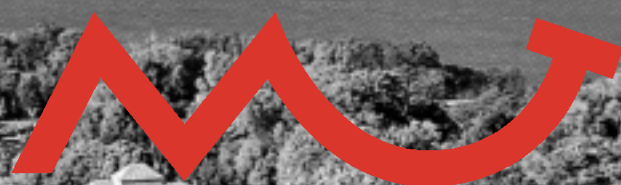


Great expectations  
for Greater

Montreal

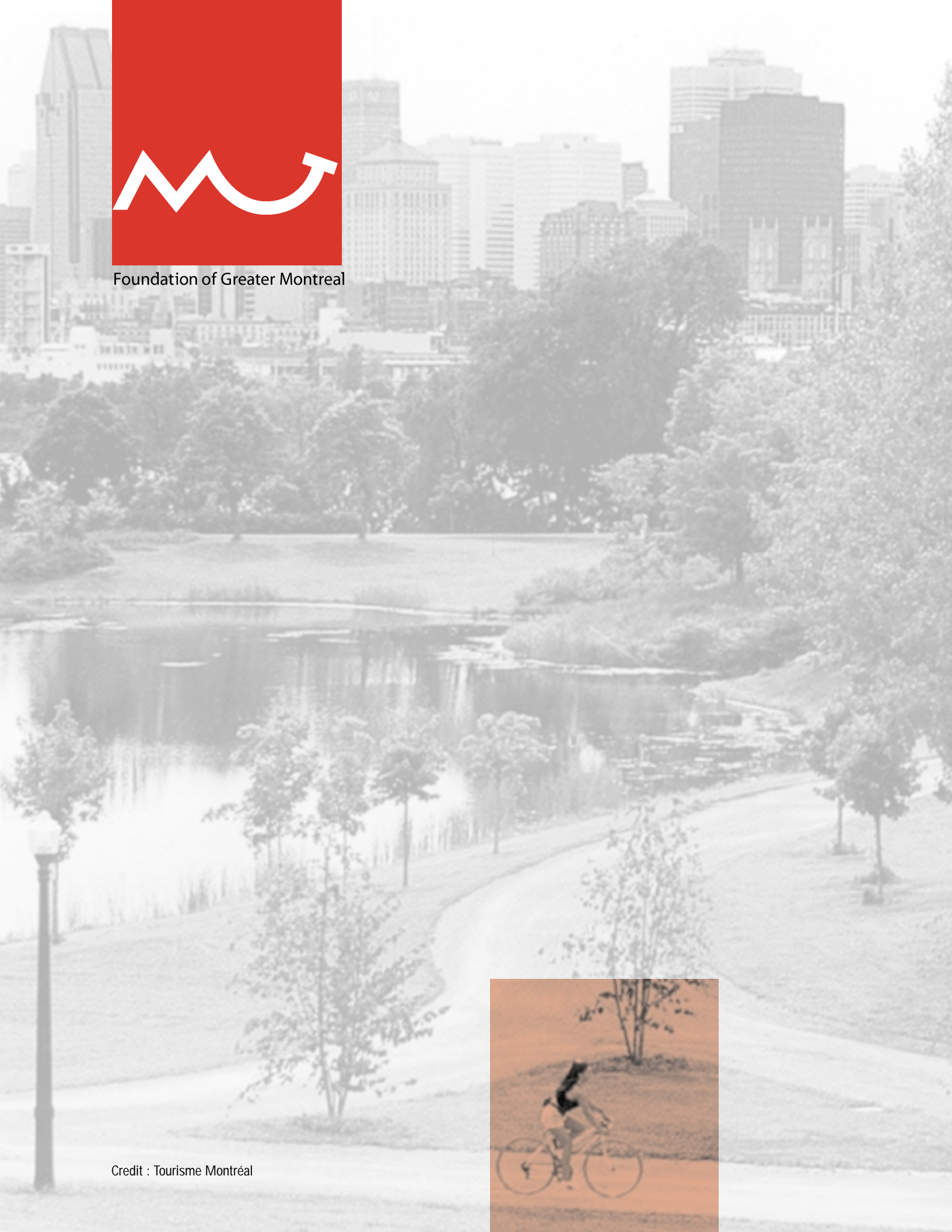


Foundation of Greater Montreal  
annual report 2001





Foundation of Greater Montreal



Credit : Tourisme Montréal

# MESSAGE

## Message from the Chairman and the President



Officially launched in 2001, the Foundation of Greater Montreal (FGM) has been working diligently with its partners to establish the solid basis that will ensure its credibility and future success.

We are grateful to our founding partners, the Centraide Foundation, the Montreal YMCA Foundation, and the Red Feather Foundation for placing their confidence in the FGM and pooling their assets in our common investment fund that reached \$20 million, our objective for 2001.

Centraide of Greater Montreal and the J.W. McConnell Family Foundation, two of our early partners, also made a strong contribution by renewing their support and commitment. Thanks to them, we were able to create the efficient organizational structure that is essential to accomplish our mission. We are also grateful to the Jewish Community Foundation of Montreal for its ongoing support in 2001.

Conscious of the need for representative community support, we increased our board of directors to sixteen members, whose experience and profile have proven invaluable to the Foundation. Their presence at the same table attests to the commitment of various

segments of the community to creating an effective and permanent organization dedicated to the development of philanthropy in the Greater Montreal area.

In keeping with our priorities, we also formed an Investment Committee, whose initial mandate was to formulate an investment policy and set up the FGM's investment fund. In addition, we adopted a realistic action plan for asset growth based on an appreciation of the philanthropic environment in which we live.

The work carried out during our first full fiscal year will enable us to meet the challenges that await us next year: broadening the FGM partnership to include other charitable organizations into our common investment fund and developing a grant-making program.

Irene Nattel, under whose strong guidance the Foundation was established, resigned as chairman of our board in August. She, our volunteers, and staff deserve our gratitude and admiration for their dedication to this exciting project and for daring to invest with us in a promising future. They contributed immensely to the success of the Foundation in 2001.

Pierre Brunet  
Chairman

Handwritten signature of Pierre Brunet in black ink.



Kathleen Weil  
President & CEO

Handwritten signature of Kathleen Weil in black ink.





## GREAT EXPECTATIONS FOR GREATER MONTREAL

More than 700 community foundations across North America are successfully helping to build and strengthen their respective communities. Montréal can now count on its very own community foundation to do the same.

A member of the Community Foundations of Canada, the FGM was established through the combined efforts and contribution of Montréal business and philanthropic leaders and of leading Montréal organizations such as the Centraide Foundation, the Montreal YMCA Foundation, the Red Feather Foundation, the J.W. McConnell Family Foundation, and the Jewish Community Foundation of Montreal.

## PURSUING A NOBLE MISSION

The FGM is a non-profit charitable organization, which aims to contribute to the general well-being of the Greater Montreal community. To do so, it establishes permanent endowment funds, manages them in compliance with a prudent investment policy, and distributes their income to support community projects in different areas, such as health, social services, arts and culture, education, and the environment.



## SHARING IDEALS

The dynamism of Greater Montreal is rooted in its cultural, economic, and social diversity, and in a sharing of ideals that transcend race, language, religion, and political affiliations. Intent on strengthening this sharing process, the FGM welcomes those who want to contribute to the community in a spirit of transparency that aims to bring together caring people from varied backgrounds to work at improving the well-being of their fellow citizens. By 2003, the FGM will be adding a new dimension to its contribution as it enters the grant-making phase of its mission.

A woman with long blonde hair is sitting on the floor, leaning against a large chalkboard. She is wearing a light-colored top and dark pants. She is writing on the chalkboard with a piece of chalk. The chalkboard has a math problem written on it: 
$$\begin{array}{r} 168 \\ + 56 \\ \hline 224 \end{array}$$
 The background is a bright, slightly blurred indoor setting with a window in the upper right corner.

## BUILDING A SOLID FINANCIAL FOUNDATION

The foundations that have helped establish the FGM boast a long tradition of successful philanthropy due, in large part, to their responsible and effective financial management. Likewise, the FGM was built on solid financial bases. To that end, it constituted a board of directors that brings together a group of renowned business leaders and representatives from partner foundations that are strongly committed to their community. In turn, the board has formed an Investment Committee made up of finance and investment specialists responsible for the hiring and evaluating of portfolio managers whose work is guided by a prudent investment policy that aims to strike a balance between performance and the protection of capital.

In addition, operating costs are kept to a minimum, thanks to financial and in-kind contributions from individuals and organizations and through the sharing with other North American foundations of expertise that has proven effective over time.

## SHARING COMMON PHILANTHROPIC GOALS

Generally, donors and charitable organizations share the same philanthropic goals. To help them achieve these goals, the FGM places its financial structure at their disposal. Thus, individual donors and organizations, large or small, can maximize their returns, minimize their administrative costs, and protect the value of their capital over the long term by pooling their assets in the FGM's large and diversified portfolio which is managed by independent, paid professionals.

## RESPECTING AUTONOMY

The FGM provides great flexibility to its partners by enabling them to identify causes they care about and determine the degree of independence they want to maintain.



## PROVIDING A WIDE RANGE OF FUNDS

Donors and charitable organizations enjoy a wide range of choices as to the type and nature of the funds they may wish to establish.



- **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 Montreal. Donors place no restrictions on the use of the funds and entrust the FGM with the task of identifying community priorities and the charitable organizations best able to meet them.
- **Field-of-interest Funds:**  
allow the donors to direct their charitable giving to a general area of concern or chosen field. The FGM makes grants to the charitable organizations best able to meet needs in chosen fields.
- **Designated Funds:**  
designated by the donors to benefit one or more charitable organizations. Donors establish funds within the FGM rather than give them directly to charitable organizations to ensure that their gifts remain useful over time. If designated organizations cease to exist, revenues from such funds are directed to organizations with similar missions.
- **Donor-Advised Funds:**  
allow for donors' involvement in selecting charitable organizations to receive grants.
- **Organizational Endowment Funds:**  
designated funds established by charitable organizations as permanently endowed funds within the FGM to provide an additional source of annual income, which is added to sums raised annually through fund-raising campaigns, for example.
- **Memorial Funds:**  
established in the name of a deceased, thereby creating a legacy, a perpetual remembrance.

*Guy Bisillon, Chairman, Centraide Foundation; Michel Thibodeau Deguire, President & CEO, Centraide of Greater Montreal; Irene Nattel, Member of the Board, FGM; Gilles Émond, Treasurer, Centraide Foundation; Kathleen Weil, President & CEO, FGM.*



Source : Alain Décarie

## FUNDS CREATED IN 2001

Three managed funds and four endowment funds enabled the FGM to launch its common fund, totalling \$20 million, thereby attaining its objective for 2001.

## MANAGED FUNDS

Three managed funds were instituted in 2001. In all instances, the partner foundations retained ownership of their assets, while entrusting the FGM with the management of their funds.

### Centraide Foundation

"Centraide of Greater Montreal and the Centraide Foundation signed agreements with the Foundation of Greater Montreal to ensure collaboration between the two organizations. Centraide felt it was important for Greater Montreal to have a new tool that would enable it to raise permanent funds from which revenues could be used to respond to needs in all sectors of our community."

*Michèle Thibodeau-DeGuire, President & Executive Director, Centraide of Greater Montreal*

### Red Feather Foundation

"The Red Feather Foundation's support of the Foundation of Greater Montreal is very much in keeping with our history and charitable tradition. As a leading Centraide partner, we have always supported social services for Montréal's Anglophone population. By creating an endowment fund in the social field, we are ensuring that our name will live on, especially since Red Feather has played a key role in Montréal's philanthropic history. In entrusting the management of a portion of our permanent funds to the Foundation of Greater Montreal, we wish to do our part for Montreal's future."

*Sheila Goldbloom, President, Red Feather Foundation*

### Montreal YMCA Foundation

"Given the role of the Montreal YMCA in the region, it seemed completely natural to lend our support to the implementation of this new tool to assist the people of Greater Montreal. In exchange, the Foundation of Greater Montreal will enable the YMCA to reduce its capital management costs, thereby increasing the amounts paid out every year in support of various causes."

*Claude Garcia, Chairman of the Board, and Marcel Côté, President of the Montreal YMCA Foundation*

## ENDOWMENT FUNDS

Four endowment funds were instituted in 2001:

### Red Feather Fund

Field-of-interest fund for social agencies

### Gallop Family Fund

Donor-advised fund

### Suzanne Trépanier-Côté Fund

Memorial fund

### Monrusco Bolton Fund

Field-of-interest fund for education



## BOARD OF DIRECTORS



**CHAIRMAN**  
Pierre Brunet,  
Vice-Chairman of the Board,  
National Bank of Canada



**VICE-CHAIRMAN**  
Sheila Goldbloom,  
President, Red Feather  
Foundation



**SECRETARY**  
Claire Richer Leduc,  
Lawyer



**TREASURER**  
Gilles Émond, CA, CMA,  
Andersen



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



André Chagnon, Chairman  
of the Board, Fondation  
Lucie et André Chagnon



Marcel Côté, Partner, Secor  
Conseil Inc.



Jacques Gagnon,  
Vice-President Public  
Relations - Retired, Alcan



W. John Gallop, CIM,  
Director, MacDougall,  
MacDougall & MacTier Inc.



Louis Gascon, Barrister  
& Solicitor



Stanley Hyman, Board  
Member, Jewish  
Community Foundation  
of Montreal



Robert Kleinman, FCA,  
Executive Vice-President,  
Jewish Community  
Foundation of Montreal



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



Brian Levitt, Co-President,  
Osler, Hoskin & Hartcourt



Irene Nattel, Managing  
Director, RBC Dominion  
Securities Inc.



Manon Vennat, Chairman,  
Spencer Stuart Montreal



Michael Weil, Chief  
Executive Officer, YMCA  
Canada





*Gilles Émond,  
Committee Chairman*

## COMMITTEE REPORTS

Thanks to the talent and enthusiasm of its volunteers, the FGM was able to build a solid base for itself in 2001

## INVESTMENT COMMITTEE

"It was with great pride that I agreed to chair this committee, especially given the importance of the mandate entrusted to us. We knew that the FGM's credibility would be partly based on the investment policy we would implement and on the managers we would recommend. I would like to thank all the committee members for the tremendous amount of work they accomplished with such singular talent and generosity."

*Gilles Émond, Committee Chairman*

Gilles Émond, CA, CMA, Andersen

Pierre Comtois, Vice-Chairman of the Board, Optimum Investment Management Inc.

W. John Gallop, Director, MacDougall, MacDougall & MacTier Inc.

Harry Feldman, FCA, Senior Partner, Schwartz, Levitsky, Feldman

William Ridley, Chairman, Investment, Endowment and Planned giving

Committee, Montreal YMCA Foundation

The Investment Committee successfully completed the following missions:

- Formulation of an investment policy
- Constitution of the Investment Fund
- Selection of the portfolio managers and the custodian.

## FUND DEVELOPMENT COMMITTEE

The Fund Development Committee began its activities at the end of the 2001 and laid the groundwork for the coming year. In order to reach the Foundation's \$30 million objective by the end of 2002, the committee developed an action plan, which targets, initially, small and medium foundations and charitable organizations in the Montréal area.

Pierre Brunet, Vice-Chairman of the Board, National Bank of Canada

Jacques Gagnon, Vice-President Public Relations - Retired, Alcan

W. John Gallop, Director, MacDougall, MacDougall & MacTier Inc.

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

Irene Nattel, Managing Director, RBC Dominion Securities Inc.

## PLANNED GIVING SUBCOMMITTEE

Terri Allister, Consultant, Investors Group

Gilbert Lemieux, Coordinator, Planned Giving Program, Centraide of Greater Montreal

Paul Montminy, Advisor in Community Foundations development

Marie-Josée Raymond, Manager, Richter, Usher & Vineberg

Benoit Tremblay, Director General, Montreal YMCA Foundation

Diane Tsonos, Attorney, Richter, Usher & Vineberg



## MARKETING AND COMMUNICATIONS COMMITTEE

"In philanthropy, as in business, communicating one's plans and achievements is the first step towards transparency. It is also paramount in ensuring stakeholders – donors, volunteers, and the general public – understand how important their roles are in meeting common objectives for the common good of the community. I am delighted to work with professionals who can provide the FGM with the communications and marketing expertise it needs to achieve its objectives.

And I thank them for their invaluable help."

*Jacques Gagnon, Committee Chairman*

Alban Asselin, Consultant, Vice-President  
Communications – Retired, Molson

Marcel Côté, Partner, Secor Conseil Inc.

Jacques Gagnon, Vice-President Public  
Relations - Retired, Alcan

Jonathan Goldbloom, Senior Partner,  
Columbia Communications

Daniel Granger, General Manager,  
Vice-President Technology, Edelman

Jac Joannis, President, Joannis  
Marketing Communications

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

In 2001, the Committee developed a preliminary marketing plan that will be used to guide its own work and that of other committees.

## PERSONNEL

Kathleen Weil, B.C.L., LL.B, President  
& CEO, ex-officio member of board  
committees

Diane Bertrand, Administrative Assistant



## ACKNOWLEDGMENTS

We wish to thank the following companies for the goods or services they so generously offered the FGM:

BCP

Board of Trade of Metropolitan Montreal

Goodhue & Associé

Joanisse Marketing Communications

National Bank Financial

National Bank Trust

Ogilvy Renault

Richter, Usher & Vineberg

Samson Bélair/Deloitte & Touche

SITQ Immobilier



Financial Statements of

THE FOUNDATION OF GREAT MONTREAL

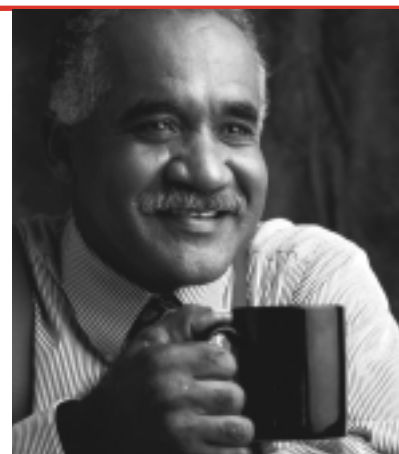
December 31, 2001

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Samson Bélair/Deloitte & Touche, S.E.N.C.  
Assurance and Advisory Services  
1 Place Ville-Marie  
Suite 3000  
Montréal, QC H3B 4T9  
Canada

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Fax: (514) 390-4116  
[www.deloitte.ca](http://www.deloitte.ca)



## Auditors' report

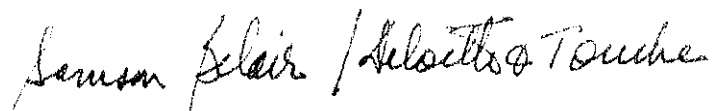
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To the Members of  
The Foundation of Greater Montreal

We have audited the balance sheet of The Foundation of Greater Montreal as at December 31, 2001 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, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

February 8, 2002



# THE FOUNDATION OF GREATER MONTREAL

## Statement of operations and changes in Fund balances

year ended December 31, 2001

	Operating Fund \$	Endowment Fund \$	Distribution Fund \$	2001 \$	Total 2000 \$
<b>Revenues</b>					
Donations	-	516,685	-	516,685	3,315
Donations – Centraide du Grand Montréal	75,000	-	-	75,000	75,000
Donations – The Jewish Community Foundation of Montreal	25,000	-	-	25,000	-
Donations – The J.W. McConnell Foundation (Note 5)	-	-	-	-	60,000
Donations – The Red Feather Foundation	10,000	-	-	10,000	-
Management fees	74,287	-	-	74,287	-
Investment income	-	-	14,680	14,680	-
Bank interest	2,287	-	-	2,287	528
Other	-	-	-	-	1,405
	186,574	516,685	14,680	717,939	140,248
<b>Expenses</b>					
Salaries and benefits	154,686	-	-	154,686	17,135
Professional fees	30,575	-	-	30,575	15,422
Management fees	26,990	-	-	26,990	-
Trustee fees	5,350	-	-	5,350	-
Rent	8,058	-	-	8,058	-
Office supplies	4,822	-	-	4,822	-
Stationery and printing	1,904	-	-	1,904	-
Travel	3,210	-	-	3,210	453
Meetings	1,162	-	-	1,162	-
Telecommunications	2,505	-	-	2,505	-
Advertising	-	-	-	-	4,731
Insurance	708	-	-	708	-
Delivery	351	-	-	351	-
Publications and subscriptions	988	-	-	988	-
Bank charges	557	-	-	557	-
Other	92	-	-	92	188
	241,958	-	-	241,958	37,929
<b>Excess (deficiency) of revenues over expenses</b>	(55,384)	516,685	14,680	475,981	102,319
Fund balances, beginning of year	99,004	3,315	-	102,319	-
Interfund transfer (Note 6)	-	6,500	(6,500)	-	-
<b>Fund balances, end of year</b>	43,620	526,500	8,180	578,300	102,3199



# THE FOUNDATION OF GREATER MONTREAL


## Balance sheet

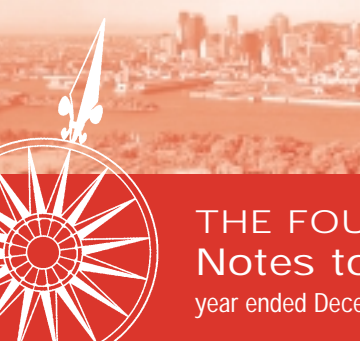
as at December 31, 2001

	Operating Fund \$	Endowment Fund \$	Distribution Fund \$	2001 \$	Total 2000 \$
<b>Assets</b>					
Current					
Cash	40,634	-	-	40,634	65,766
Accounts receivable	44,029	-	-	44,029	50,198
	84,663	-	-	84,663	115,964
Investments (Note 3)	-	526,500	8,180	534,680	-
Capital assets (Note 4)	11,511	-	-	11,511	-
	96,174	526,500	8,180	630,854	115,964
<b>Liabilities</b>					
Current					
Accounts payable and accrued liabilities	27,554	-	-	27,554	13,645
Deferred revenue	25,000	-	-	25,000	-
	52,554	-	-	52,554	13,645
<b>Fund balances</b>					
Externally restricted	-	520,000	8,180	528,180	3,315
Internally restricted	-	6,500	-	6,500	-
Invested in capital assets	11,511	-	-	11,511	-
Unrestricted	32,109	-	-	32,109	99,004
	43,620	526,500	8,180	578,300	102,319
	96,174	526,500	8,180	630,854	115,964

Approved by the Board

 Director

 Director



# THE FOUNDATION OF GREATER MONTREAL

## Notes to the financial statements

year ended December 31, 2001

### 1. Description of 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 promote social services, arts and culture, education, health and the environment. The 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 financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

#### *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 the FGM and activities relating to capital assets, if any.

#### *ii) Endowment Fund*

The Endowment Fund reports the donations received by donors who have stipulated that the capital be kept in perpetuity. It is composed 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 used to support one or more areas selected by the donor, either social services, arts and culture, education, health or the environment;
- Unrestricted funds: the donor does not determine the beneficiary organization of the endowment fund nor a specific area. Revenue distribution is entrusted to the FGM's Board of Directors, based on community needs.

Transfers from the Distribution Fund are made following a resolution adopted by the Board of Directors to adjust the Endowment Fund annually based on the annual average rate of the Consumer Price Index.





## THE FOUNDATION OF GREATER MONTREAL

### Notes to the financial statements

year ended December 31, 2001

## 2. Accounting policies (continued)

### *Fund accounting (continued)*

#### *iii) Distribution Fund*

The Distribution Fund is an externally restricted fund in which the FGM records donations to be distributed in accordance with the wishes of the donors and investment income from the Endowment Fund to be distributed. The annual transfer to the Endowment Fund to make the annual adjustment based on the annual average rate of the Consumer Price Index is also recorded in the Distribution Fund.

### *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. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Endowment contributions are recognized as revenue in the Endowment Fund.

### *Investments*

Investments are recorded at cost.

### *Capital assets*

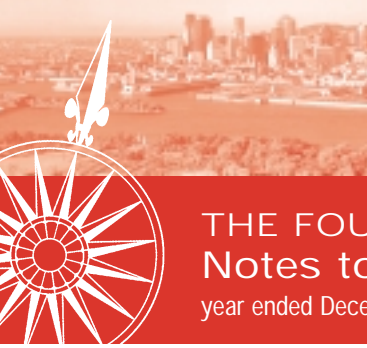
Capital assets are accounted for at cost. Amortization is calculated according to the diminishing balance method at the following annual rates:

Furniture and equipment	20%
Computer hardware	30%

No amortization is calculated in the year a capital asset is acquired

## 3. