The Foundation of Greater Montreal (FGM) is a non-profit charitable organisation dedicated to the well-being of the Greater Montreal community. It builds and manages permanent endowment funds and distributes the income in the form of grants to charitable organisations working in the areas of health, social services, arts and culture, education, and the environment.

The FGM is a member of Community Foundations of Canada (CFC), the membership organisation for Canada’s community foundations. CFC has more than 165 members, which collectively hold more than $2.9 billion in assets and serve 89% of Canada’s population.

As it develops, the FGM is benefiting from the support and experience of many other CFC member foundations, the oldest of which was founded in Winnipeg in 1921.

CFC also plays a leading role in the worldwide community foundation network and has supported the development of foundations in Brazil, Mexico, central and eastern Europe, South Africa, and Australia. In all, some 1,400 community foundations around the world share their skills and information.

Highlights for 2008

- FGM-owned endowment funds: 99
  Total assets: $40.2 million

- Managed funds owned by other charitable organisations: 117
  Total assets: $43.6 million

For more information:
Foundation of Greater Montreal
1 Place Ville-Marie, Suite 1918 Montréal, Québec, H3B 2C3
Telephone: 514 866-0808 Fax: 514 866-4202
info@fgmtl.org www.fgmil.org
Registered charitable organisation: 88197 9124 RR 0001
The 2008 global financial crisis struck a solid blow to every country and sector of activity around the planet. The philanthropic sector and the FGM were not spared, although our year ended on a relatively positive note.

Indeed, although funds and individual investors suffered losses in the order of 25 percent, the FGM closed its year on a portfolio yield of ~12.5 percent, net of management fees. This rather positive outcome, in the circumstances, attests to the soundness of our conservative investment policy and places the FGM in a good position to take advantage of an eventual return to normality in the financial markets, on the strength of its solid portfolio.

In light of those results, the FGM Board of Directors has chosen to postpone to 2009 the grants earmarked for 2008, a wise decision given the long-term nature of the Foundation’s mission.

The situation has also prompted us to innovate in the ways in which we exercise our leadership and to focus on other aspects of our mandate. We have consolidated our acquired knowledge and experience and laid out the groundwork for the next step in our growth, leading us into 2015. We have intensified our relations with our donors and with the professional advisors who support us. We have also strengthened our relationships with various sectors of Montréal’s society and published the third edition of our Greater Montreal Vital Signs report.

In fact, given its increasing importance in today’s difficult times, we have rethought the report in order to make it more interactive and useful for 2009.

In November 2008, the FGM and Montréal were hosts to the National Convention of Community Foundations of Canada, an inspiring event that welcomed some 600 representatives and personalities from the community and philanthropic sectors of Canada and of more than 24 other countries. This convention will undoubtedly have strengthened the image of the FGM within the community foundations network and Greater Montréal.

The FGM’s ninth year also saw the departure of Mrs Kathleen Weil who had been the Foundation’s President and CEO since its inception. Mrs Weil continues to contribute to Québec society as MNA for the Notre-Dame-de-Grâce riding, Minister of Justice, and Attorney General for Québec.

In summary, 2008 will be remembered as an active year that allowed us to measure the loyalty and leadership of our donors, volunteers, and staff. Their vitality, drive, and support speak well for the long-term future of the FGM. We thank them all sincerely.

P.S. The Board of Directors of the FGM wishes to thank Me Gaston E. Bouchard, who has been responsible for gift planning since 2001, for assuming the interim management of the FGM, thus ensuring a smooth turn-over following Mrs Weil’s departure.
The Investment Committee is a standing committee of volunteers mandated by the Board of Directors. It is constituted of proven professionals from the investment and finance sectors who have chosen to contribute to their society. The Committee’s mandate is to oversee all aspects of investment management in order to ensure the protection of the FGM’s capital and generate the revenues required to accomplish the Foundation’s mission. As such, the Committee:

- recommends to the Board of Directors an investment policy and modifies it when required;
- recommends managers, custodians, and trustees;
- oversees the distribution of assets between managers;
- delivers a quarterly report to the Board of Directors on the performance of each manager and on the performance of the FGM investment fund.

The annual revenues and the negative variation of the fair value of FGM investments, although not realized as of December 31, 2008, reflect the portfolio’s negative yield of 12.5%, net of management fees. That performance is the result of financial and stock market turbulence which also perturbed mutual funds and Canadian pension funds. According to the firm Morneau Sobeco, 2008 saw retirement funds record their worst-ever performance in 30 years at -16.5% before taking into account management fees.

Let us remember that the FGM’s 2008 decrease in yield had in fact started in 2007 (-0.4%) after years of positive returns of 11.1% (2006), 7.3% (2005), and 7.4 % (2004). Thus, our yield over five years averages 2.2%.

The FGM investment committee remains convinced that its investment policy will allow the Foundation to overcome the current period of instability. Thanks to the diversity of its investments and the quality of its managers, the FGM benefited from reduced exposure to the risks associated to a specific economic or geographic sector. We intend to continue following the same path.

Gilles Émond, Chairman, Investment Committee
Founding President and CEO of the Foundation of Greater Montreal, Kathleen Weil has chosen to pursue her social mission as MNA for the Notre-Dame-de-Grâce riding, Minister of Justice, and Attorney General of Québec.

A lawyer and member of the Québec Bar, Mrs Weil leaves the Foundation she managed for 9 years with a strong and well deserved feeling of accomplishment. Indeed, with Kathleen Weil at its helm, the FGM enjoyed unequalled growth among Canadian community foundations, accumulating assets worth over $84 million in only 9 years.

More importantly, both Kathleen Weil and the FGM have become beacons of local philanthropy. Indeed Mrs Weil has attracted recognized movers and shakers to the Foundation's Board of Directors and its committees, all leaders within Montréal society, all known for their unfailing commitment to their beloved city and its citizens.

The departure of this generous and passionate grande dame closes an important chapter in the history of the FGM while, at the same time, it opens the door to a promising future, thanks to the solid competence of the team she leaves behind. If Montrealers can now proudly claim a dynamic and well established community foundation it is, in great part, due to Kathleen Weil.

