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Foundation of
Greater Montreal

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Message from the Chairman and the President

Several years ago, leaders in the Greater Montréal area, inspired by the growth and success of community foundations across Canada, saw the necessity and opportunity of creating a community foundation that would promote philanthropy and community leadership. Thanks to their dedication, vision and perseverance, the Foundation of Greater Montreal (FGM) was incorporated, on December 20, 1999, under the Canada Corporations Act. A thirteen-member Board of Directors was subsequently formed, and the first President & CEO was appointed in November 2000.

Several important Montréal foundations came together in a spirit of partnership and caring to create the FGM. The Centraide Foundation, the YMCA Foundation of Montreal and the Red Feather Foundation decided to pool their assets in a common fund to be invested and administered by the FGM. Centraide of Greater Montreal, the J. W. McConnell Family Foundation and the Jewish Community Foundation of Montreal also played an important role in launching the FGM through their financial support and representation on the FGM's Board of Directors.

We are very excited to be part of this new and unique foundation and look forward to making a significant contribution to the general well-being of the Greater Montréal community.

Irene Nattel
Chairman

Kathleen Weil
President & CEO



About the Foundation of Greater Montreal

The FGM is a partnership of non-profit charitable organizations and people who feel passionately about the Greater Montréal community, and care deeply about its general well-being. It is modeled after the many community foundations that already operate in some 700 Canadian and American cities and towns. The FGM establishes permanent endowment funds through gifts, bequests or transfers of existing endowments from individuals, families, foundations or corporations, and distributes their income to charitable organizations. It also supports community projects in different areas such as health, social services, the arts and culture, education and the environment.

Donors enjoy a wide range of choices. They may designate their donation to the benefit of a specific organization or cause, or endow their donation in a “field-of-interest fund” , or they may simply pool their endowment funds with those of others in what is called a community fund, without designating any particular organization or cause. This allows the Board of Directors to allocate earnings to community initiatives in accordance with priorities determined by the FGM.

Unlike other charitable organizations, the FGM will not undertake annual fundraising campaigns since it will build its endowment out of planned gifts.



A community foundation such as the FGM manages different types of funds:

- **Designated Funds:** as their name implies, they are endowed funds designated by donors or charitable agencies to benefit specific charitable organizations or causes. The income generated by such endowment funds is directed to the organization or cause designated at the time the fund is created.
- **Field-of-interest Funds:** in this case, the donor chooses to support, through the income generated by his or her endowment fund, one of the FGM's five fields of interest – education, social services, health, arts and culture, and the environment.
- **Unrestricted Funds:** unlike the previous funds, they are not earmarked to benefit a particular charitable organization nor a particular “field of interest”. This gives the Board greater flexibility to direct earnings from such funds to pressing community needs, as they arise.

All funds are managed in compliance with a prudent investment policy, to protect them against undue risk. By pooling their assets, foundations and donors that join the FGM will enjoy a number of important benefits, including a higher return on their invested assets, streamlined administration, economies of scale and a larger donor base, while having a wide range of choices as to the type and nature of funds they wish to establish.



Board of Directors

Chairman

Irene Nattel
Managing Director
RBC Dominion Securities

Vice-chair

Sheila Goldbloom
President
Red Feather Foundation

Secretary

Claire Richer Leduc
Lawyer

Treasurer

Gilles Émond, CMA, C.A.
Andersen

President & CEO

Kathleen Weil

Members

Tim Brodhead
President & CEO,
The J.W. McConnell Family Foundation

Marcel Côté

President
Secor Conseil Inc.

W. John Gallop, C.I.M.

Director
MacDougall, MacDougall & MacTier Inc.

