Fair
- Yonge Street Mission
- St. Matthew's Bracondale House
- The Toronto City Mission
- Nellie's Women Mission
- New Visions Toronto
- CARE Canada
- Gilda's Club
- Barbara Schlifer Comm. Clinic
- New Circles Community Services
- St. Stephen's Community House
- Sunshine Centre for Seniors
- PACT Urban Piece Program

Funding these appeals may be broken-down as follows:

Community	35.56%
Youth/Children	30.97%
Seniors	20.48%
International	7.49%
Women	5.49%

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

The Committee conducted due diligence and provided comments on the following proposals for 2014-15:

- Uganda Water Project
- CAMH Dental Clinic
- Frontiers Foundation

In addition, the Foundation directed the Research and Appeals Committee to provide due diligence and comments on major projects selected by the Seniors' Committee. These projects were made possible by the restricted Laughlen Trust Fund.

Seniors projects:

- Woodgreen
- Dixon Hall
- FoodShare Program
- Sistering Program
- Eastview Community Center

Chair, Valerie Clarke

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**



Financial Statements

Rotary Club of Toronto Charitable Foundation

June 30, 2015

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Independent Auditor's Report

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949
www.GrantThornton.ca

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, 2015 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, 2015 and 2014, current assets as at June 30, 2015 and 2014, and fund balances as at July 1, 2013 and 2014, and June 30, 2014 and 2015. Our audit opinion on the financial statements for the year ended June 30, 2014 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, 2015, 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
December 4, 2015

Chartered Professional Accountants
Licensed Public Accountants

Rotary Club of Toronto Charitable Foundation **Statement of Operations**

Year ended June 30	2015	2014
Revenue		
Investment income - dividends	\$ 514,182	\$ 507,380
Realized gain (loss) on investments	(33,035)	449,444
Donations received (Note 4)	<u>175,843</u>	<u>201,606</u>
	<u>656,990</u>	<u>1,158,430</u>
Expenditures		
Charitable donations (Notes 3 and 4)	682,759	486,279
Administration and general		
The Rotary Club of Toronto (Note 4)	87,000	87,000
Professional services	15,417	14,167
Premiums on life insurance policy	<u>313</u>	<u>367</u>
	<u>785,489</u>	<u>587,813</u>
(Deficiency) excess of revenue over expenditures before unrealized gain on investments	(128,499)	570,617
Unrealized gain on investments	<u>506,992</u>	<u>1,732,362</u>
Excess of revenue over expenditures	<u>\$ 378,493</u>	<u>\$ 2,302,979</u>

See accompanying notes to the financial statements.

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

Year ended June 30, 2015

	Unrestricted			Restricted Funds (Note 6)	Cumulative Unrealized Gain on Investments Fund	Total 2015	Total 2014
	General Fund	Jean K. Cowan Rotary Memorial Fund					
Fund balances, beginning of year	\$ 3,027,457	\$ 3,933,605		\$ 4,353,959	\$ 5,691,395	\$ 17,006,416	\$ 14,703,437
Excess (deficiency) of revenue over expenditures	(7,114)	(9,244)		(112,141)	506,992	378,493	2,302,979
Fund balances, end of year	\$ 3,020,343	\$ 3,924,361		\$ 4,241,818	\$ 6,198,387	\$ 17,384,909	\$ 17,006,416

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation

Statement of Financial Position

June 30

2015

2014

Assets

Current

Cash	\$ 233,182	273,931
Due from The Rotary Club of Toronto (Note 4)	-	50
Prepaid expenses	1,188	-
Investments (Note 5)	<u>17,162,686</u>	<u>16,744,665</u>
	<u>\$ 17,397,056</u>	<u>17,018,646</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 11,459	\$ 12,230
Due to The Rotary Club of Toronto (Note 4)	<u>688</u>	<u>-</u>
	<u>12,147</u>	<u>12,230</u>

Fund balances

Unrestricted

General Fund	3,020,343	3,027,457
Jean K. Cowan Rotary Memorial Fund	<u>3,924,361</u>	<u>3,933,605</u>

Externally restricted (Note 6)

The Laughlen Trust Fund	3,821,312	3,963,265
Andrew Westlake Memorial Fund	81,385	79,332
Pauline Hill Endowment Fund	48,207	51,734
Andras Family Endowment Fund	274,468	243,282
Gerry Nudds Endowment Fund	<u>16,446</u>	<u>16,346</u>