Thank you Kathleen for your devotion, your leadership, and your generosity. You should know that you have inspired us and that we wish you the success you so richly deserve.
A wide choice of endowed funds for maximum flexibility

The Foundation of Greater Montreal gives donors great flexibility, allowing them to set up permanent endowment funds in the field of interest of their choice or for the benefit of a cause or organisation they care about. Only fund earnings are used to make grants: under the FGM’s sound management, the capital continues to yield earnings year after year, which means that the donation becomes a permanent gift to the community. These types of funds can take many forms.

Community Fund (Unrestricted funds)
Ideal for donors who want the assurance that their funds will always be used to meet pressing community needs and improve the quality of life in Greater Montréal. Donors place no restrictions on the use of the funds and entrust the FGM with the task of identifying community priorities and the charitable organisations best able to meet them.

Field-of-interest Fund
Allow donors to direct their charitable giving to a general area of interest. The FGM makes grants to the charitable organisations best able to meet needs in the chosen field.

Designated Fund
Established by donors to support specific charitable organisations in perpetuity. If a designated organisation ceases to exist, the income from the fund is redirected to an organisation with a similar mission.

Donor-Advised Fund
Allow for donors’ involvement in selecting charitable organisations to receive grants from their fund.

Memorial Fund
Created to commemorate a person, family or important event, these funds can be established as any type of FGM endowment fund.

Organisational Endowment Fund
Designated funds established by charitable organisations as permanently endowed funds within the FGM. The fund provides them with an additional source of annual income, which is added to sums raised annually through other means such as fund-raising campaigns. Donors may contribute to such funds through the FGM or by contacting the organisation directly.

Organisational Managed Fund
A charitable organisation or foundation entrusts the FGM with the long-term management of its endowment fund while retaining ownership of the fund and ensuring its distribution to the community.
Economic uncertainty did not prevent people and organisations from establishing funds at the FGM. On the contrary, the Foundation’s long-term mission, its sound finances, and its managers’ reputation proved to be reassuring in bad times.

The Katharine Pearson Memorial Fund

A great friend leaves us:
Katharine Pearson (1955-2008)

Katharine Pearson, a great friend of the FGM, passed away on May 24, 2008 following a courageous nine-month struggle against cancer.

Katharine had been a program manager at the J.W. McConnell Family Foundation since 1996; prior to that, she had worked at Oxfam-Canada on development programs for Central America.

Katharine had joined the FGM grants committee at the very beginning of its activities in 2002. A sensitive and brilliant woman, she stood out for the depth of her analyses, her outstanding capacity to identify the dynamic and innovative forces within a given milieu, her ability to listen, and her team spirit. She simply had a way to create a warm and friendly environment around herself.

Her devotion to the Foundation of Greater Montreal since its inception and her steadfast support of its mission touched us all deeply. Despite her failing health, Katharine insisted on contributing to our last grant cycle. Her departure leaves a painful void within the FGM.

It therefore seemed natural that the very Foundation she helped build should create and manage a fund in her memory. Hence, the Katharine Pearson Memorial Fund will be devoted to the support of leadership and innovation through initiatives aimed at helping people help themselves and at promoting long-lasting social change.

Known throughout Canada for her discrete leadership and her innovative ideas, Katharine is sure to continue influencing the Canadian philanthropic scene for a long time to come.

We invite one and all to contribute to the Katharine Pearson Memorial Fund by sending a donation directly to the Foundation of Greater Montreal or through the CanadaHelps site: (www.canadahelps.org).
The Pharmasanté-Samaan Fund

**A better future for all children**

According to Édouard Malak, owner of a pharmacy, businesses could do more for humanity. True to himself, he dedicated a fund to UNICEF in order to fight against the injustices inflicted upon children, because his business was already supporting the organisation. An article recently published in *Les Affaires* convinced him to rely on the FGM and on its simplified management approach. Mr. Malak will contribute a part of his existing and future pharmacies’ profits to his fund every year. The fund is named after his business and after his grandfather, a merchant in Egypt.

The Famijeunes Foundation Fund

**A fund dedicated to families**

Since 1974, Famijeunes has been supporting some 350 Saint-Henri and Little Burgundy area families, thanks to a participative approach that helps youths improve their lives and parents to find solutions to their needs. Famijeunes had been relying on the support of Centraide, governments, and a number of foundations. Realizing it wanted to ensure its long-term ability to deliver services, the foundation turned to the FGM in order to benefit from its management skills and credibility. As a result, Famijeunes is now able to offer businesses, foundations, and individuals who wish to contribute to its fund a proven tool its director, Céline Coulombe, describes as simple and accessible.

There are several ways to make a donation to the FGM.

Donors may make an **outright donation**, in the form of cash or publicly listed securities, or they may plan a **future gift**, which often takes the form of a bequest or gift of a life insurance policy. They may also contribute to one of the FGM’s existing funds or create a personalized permanent endowment fund.
In 2008, the arts and culture sector grew mainly because of matching grant programs sponsored by Québec’s Placements Culture and Canadian Heritage.

Indeed, 17 endowment funds totalling $7 million were entrusted to the FGM in 2008. Those funds raised to $18 million the total of the FGM’s investment fund assets earmarked for the arts and culture sector, making that sector the Foundation’s main area of activity.

Since 2005, the Québec Government has sponsored a program intended to stimulate private sector support of culture. The program, managed by the Conseil des arts et des lettres du Québec (CALQ), matches gifts and contributions collected by cultural organisations from private donors and foundations to establish endowment and reserve funds. Through the same period, the Government of Canada also improved the endowment incentives component of its Canadian Arts and Heritage Sustainability Program.

THE FGM WELCOMED THE FOLLOWING ORGANISATIONS INTO ITS FOLD IN 2008

Centre musical en sol mineur
Dare-Dare, Centre de diffusion d’art multidisciplinaire de Montréal
Dynamo Théâtre
Fondation des Jardins de Métis
La Cinémathèque québécoise
La Vie des Arts
Le Carrousel international du film de Rimouski
Les Amis des Jardins de Métis
Persephone Productions
Quasar – Quatuor de saxophones
Saint Lawrence Choir
Sibyllines
Société de développement culturel de Terrebonne
Stanstead Historical Society (Colby-Curtis Museum)
Studio de musique ancienne de Montréal
The Leanor and Alvin Segal Theatre
The McCord Museum of Canadian History

* Placements Culture managed by the Conseil des Arts et des Lettres du Québec, and the Endowment Incentives component of the Canadian Arts and Heritage Sustainability Program.
Greater Montreal’s Vital Signs

In 2008, the FGM published its third annual issue of Greater Montreal’s Vital Signs, a statistical report on the health of the Montréal region. The report relies on 12 tables to paint a picture of collective living that focuses on work, socioeconomic inequalities, education, health and welfare, lodging, transportation, safety, the environment, arts and culture, diversity and integration, belongingness, and involvement.