Louis Gascon
Barrister & Solicitor

Stanley Hyman

President
Jewish Community Foundation of Montréal

Robert Kleinman, F.C.A.
Executive Vice President
Jewish Community Foundation of Montréal

Michel Lamontagne, LL.L., Adm. A.
MLL Consulting Inc

Manon Vennat
Chairman
Spencer Stuart Montréal

Michael Weil
Chief Executive Officer
YMCA of Montréal

Auditors' report

To the Members of
The Foundation of Greater Montreal

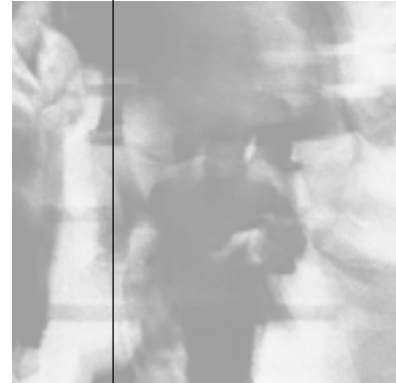
We have audited the balance sheet of the Foundation of Greater Montreal as at December 31, 2000, its statement of operations and its balance of funds for the year then ended. These financial statements are the responsibility of the Foundation of Greater Montreal's management. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with generally accepted Canadian auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance that the financial statements are free of material misstatements. An audit entails examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements. It also involves assessing the accounting principles applied and the significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation of Greater Montreal as at December 31, 2000, the results of its operations and its cash flows for the year then ended, in accordance with generally accepted Canadian accounting principles.

Chartered Accountants

March 19, 2001



Statement of operations and balance of funds

year ended December 31, 2000

Revenues	\$
Contributions to start-up costs	
The J. W. McConnell Family Foundation (Note 4)	60,000
Centraide of Greater Montréal	75,000
Other	1,405
"In Memoriam" donations	3,315
Interest	528
	140,248
Expenses	
Salaries	15,384
Fringe benefits	1,751
Professional services	15,422
Advertising	4,731
Subscriptions	100
Travel and meetings	453
Other	88
	37,929
	102,319

Net result and balance of funds, end of year **102,319**

Balance sheet

as at December 31, 2000

Assets	\$
Cash	65,766
Accounts receivable (Note 3)	50,198
	115,964
Liabilities	
Accounts payable	13,645
Fund balance	
Unrestricted	102,319
	115,964

Approved by the Board

_____, Director

_____, Director

Description of the organization

The Foundation of Greater Montreal (FGM) is a charity, incorporated on December 20, 1999 under Part II of the Canada Corporations Act, whose purpose is to collect donations, mainly through bequests or public endowment funds, to

address social issues and promote the arts and culture, education, health and a better environment. The FGM can also manage funds that are entrusted to it for that purpose. It is a registered charity under the Income Tax Act.

Accounting policies

The financial statements have been prepared in accordance with generally accepted Canadian accounting principles and include the following significant accounting policies:

Fund accounting

The organization will follow the restricted fund method of accounting for its activities:

i) *Operating Fund*

The Operating Fund reports the ordinary operating activities of The Foundation of Greater Montreal and activities relating to capital assets, if any.

ii) *Endowment Fund*

The Endowment Fund will report the donations received which donors have stipulated must be kept intact perpetually. It will be made up of three separate fund categories:

- Designated Funds: revenues are allocated to one or more charities selected by the donor;
- Field-of-interest Funds: revenues are intended to support one or more areas selected by the donor, either social issues, arts and culture, education, health or the environment;
- Unrestricted Funds: revenue allocation is entrusted to the FGM's Board of Directors based on community needs as the donor does not determine the beneficiary organization of the endowment fund nor a specific area of interest.

iii) *Fund for Distribution*

The Fund for Distribution is an externally restricted fund in which the FGM will record donations to be distributed in accordance with the wishes of the donors. The portion of investment income from the Endowment Fund to be distributed will also be recorded.



Revenue recognition

Restricted contributions related to general operations will be recognized as Operating Fund revenue in the year in which related expenses are incurred. All other restricted contributions will be recognized as revenue for each of the appropriate restricted funds.

Unrestricted contributions will be recognized as Operating Fund revenue in the year they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment will be recognized as Endowment Fund revenue.

Accounts receivable

	\$
The J. W. McConnell Family Foundation	50,000
Accrued interest	198
	<hr/> 50,198

The J. W. McConnell Family Foundation

The J. W. McConnell Family Foundation is committed to pay \$120,000, over a period of two years, to The Foundation of Greater Montreal to finance its start-up

costs. Of this amount, \$60,000 has been recorded during the year and \$60,000 is still to come.

Statement of cash flow

A statement of cash flow is not being presented as it would not provide any additional meaningful information.