Cumulative Unrealized Gain on Investments Fund	<u>6,198,387</u>	<u>5,691,395</u>
	<u>17,384,909</u>	<u>17,006,416</u>
	<u>\$ 17,397,056</u>	<u>\$ 17,018,646</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	2015	2014
Increase (decrease) in cash		
Operating activities		
Excess of revenue over expenditures	\$ 378,493	\$ 2,302,979
Item not affecting cash		
Realized (gain) loss on investments	33,035	(449,444)
Unrealized gain on investments	<u>(506,992)</u>	<u>(1,732,362)</u>
	(95,464)	121,173
Change in non-cash working capital items		
Prepaid expenses	(1,188)	-
Accounts payable and accrued liabilities	(771)	(26,770)
Due to The Rotary Club of Toronto	<u>738</u>	<u>(657)</u>
	<u>(96,685)</u>	<u>93,746</u>
Investing activities		
Purchase of investments	(9,659,513)	(10,911,222)
Proceeds on disposal of investments	<u>9,715,449</u>	<u>10,295,268</u>
	<u>55,936</u>	<u>(615,954)</u>
Decrease in cash	(40,749)	(522,208)
Cash		
Beginning of year	<u>273,931</u>	<u>796,139</u>
End of year	<u>\$ 233,182</u>	<u>\$ 273,931</u>

See accompanying notes to the financial statements.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2015

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, aboriginal 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 recorded when received. Investment income is recorded on an accrual basis.

Contributed goods and services

Contributed goods and services are not recorded 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, 2015

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 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 \$821,749 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 sold. Upon disposition, the cumulative gain or loss on the investment is relieved from this fund and transferred to all other funds in proportion to opening fund balances in the form of realized gains or losses.

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2015

2. Summary of significant accounting policies (continued)

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, 2015

3. Charitable donations

	<u>2015</u>	<u>2014</u>
416 Community Support for Women	\$ 15,500	\$ -
Andrew Westlake Memorial Race	600	-
Barbra Schlifer Commemorative Clinic	11,000	-
Bob Rumball Centre for the Deaf	-	5,000
Canadian Red Cross	1,000	-
Care Canada	18,000	-
Child Development Institute Foundation	-	10,000
Community Association for Riding for the Disabled	9,000	-
Covenant House Toronto	1,000	-
Creating Together Family Resource Centre	-	5,000
Distress Centres of Toronto	-	2,500
Dixon Hall	33,000	-
Dowling Community Service Residence	12,000	-
East View Neighborhood Community Centre	-	15,000
Food Share Toronto	59,000	-
Gilda's Club Greater Toronto	10,000	-
Good Shepherd Refuge Social Ministries	-	5,000
Jessie's Centre	-	15,000
Kaeja d'Dance	-	5,000
Kennedy House Youth Services	-	10,000
Lake Scugog United Church Camp Inc.	7,000	15,000
Le Theatre Francais de Toronto	-	5,000
Leave Out Violence (LOVE)	-	5,000
Nanny Angel Network Inc.	-	10,000
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	-
Regent Park Film Festival Inc.	5,000	-
Shelterbox Canada	30,000	46,203
Sherbourne Health Centre	-	50,000
Sistering - Woman's Place	25,000	-
SKETCH	5,000	6,000
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 Rotaract Club of Toronto	-	1,911
The Rotary Club of Toronto (Note 4)	169,013	161,818
The Rotary Foundation (Canada)	50,000	50,000
The Woodgreen Foundation	75,000	-
Three to Be	15,000	-
Toronto City Mission	5,000	-
Toronto Science Fair	4,500	-
Toronto Youth Development	-	15,000
University of Toronto	-	14,247
Voice for Hearing Impaired Children	10,000	-

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2015

3. Charitable donations (continued)

	<u>2015</u>	<u>2014</u>
Whitewater Ontario	-	600
Yonge Street Mission	20,000	-
Youth Employment Services	<u>-</u>	<u>33,000</u>
Total charitable donations	<u>\$ 682,759</u>	<u>\$ 486,279</u>

The Foundation's donations in support of the Centennial included in donations above are as follows:

	<u>2015</u>	<u>2014</u>
Sherbourne Health Centre	\$ -	\$ 50,000
The Rotary Club of Toronto	21,888	818
University of Toronto	-	14,247
Youth Employment Services	<u>-</u>	<u>33,000</u>
Total charitable donations	<u>\$ 21,888</u>	<u>\$ 98,065</u>

4. Due to/from The Rotary Club of Toronto

The Rotary Club of Toronto ("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 supports the Club's philanthropic and charitable operations.

The balance of \$688 presented as "Due to The Rotary Club of Toronto" (2014 - \$50 Due from 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 \$169,013 (2014 - \$161,818) to the Philanthropic Fund of the Club to support various philanthropic activities (Note 3). Included in that amount, was \$10,000 (2014 - \$16,000) in support of the Senior Citizens committee. In addition, \$87,000 (2014 - \$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 \$86,881 (2014 - \$85,320), 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, 2015

5. Investments

	<u>2015</u>	<u>2014</u>
Common stock		
Algonquin Power & Utilities	\$ 280,800	\$ 246,900
Bank of Montreal	740,100	785,800
BCE Inc.	530,600	484,000
Bristol Myers Squibb Company	332,008	207,157
Brookfield Asset Management	386,214	277,359
Canadian National Railway	331,476	319,240
Caterpillar Inc.	105,804	116,016
Cenovus Energy Inc.	-	172,950
Crescent Point Energy Corp.	128,150	141,870
Emera Incorporated	393,400	341,100
Enbridge Inc.	292,050	253,150
Faircourt Gold Income - A	144,000	188,800
Finning International Inc.	-	74,600
Glaxo Smithkline-PLC-ADR	103,908	114,190
General Electric Company	265,147	224,452
Inter Pipeline Fund A LUP	301,350	347,760
International Forest Production Ltd. - A – SV	143,430	104,090
iShares SP/TSX CP MAT	58,900	71,300
iShares FTSE NAR R/EST 50	542,182	465,794
Keyera Corporation	436,599	411,523
Leisureworld Sr Care Corporation	-	129,900
Manitoba Telecom Services Inc.	181,415	201,110
Masco Corporation	266,145	189,605
Newalta Corporation	183,438	276,447
Northland Power Inc.	158,200	182,300
Pembina Pipeline Corporation	322,960	367,280
Peyto Exploration & Development Corp	228,975	302,325
Qualcomm Inc.	-	219,840
Pfizer Inc.	209,127	158,432
Procter & Gamble Company	146,395	125,864
Royal Bank of Canada	763,800	762,800
Seaspan Corporation	117,692	124,963
SEC Technologies SPDR SBI	191,077	151,487
Sector SPDR TR INT-FINL	91,235	72,832
Sienna Senior Living Inc	154,500	-
SunLife Financial Services Inc.	315,544	296,778
Teck Resources Ltd.	49,520	97,440
Telus Corporation	516,360	477,240
Thomson Reuters Corporation	285,360	233,100
Toronto Dominion Bank	742,560	769,020
TransCanada Corporation	507,600	509,300
United Technologies Corporation	207,561	184,882
Units - Labrador Iron Ore	-	61,360
Valero Energy Corporation	195,218	-
Vanguard FTSE Europe ETF	309,739	294,412
Verizon Communications	290,709	261,189
Wells Fargo	301,661	241,286
WSP Global Inc.	220,136	211,624
	<u>12,473,045</u>	<u>12,250,867</u>

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2015

5. Investments (continued)

	<u>2015</u>	<u>2014</u>
Preferred Shares		
Canadian 50 ADV-F T/U	\$ 36,721	\$ 43,715
BCE Inc 1st PFD-R	23,128	31,416
BMO S&P/TSX LADD PFD ETF	15,470	-
Brookfield Pty - AAA S-H PF	25,050	25,370
Weston George 5.20% - III PF	<u>23,900</u>	<u>24,370</u>
	<u>124,269</u>	124,871
Bonds		
iShares Dex S/T	402,640	400,960
iShares 1-5Y LADD CP BD ETF	195,400	196,700
Aberdeen Asia-Pacific Inc.	141,520	165,880
Bank of Montreal	<u>-</u>	<u>18,564</u>
	<u>739,560</u>	782,104
Bankers Acceptances		
FBA, August 17, 2015	998,820	-
FBA, July 20, 2015	999,510	-
FBA, September 21, 2015	997,950	-
RBC, July 31, 2014	-	499,495
FBA, August 19, 2014	<u>-</u>	<u>499,180</u>
	<u>2,996,280</u>	998,675
Other		
Savings accounts	292,436	1,425,876
Government of Canada Treasury Bills	-	664,721
Ishares Global AGRI INDEX ETF	361,020	318,780
Crombie Real Estate Income Trust	124,700	134,400
Cash surrender value of life insurance policy	<u>51,376</u>	<u>44,371</u>
	<u>829,532</u>	2,588,148
Total	<u>\$ 17,162,686</u>	<u>\$ 16,744,665</u>

Rotary Club of Toronto Charitable Foundation Notes to Financial Statements

June 30, 2015

6. Restricted funds

	The Laughlen Trust Fund	Andrew Westlake Memorial Fund	Pauline Hill Endowment Fund	Andras Family Endowment Fund	Gerry Nudds Endowment Fund	Total 2015	Total 2014
Fund balances, beginning of year	\$ 3,963,265	\$ 79,332	\$ 51,734	\$ 243,282	\$ 16,346	\$ 4,353,959	\$ 4,038,025
Excess of revenue over expenditures before the following	132,547	2,653	1,730	8,136	547	145,613	321,440
Donations received	-	-	100	39,050	-	39,150	33,350
Charitable donations	(274,500)	(600)	(5,357)	(16,000)	(447)	(296,904)	(38,856)
Fund balances, end of year	\$ 3,821,312	\$ 81,385	\$ 48,207	\$ 274,468	\$ 16,446	\$ 4,241,818	\$ 4,353,959

Rotary Club of Toronto Charitable Foundation

Notes to Financial Statements

June 30, 2015

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.

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, 2015, the Foundation holds \$49,028 (2014 - \$20,156) with its bank and \$184,154 (2014 - \$253,775) 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 its bonds and debentures held in its investment portfolio, which are fixed interest rate financial instruments. Fixed-interest instruments 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 \$3,365,868 (2014 - \$3,152,401), comprising approximately 19.5% (2014 – 19%) 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, 2015. 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

Lloyd Barbara

Howard Cook

Pam Cook

Valerie Clarke

Glenn M. Davis

Margaret Dykes Page

Anita Evans

Jeremy Finkelstein

John Fortney

Jeff Glaizel

Rick Goldsmith

Harvey Kalles Real Estate Ltd

Donald W. Hillhouse

Humphrey Funeral Home/
A. W. Miles Chapel Ltd.

Elizabeth Howson

Susan Howson

Douglas A. Hughes

Lorna Johnson

Jeffrey Joseph

Saleem Kassum

Lynn Kay

Natalie Kopman

Helen Leduc Brazeau

Gloria Lee

Mackie Research Capital Corp.

Sylvia Milne

Bill Morari

Neil Phillips

Carolyn Purden

Ken Ramsay

Rohit Tamhane

Cynthia A. Teeter

The Harbinger Foundation

Walter Thompson

Maryan Tisdale

Patricia Sanderson

Anne Smith

Robert Smith

Steven Smith

Stockwatchers Club Toronto

David Wilkes

Richard White

Herman Wood

Kathie Wood

Hiroshi Yamamoto

Yvonne Yu

Corporate members

DGN Marketing Services Ltd

Grant Thornton LLP

St. Michael's Hospital

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.



St. Michael's
Inspired Care. Inspiring Science.

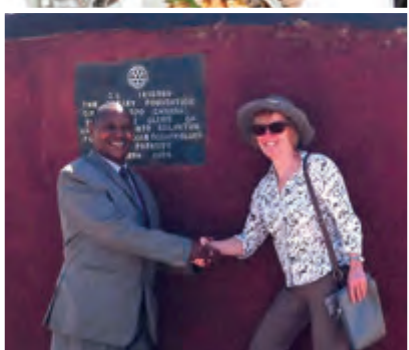
In Memoriam

We honour the memory and are thankful for the services of these
members who passed on during the Club year 2014 - 2015

Keith G. Howard

Hans Schafer

Edwin H. Shuter





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