The 2008 report did spring a few surprises on its readers, especially in matters of birth rate, employment, education, arts and culture, and criminality. It also reminded us that much remains to be done in certain areas and that some of the areas we take for granted remain fragile. Poverty and inequalities persist; obesity is on the rise even among children; the arts and culture sector, although it shines through its dynamism and creativity, remains in a constant struggle for survival.

The FGM innovated by integrating a short CROP survey into the third issue of Greater Montreal’s Vital Signs. The survey was designed to allow those for whom the report is intended to express their views, thus allowing for comparisons between empirical data and popular perceptions.

Vital Signs is a pan-Canadian program involving 16 other community foundations that published local reports in 2008 while Community Foundations Canada issued its twelfth national edition.
The FGM hosts the national conference of Community Foundations Canada

From November 7 to 9, 2008, Montréal and the FGM hosted the national conference of Community Foundations Canada. Titled Our Communities. Our World, the conference featured prestigious speakers and more than 50 parallel workshops focused on five main themes: Getting it Done, More than Dollars, the Bigger Picture, Philanthropy’s Changing Role, and Burning Issues. Also on the program were pre-conference professional improvement sessions and socio-cultural activities.

The event brought together more than 600 participants from 24 countries. They took advantage of a unique opportunity for networking and sharing ideas from both pan-Canadian and global perspectives.

The Montréal conference paid particular attention to youths, dedicating a made-to-measure workshop to their concerns. Some 70 delegates participated in parallel workshops titled Youth and Philanthropy in a convincing display of their collective determination to play an important role within their communities in order to build a society that is better, fairer, and greener. It would seem that the future of philanthropy is in good hands!

As the host foundation, the FGM organized an event intended to bring the spotlight on Montréal’s great cultural attractions: jazz, circus, humour. The evening’s success was due to the remarkable work of our planning committee co-chaired by James C. Cherry and Rachel Renaud and ably supported by Alex K. Paterson, Pierre Brunet, Harry Feldman, Maurice Forget, Michel Lamontagne, Gilles Pettigrew, Jacques Gagnon, and Jonathan Wener.

The Conference’s organisation and logistics, as well as those of the FGM evening event were handled by Mrs Danie Deschênes of Oxygène Événements who simply did a splendid job, sparing no time or effort. Also behind this success were our generous sponsors: Borden Ladner Gervais, Hydro-Québec, Molson, HR Stratégies Inc., Placements Montrusco Bolton inc., Phillips Hager & North, Autorité des marchés financiers, Tourisme Montréal, Power Corporation of Canada, Rio Tinto Alcan, The Henry and Berenice Kaufmann Foundation, and the Roasters Foundation.

For more information on the conference, please consult http://www.cfc-fcc.ca/conference2008/index_f.cfm

A conference that benefits one and all

“Thanks to Michael Labelle, my BMO advisor, I discovered Community Foundations Canada and through CFC a totally new philanthropic world. As an invited donor at the Montréal CFC conference I had the opportunity of delving into the complexity of local giving and of understanding the importance of local issues. I was so impressed with the conference’s friendly atmosphere and with the wealth of the information shared by attendees that I resolved to attend the next CFC conference to be held in Vancouver in 2011. As a donor, I feel responsible for determining how my contribution should be used.”

Sam Gatelaro of the Sam and Lynda Gatelaro Fund at the FGM
essential links between the FGM and its donors

Over the years, financial, tax, estate, and legal advisors have proven to be essential links between the FGM and its donors and contributed immensely to the growth of the FGM. Collectively, they find the FGM a unique access to the philanthropic world as well as a reliable source of objective information that allows them to address their clients’ charitable and financial objectives in an impartial and discerning manner.

In 2008, the FGM received more requests for information than ever before from professional advisors. This would seem to attest to the confidence the financial community places in the FGM, especially in times of economic edginess. To this day, two major financial groups have concluded agreements with the FGM: BMO in 2005 and Groupe Desjardins in 2008.

We wish to thank the professional advisors that have recommended the FGM to their clients for the confidence they have shown us in the development of philanthropic strategies.

The FGM dedicates a section of its www.fgmtl.org site to professional advisors. The section includes information on the role of philanthropy in financial, tax, and estate planning, and on how to deal with the question of giving.

“I was in search of custom philanthropic solutions for some of my clients. In addition to specific types of donations, I wanted to find a philanthropic organisation that is suited to my client’s financial situations. I found what I was looking for at the FGM and was able to satisfy my clients’ needs.”

Denis Bergeron, Financial Planner, Senior Emeritus Advisor, Investors Group

“I work with a number of philanthropic organisations, including some on whose boards of directors I sit. Nevertheless, when the time comes for me to make decisions, I must remain impartial. That is why I refer a number of my clients to the FGM. Hence, they are given the opportunity to choose from a variety of causes and to establish personalised charitable funds.”

Monette Malewski, President, M. Bacal Group.
The unstable financial situation that prevailed throughout much of 2008 forced the Board of Directors and its grants committee to postpone to 2009 most of the grants that had been planned for 2008. That decision was based on the recognition of the need to preserve the FGM’s assets and avoid depleting its capital, as annual grants are financed by endowment funds. In the end, the decision is in keeping with the FGM’s long-term mission.

Donor-advised funds and organisation funds managed by the FGM also agreed to postpone grants, thus expressing their recognition of the wisdom of the Board’s decision.

However, the FGM paid grants out of flowthrough funds designated by donors. Those grants totalled $381,000.

**Vivacité Montréal**

For a second consecutive year, the FGM supported the *Vivacité Montréal* program, an initiative of the Conseil des arts et des lettres du Québec that aims to provide bursaries to young immigrant artists and authors and those of visible minorities in order to support them in their efforts to integrate within the world of professional arts. The program also promotes the recognition of the contribution those young professionals make to Montréal’s artistic and cultural life and strives to make their work accessible to the public.

**Flowthrough fund from the Neil and Louise Tillotson Fund**

In 2006, Louise Tillotson established, through the New Hampshire Charitable Foundation, a donor-advised fund intended to stimulate the recovery of Coos County, a large area bordering New Hampshire, Maine, Vermont, and Quebec (more specifically the municipalities of Coaticook, Hereford East, and Saint-Herménégilde).

Faced with legislative restrictions and aware of cultural differences specific to Québec, the American foundation chose to call upon the FGM to help it manage its grants. In 2008, the Neil and Louise Tillotson Fund gave $279,000 to Canadian organisations.

“*It was the first time the New Hampshire Charitable Foundation was called upon to make grants in Canada. We needed a trusted partner and saw immediately that the FGM would be an ideal, efficient, and competent partner!*”

*Racheal Stuart, Senior Program Director, New Hampshire Charitable Foundation*

**How to apply for a grant**

**Priorities**
The FGM’s mandate encompasses all fields of activity that contribute to the quality of life.

**Eligibility**
Only non-profit organisations registered as charities with the Canada Revenue Agency are eligible to receive funding. They must be based in the Greater Montréal area and serve the populations of Montréal, Laval or Longueuil.

**Process**
Grants are provided for specific projects or programs and for a specific period of time. The Grants Committee, which is made up of community representatives and professional advisors acting on a volunteer basis, reviews the applications and makes recommendations to the Board of Directors and to the donors. The Board then selects grant beneficiaries on the basis of predetermined criteria.


Community Funds

Junior League of Montreal Legacy Fund
Laya and Harry Feldman Fund
May Kersten Fund
Michael Novak Fund
Pierre Brunet Fund
Anonymous

Field-of-interest Funds

Joan and Alex K. Paterson Fund
Monique and Guy Bisallion Fund
Montrusco Bolton Fund
Morgan’s Hope Memorial Fund
Red Feather Fund
William Garnet Strong Bursary Fund
Yvon Roy Fund
Anonymous

Designated Funds

Queen Elizabeth Hospital Foundation Health Fund
Anonymous

Donor-Advised Funds

Alan and Joan Lindsay Fund
Anna and Philip Belec Foundation Fund
Anne-Marie and Jacques Bougie Fund
Christopher Hartt Jones Fund
Corey and Betsy Copeland Family Fund
DBD Fund for Recreation and Youth
December 6th Victims Foundation Against Violence Fund
Dr. Manjroo Minko Brijan Memorial Fund
Fondation Lucie et André Chagnon Fund
Fondation québécoise de la thalidomide Fund
Gallop Family Fund
Gérard Velleux Foundation Fund
Groupe Di Tomasso Foundation Fund
Guy Tiphane Fund
Harrison Family Fund
Isidore and Anna Blanchard Fund
Jérôme Gendron Fund
Josée and Michel Jacques Fund
J.S. and Associates Fund
J.W. McConnell Family Foundation Fund
Katherine Pearson Memorial Fund
LES Foundation Fund

Malouf Family Fund
Marcel Naud Family Foundation Fund
Margaret K. Deacon Trust Fund
May Kersten Fund for Social Justice
Michael and Michaeleen O’Connor Fund
Patrick H. Irwin Trust Fund
Pharmasante-Samaan Fund
Raisa and Armand Afflalo Fund
Sam and Lynda Gatelaro Fund
Samcon Fund
Susan and Jonathan Wener Fund
Tom and Olga Maxwell Fund
Anonymous

Organizational Funds

Blue Metropolis Foundation Fund
Bond Foundation for Animal Welfare Fund
CBBL, La radio francophone de Montréal Fund
Ensemble contemporain de Montréal Fund
Espace Go Fund
Espace Libre Fund
Festival des Arts de Saint-Sauveur Fund
Fondation Centre de santé et de services sociaux Jeanne-Mance Fund
Fondation des ingénieurs municipaux du Québec Fund
Fondation Famijeunes Fund
Fondation du Musée des maîtres et artisans du Québec Fund
Foundation of Stars Fund
Kateri/Canada World Youth Fund
La Compagnie de théâtre Il va sans dire Fund
La Fondation Toujours ensemble Fund
La Société de musique contemporaine du Québec Fund
Leeanor and Alvin Segal Theatre Fund
L’École de cirque de Verdun Fund
L’Ensemble instrumental Appassionata Fund
Les Amis des Jardins de Métis Fund
Les Filles électriques Fund
Les Petits Violons Fund
Maison Monbourquette Fund
Maison nationale des Patriotes Fund
Maison québécoise du théâtre pour l’enfance et la jeunesse Fund
National Theatre School of Canada Fund
OBORO Fund
Optica-Un centre au service de l’art contemporain Fund
Orchestre métropolitain du Grand Montréal Fund
Persephone Productions Fund
Praxis art actuel Fund
Productions Traquen’art Fund
Refuge Juan Moreno Fund
Rotary Club of Montreal Fund

*new funds
Donors may contribute any amount to an existing fund, or they may establish a new fund with a minimum donation of $10,000. New funds are set up immediately, without any administrative or legal start-up fees.

The trustees of a private foundation may also convert their foundation's fund into an FGM endowment fund. They may either name advisors to determine which fields of interest or organizations will benefit from their fund or integrate the fund into the FGM Community Fund. The FGM assumes all administrative and investment management responsibilities.

**Organizational Managed Funds**

- Atelier du conte en musique et en images Fund
- Canadian Centre for Architecture Fund
- Centre de diffusion d'art multidisciplinaire de Montréal Fund*
- Château Ramezay Museum Fund
- Compagnie musicale La Nef Fund
- Dare-Dare, Centre de diffusion d'art multidisciplinaire de Montréal Fund*
- Dynamo Théâtre*
- Écomusée de la maison du fier monde Fund
- Fondation de la Maison Trestler Fund
- Fondation de l'Ensemble Arion Fund
- Fondation des Jardins de Métis Fund*
- Fondation du Musée des maîtres et artisans du Québec Fund
- Fondation Festival international de Lanaudière Fund
- Fondation Ushket-André Michel Fund
- Foundation of Stars Fund
- Graff, centre de conception graphique Fund
- Jeunesses musicales du Canada Fund
- La Cinémathèque québécoise*
- L’Agora de la danse Fund

**Start-up Funds**

The minimum required to establish a fund with the FGM is $10,000. However, start-up funds allow donors to begin with a minimum contribution of $1,000 and provide the balance over a period of five years.

- Marymount Alumni Fund for Children and Youth
- Parkinson Society Quebec Fund
- Suzanne Trépanier-Côté Memorial Fund

**Deferred Gifts**

(Bequests and life insurance)

- Lynne Paule Bisaillon
- Michel Boucher
- Rosemary Brinkema
- Douglas Fletcher Brown
- Lise Brunet-Alzphat
- André Gélinas
- Martin Goodwin
- Guy Tiphane
- Anonymous donors (18)

*new funds
BOARD OF DIRECTORS

Alex K. Paterson  
Chairman*  
Counsel, Borden Ladner Gervais

Marcel Côté  
Vice-Chairman*  
Founding Partner, Secor Conseil Inc.

Claire Richer Leduc  
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Germaine Gibara  
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Past President, Red Feather Foundation

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Robert Tessier  
Chairman, Caisse de dépôt et placement du Québec

Jonathan Wener  
Chairman, Chief Executive Officer, Canderel

*Executive Committee members
COMMITTEES

Investment Committee

Gilles Émond, Chairman  
Treasurer, Centraide Foundation

Harry Feldman  
Founding Partner, Schwartz, Levitsky, Feldman

Armand Afilalo  
President, MEP Technologies Inc.

W. John Gallop  
MacDougall, MacDougall & MacTier Inc.

Guy Bisailton  
Chairman, Centraide Foundation

Normand Grégoire  
Vice-President, Placements, Fondation Lucie et André Chagnon

Volunteer Advisors - Gift Planning

Sylvain Carpentier  
Notary, Gendron Carpentier L.L.P.

Jean Lambert  
Notary, Lambert Cloutier Pilière Bolduc

Diane Hamel  
Assistant Vice-President, Tax & Estate Planning, Manulife Financial

Troy MacEachren  
Attorney, Heenan Blaikie

Marc Jolin  
Lawyer

Monette Malewski  
President, M. Bacal Group Inc.

Pierre Kirouac  
Tax Associate, RSM Richter Chamberland

Jean Sasseville  
Actuary, RBC DS Financial Services Inc

Diane Tsonos  
Attorney, RSM Richter Chamberland

Nominating Committee

Manon Vennat, Chair  
Manon Vennat & Associés

Alex K. Paterson  
Chairman, Foundation of Greater Montreal; Counsel, Borden Ladner Gervais

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

Richard Pound  
Chancellor, McGill University

Marcel Côté  
Founding Partner, Secor Conseil Inc.

Michel Prescott  
City Councillor, Jeanne-Mance District, Ville de Montréal Representing the Mayor

Madeleine FÉquière  
Assistant Vice-President, Domtar

François Rolland  
Chief Justice, Superior Court of Québec

Jacques Gagnon  
President, Communications Committee, Foundation of Greater Montreal

Louise Roy  
Chair, Arts Council of Montreal

Michel Leblanc  
Chairman, Board of Trade of Metropolitan Montreal

Danielle Sauvage  
Director and Secretary of the Board, Arts Council of Montreal

Claude Léger  
Chairman, Board of Directors, Centraide of Greater Montreal
ACKNOWLEDGMENTS

The Foundation of Greater Montreal is privileged to count on several foundations and businesses that support its operations and development activities. The generosity of these organisations has helped build the FGM into a solid and dynamic community foundation for the benefit of Greater Montréal.

The FGM wishes to thank: Its corporate partners
Rio Tinto Alcan
Caisse de dépôt et placement du Québec
Cirque du Soleil
Merck Frosst
Scotiabank
SNC Lavalin

The people and businesses who generously contribute goods and services
Me Jules Charette, Honorary Legal Counsel,
Ogilvy Renault
Caisse de dépôt et placement du Québec
SITQ Real Estate

Grants Committee

Dominique McCaughey, Chair
Director, Special Initiatives
Office of University Advancement and Alumni Relations
Concordia University

Sheila Goldbloom
Past President, Red Feather Foundation

Janis Levine
Executive Vice-President, The Henry & Berenice Kaufmann Foundation

Anne Marquis
Advisor, support services for community organisations,
Agence de la santé et des services sociaux de Montréal

Claude Masse
Director, Allocations and Social Analysis, Centraide of Greater Montreal

Dana Vocsiano
Program Officer, The J.W. McConnell Family Foundation

Staff

Kathleen Weil, B.C.L., LL.B.
President and CEO until November 2008

Gaston E. Bouchard, Hon. B.A., LL.B.
Interim President and CEO since December 2008
Consultant, Gift Planning

Diane Bertrand
Director, Communications and Donor Relations

Colin Bérubé
Director, Grants and Special Projects

Marcel Mathieu
Director, Finance

COMMITTEES
The Order was created to express the FGM’s tremendous gratitude to donors whose generosity has helped the FGM grow and carry out its mission. Anyone who donates $1,000 or more to the FGM becomes a permanent member of the Order of the Foundation of Greater Montreal.

**Patrons**
($1 million and over)
- La Fondation Lucie et André Chagnon
- Michel and Josée Jacques
- Peter J. Malouf
- The J.W. McConnell Family Foundation
- Anonymous donor

**Benefactors**
($100,000 and over)
- Philip and Anna Belec
- Anne-Marie and Jacques Bougie
- Douglas Fletcher Brown
- Jérome Gendron
- Scott and Sophie Jones
- Lois Katnick
- May Kersten
- Olga Maxwell
- Michael Novak
- Michael O’Connor
- Patrick H. Irwin Trust
- Pharmasante-Samaan
- Power Corporation of Canada
- Red Feather Foundation
- Richard Renaud
- Roasters Foundation
- Guy Tiphane
- Gérard Velleux
- Yvon Roy Trust
- Anonymous donors (3)

**Leaders**
($50,000 and over)
- Dorothy Bond
- Corey Copeland and Betsy Martin
- Michel Di Tomasso
- Geoffrey Dougherty, M.D.
- Michael Harrison
- John and Joan Stevens
- The Molson Foundation
- Anonymous donor

**Builders**
($10,000 and over)
- Raisa and Armand Athalho
- Monique and Guy Bisaillon
- Michel Boucher
- Pierre Brunet
- Lise Brunet-Alziphat
- EJLB Foundation
- Layla and Harry Feldman
- W. John Gallop
- Sam Gatelaro
- Isidore and Anna Blanchard Trust
- Laurentian Bank
- Margaret K. Deacon Trust
- Hubert Marleau
- Montrusco Bolton Investments
- Ayako Nishi-Naud
- Carmand Normand
- Joan and Alex K. Paterson
- Sam Scalia
- Gilles Tremblay
- Susan and Jonathan Wener
- Anonymous donors (2)

**Friends**
($1,000 and over)
- James Bisiker
- Rosemary Brinkema
- German Carrière
- Michel Clair
- Marcel Côté
- Joan Crossen
- John Frost
- André Gélinas
- Claire Goyer
- Joan F. Ivory
- Norma Morgan
- Diane Tkalec
- Anonymous donors (3)

**Legacy Society**
This Order recognizes donors who, while living, arrange to make a deferred donation (bequest, life insurance policy, or other) to the FGM:

- Lynne Paule Bisaillon
- Michel Boucher
- Rose Mary Brinkema
- Douglas Fletcher Brown
- Lise Brunet-Alziphat
- André Gélinas
- Martin Goodwin
- Guy Tiphane
- Anonymous donors (18)

**Its collaborators**
- Vincenzo D’Alto, photographer
- Danie Deschênes,
  Oxygène Événements
- Jac Joanisse,
  Joanisse Communications
- Jacques Jobin and Sylvain Malbeuf,
  Designers
- Monique Joly, Joly Lopez
- Isabelle Perrault,
  researcher
- Marie-Christine Savoie,
  Des livres et des mots
- Herman Miller:
  Solution espace de travail
- Instal’ Qualité
- I.S.I. Inc.
- PK Informatique

"Me Jules Charette has collaborated with the FGM as a legal advisor since the Foundation’s inception. An ardent ambassador for philanthropy he has made a great contribution to the FGM’s reputation for excellence. Me Charette has been a pillar of strength and a great source of inspiration to me."

Kathleen Weil, MNA for Notre-Dame-de-Grâce, Minister of Justice, and Attorney General for Quebec.
FINANCIAL STATEMENTS OF
THE FOUNDATION OF GREATER MONTREAL

December 31, 2008

Auditors’ report 21
Statement of operations and changes in fund balances 22
Balance sheet 23
Notes to the financial statements 24-28
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, 2008 and the statement of operations and changes in fund balances 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by under Part II of the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Montréal, March 26, 2009

Séman Bélair/Odorile et Fonds general

Chartered accountant auditor permit no 20238
## Statement of operations and changes in fund balances

**Year ended December 31, 2008**

<table>
<thead>
<tr>
<th>Description</th>
<th>Operating Fund</th>
<th>Distribution Fund</th>
<th>Endowment Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue (Note 7)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
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<td>134,004</td>
<td>-</td>
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<td>Realized investment income</td>
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<td>2,018,379</td>
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<tr>
<td>Change in unrealized depreciation on investments</td>
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<td></td>
<td>(7,308,595)</td>
<td>(3,352,947)</td>
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<td>Management fees</td>
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<td>(202,661)</td>
<td>219,794</td>
<td>190,060</td>
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<td>Administration fees</td>
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<td>246,240</td>
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<td></td>
</tr>
<tr>
<td><em>Fees - National Convention 2008</em></td>
<td>129,431</td>
<td></td>
<td>129,431</td>
<td>-</td>
</tr>
<tr>
<td>Fees - Vital Signs project</td>
<td>68,377</td>
<td></td>
<td>68,377</td>
<td>57,883</td>
</tr>
<tr>
<td>Fees - Poverty project</td>
<td>15,000</td>
<td></td>
<td>15,000</td>
<td>1,261</td>
</tr>
<tr>
<td>Fees - other</td>
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<td>22,194</td>
<td>38,066</td>
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<td>Rent</td>
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<td>48,270</td>
<td>32,273</td>
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<td>656</td>
<td></td>
<td>656</td>
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<td>Communications</td>
<td>39,383</td>
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<td>39,383</td>
<td>30,529</td>
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<tr>
<td>Office supplies</td>
<td>8,799</td>
<td></td>
<td>8,799</td>
<td>5,899</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>3,678</td>
<td></td>
<td>3,678</td>
<td>11,036</td>
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<tr>
<td>Stationery and printing</td>
<td>5,151</td>
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<td>5,151</td>
<td>11,907</td>
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<tr>
<td>Travel</td>
<td>1,531</td>
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<td>1,531</td>
<td>6,504</td>
</tr>
<tr>
<td>Meetings</td>
<td>2,687</td>
<td></td>
<td>2,687</td>
<td>2,476</td>
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<tr>
<td>Telecommunications</td>
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<td></td>
<td>6,388</td>
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<tr>
<td><em>Life insurance premiums received in donations</em></td>
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<td>40,416</td>
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<tr>
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<td>Stamps and delivery</td>
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<td>5,255</td>
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<tr>
<td>Publications and subscriptions</td>
<td>1,080</td>
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<td>1,080</td>
<td>638</td>
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<tr>
<td>Bank charges</td>
<td>3,351</td>
<td></td>
<td>3,351</td>
<td>3,134</td>
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<tr>
<td>Amortization</td>
<td>13,463</td>
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<td>13,463</td>
<td>7,848</td>
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<tr>
<td>Other</td>
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<td>411</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
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<td>Donations</td>
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<td>Fees - National Convention 2008</td>
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<td>7,848</td>
</tr>
<tr>
<td>Other</td>
<td>411</td>
<td>411</td>
<td></td>
<td>2,531</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,011,132</td>
<td>533,551</td>
<td>1,544,683</td>
<td>2,956,458</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>(67,271)</td>
<td>(5,831,067)</td>
<td>(3,954,274)</td>
<td>(4,277,122)</td>
</tr>
<tr>
<td><strong>Fund balances at beginning</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial balances presented</td>
<td>74,169</td>
<td>226,148</td>
<td>43,732,682</td>
<td>44,032,999</td>
</tr>
<tr>
<td>Reclassification of the unrealized depreciation on investments</td>
<td>943,487</td>
<td></td>
<td>(943,487)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted balances</strong></td>
<td>74,169</td>
<td>1,169,635</td>
<td>42,789,195</td>
<td>44,032,999</td>
</tr>
<tr>
<td><strong>Transfer the change in unrealized depreciation on investments</strong></td>
<td>7,308,595</td>
<td></td>
<td>(7,308,595)</td>
<td>-</td>
</tr>
<tr>
<td>Fund balances at end</td>
<td>6,898</td>
<td>2,647,163</td>
<td>37,424,664</td>
<td>44,078,725</td>
</tr>
</tbody>
</table>
### Assets

<table>
<thead>
<tr>
<th>Fund</th>
<th>2008</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$77,935</td>
<td>$305,404</td>
<td></td>
</tr>
<tr>
<td>Distribution Fund</td>
<td>$169,543*</td>
<td>$4,794*</td>
<td></td>
</tr>
<tr>
<td>Endowment Fund</td>
<td>$2,407,757*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$236,449</td>
<td>$2,648,452</td>
<td>$307,601</td>
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<tr>
<td>Current assets</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$77,935</td>
<td>$305,404</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$83,283</td>
<td>$84,572</td>
<td>$85,679</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td></td>
<td>$15,700</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$2,539</td>
<td>$2,539</td>
<td>$4,981</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$2,539</td>
<td>$2,539</td>
<td>$4,981</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$257,620</td>
<td>$1,289</td>
<td>$240,909</td>
</tr>
<tr>
<td>Investments (Note 3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets (Note 4)</td>
<td>$28,069</td>
<td>$28,069</td>
<td>$40,447</td>
</tr>
</tbody>
</table>

* These items are not reported in the total column on the balance sheet because they offset each other.

### Liabilities

<table>
<thead>
<tr>
<th>Fund</th>
<th>2008</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$169,543*</td>
<td>$4,794*</td>
<td></td>
</tr>
<tr>
<td>Distribution Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment Fund</td>
<td>$2,407,757*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$264,518</td>
<td>$39,832,421</td>
<td>$44,134,378</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$83,283</td>
<td>$84,572</td>
<td>$85,679</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td></td>
<td></td>
<td>$15,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$257,620</td>
<td>$1,289</td>
<td>$240,909</td>
</tr>
<tr>
<td>Investments (Note 3)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets (Note 4)</td>
<td>$28,069</td>
<td>$28,069</td>
<td>$40,447</td>
</tr>
</tbody>
</table>

* These items are not reported in the total column on the balance sheet because they offset each other.

### Fund balances

<table>
<thead>
<tr>
<th>Fund</th>
<th>2008</th>
<th>2007</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Fund</td>
<td>$45,259,297</td>
<td>$45,259,297</td>
<td>$43,315,233</td>
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<td>Distribution Fund</td>
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<td></td>
</tr>
<tr>
<td>Endowment Fund</td>
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<td>$4,252,082</td>
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<td><strong>Total</strong></td>
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<td>$49,511,382</td>
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<tr>
<td>Internally restricted</td>
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<td>$417,449</td>
<td>$417,449</td>
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<tr>
<td>Invested in capital assets</td>
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<td>$28,069</td>
<td>$40,447</td>
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<tr>
<td>Unrestricted</td>
<td>$(21,171)</td>
<td>$(21,171)</td>
<td>$(21,171)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,898</td>
<td>$3,742,964</td>
<td>$44,032,999</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$264,518</td>
<td>$39,832,421</td>
<td>$44,134,378</td>
</tr>
</tbody>
</table>

Approved by the Board

Alex K. Paterson, O.C., O.Q., Q.C.
Chairman

Gilles Émond, CA
Treasurer
1. Description of organization
The Foundation of Greater Montreal (“FGM”) is a charitable organization, incorporated on December 20, 1999 under Part II of the Canada Corporations Act, where the purpose is to collect donations, mainly through bequests or endowment funds, and to promote social services, arts and culture, education, health and the environment. FGM can also manage funds entrusted to it for administrative purposes. It is a registered charity under the Income Tax Act.

2. Accounting policies
The FGM has elected to use the exemption provided by the Canadian Institute of Chartered Accountants (“CICA”) permitting not-for profit organizations not to apply the following Sections of the CICA Handbook: 3862 and 3863, which would otherwise have applied to the financial statements of the FGM for the year ended December 31, 2008. The FGM applies the requirements of Section 3861 of the CICA Handbook.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and the significant accounting policies are:

Fund accounting
The organization follows the restricted fund method of accounting for its activities:

i) Operating Fund
The Operating Fund reports the ordinary operating activities of FGM and activities relating to capital assets.

ii) Distribution Fund
The Distribution Fund is an externally restricted fund in which FGM records donations to be distributed in accordance with the wishes of the donors, the realized investment income from the Endowment Fund to be distributed, the donations made, as well as any directly related expenses.

iii) Endowment Fund
The Endowment Fund is comprised of the elements mentioned below.

Endowments
Endowments include donations that, according to donor specifications, must be held in perpetuity and, those who, in virtue of an agreement with the Conseil des arts et des lettres du Québec, can be withdrawn by the donor after a ten-year period with FGM.

Unrealized depreciation on endowment’s investments
Includes unrealized depreciation on endowment’s investments, which is presented in the Endowment Fund until it is realized.

Internally restricted
Arise from transfers from the Distribution Fund to protect the capital against inflation. These amounts cannot be used without prior consent of the FGM Board of Directors.

Revenue recognition
Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. Contributions to be distributed in accordance with the donors’ wishes are recognized as revenue in the Distribution Fund. Endowment contributions are recognized as revenue in the Endowment Fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
2. Accounting policies (continued)

Donations received in-kind, estimated at the fair value established by an independent appraiser, are recorded in the year in which they are received.

Investment income is recognized when it is earned. It is recorded as revenue in the Distribution Fund unless the donors have specified otherwise. The unrealized portion of the investment income is transferred to Endowment Fund.

Capital assets

Capital assets are accounted for at cost. Amortization is calculated according to the following methods and annual rates:

- Furniture and equipment: diminishing 20%
- Computer hardware: diminishing 30%
- Leasehold improvements: straight-line 3 years

Financial instruments

Financial instruments are initially stated at their fair value. Subsequent annual re-evaluation considers the following items:

Investments and accrued interest and dividends

Investments, including accrued interest and dividends, are classified as assets held for trading. They are, therefore, valued at their fair value; the fair value being based on the most recent market prices, normally the most recent bid price.

The transactions related to the investments are recorded at the transaction date.

Accounts receivable and accounts payable and accrued liabilities

Accounts receivable, classified as loans and receivables, and accounts payable and accrued liabilities, classified as other liabilities, are valued at amortized cost.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Future accounting changes

In November 2008, the CICA issued amendments to Section 4400 “Financial statement presentation by not-for-profit organizations”. The new standards will be applicable to annual financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, the FGM will adopt the new standards as of January 1, 2009.

Section 4400 has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so. It also clarifies that revenues and expenses must be recognized and presented on a gross basis when a not-for-profit organization is acting as a principal in transactions.

FGM does not foresee an important impact on its financial statements following the adoption of these changes.
3. Investments

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>42,177,938 units of The Foundation of Greater Montreal Investment Fund (Note 5)</td>
<td>$38,105,576</td>
<td>$41,432,661</td>
</tr>
<tr>
<td>Preferred Shares, redeemable after the death of the last survivor of the two donors, dividend of 4.725%</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Balanced mutual fund and shares of public companies</td>
<td>$450,970</td>
<td>$521,411</td>
</tr>
<tr>
<td>Mortgage loan, bearing interest at 4.5%, maturing through 2018</td>
<td>$271,081</td>
<td>$276,081</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39,827,627</strong></td>
<td><strong>43,230,153</strong></td>
</tr>
</tbody>
</table>

4. Capital assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>Accumulated amortization</td>
<td>Net book value</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>$14,854</td>
<td>$7,630</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>$18,733</td>
<td>$11,787</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>$25,018</td>
<td>$11,119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>58,605</strong></td>
<td><strong>30,536</strong></td>
</tr>
</tbody>
</table>

5. The Foundation of Greater Montreal Investment Fund

In addition to managing its own funds, FGM manages funds entrusted to it by various entities through The Foundation of Greater Montreal Investment Fund. Separate financial statements are prepared for The Foundation of Greater Montreal Investment Fund, which presents its investments, comprised mainly of bonds, stocks and units of shares of investment funds, at fair value. As at December 31, 2008, the fair market value of the funds managed by The Foundation of Greater Montreal Investment Fund and the number of units held are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of units</td>
<td>2008</td>
<td>2007</td>
</tr>
<tr>
<td>Fair value</td>
<td>Number of units</td>
<td>Fair value</td>
</tr>
<tr>
<td>Funds belonging to The Foundation of Greater Montreal</td>
<td>$42,177,938</td>
<td>$38,105,576</td>
</tr>
<tr>
<td>Funds managed for various entities</td>
<td>48,242,184</td>
<td>43,584,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90,420,122</strong></td>
<td><strong>81,689,898</strong></td>
</tr>
</tbody>
</table>
6. Externally restricted - Endowment

Following the agreements between the donors, the Conseil des arts et des lettres du Québec and FGM, some donations remain the property of FGM for a minimal period of 10 years. The externally restricted amounts are distributed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perpetuity</td>
<td>44,572,826</td>
<td>42,795,803</td>
</tr>
<tr>
<td>For a minimal period of 10 years</td>
<td>686,471</td>
<td>519,430</td>
</tr>
<tr>
<td></td>
<td>45,259,297</td>
<td>43,315,233</td>
</tr>
</tbody>
</table>

7. Revenue

i) Donations

During the year, FGM received donations of $2,250,131 ($6,762,683 in 2007). Donations for 2008 include an amount of $40,416 ($54,349 in 2007) regarding life insurance premiums paid for which FGM is the beneficiary of the proceeds.

ii) Realized investment income

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of The Foundation of Greater Montreal Investment Fund</td>
<td>1,958,795</td>
<td>3,344,323</td>
</tr>
<tr>
<td>Other investments</td>
<td>59,584</td>
<td>64,200</td>
</tr>
<tr>
<td></td>
<td>2,018,379</td>
<td>3,408,523</td>
</tr>
</tbody>
</table>

iii) Management fees

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Foundation of Greater Montreal Investment Fund</td>
<td>422,455</td>
<td>396,258</td>
</tr>
<tr>
<td>Less: Professional fees attributable to The Foundation of Greater Montreal</td>
<td>(202,661)</td>
<td>(197,198)</td>
</tr>
<tr>
<td></td>
<td>219,794</td>
<td>199,060</td>
</tr>
</tbody>
</table>

iv) Administration fees

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Foundation of Greater Montreal Investment Fund unitholders</td>
<td>273,007</td>
<td>230,589</td>
</tr>
<tr>
<td>Less: Professional fees attributable to The Foundation of Greater Montreal</td>
<td>(160,706)</td>
<td>(131,497)</td>
</tr>
<tr>
<td></td>
<td>112,301</td>
<td>99,092</td>
</tr>
</tbody>
</table>

8. Financial instruments

Fair value

The fair values of cash, accounts receivable and accounts payable and accrued liabilities correspond to their carrying amounts due to their short-term maturities.
8. Financial instruments (continued)

**Interest rate risk**
A portion of the investments of the Foundation of Greater Montreal Investment Fund, in which FGM holds units, is invested in bonds and debentures. Consequently, a change in market interest rate will have an impact on the fair value of the units held by FGM.

**Foreign currency risk**
A portion of the investments of the Foundation of Greater Montreal Investment Fund, in which FGM holds units, comprises shares and interests in equity funds invested in foreign countries. The units held by FGM are consequently exposed to changes in foreign currencies. The same applies to the earned income associated with these units.

**Price risk**
Price risk is the risk that the investment return of the Foundation of Greater Montreal Investment Fund in which FGM hold units is exposed to risk that arises from fluctuation of market indexes and the degree of volatility of those indexes.

9. Statement of cash flows
A cash flow statement has not been prepared since the cash flow information is readily apparent from other financial statements and related notes.

10. Comparative figures
Certain comparative figures have been reclassified to conform to the current year’s presentation.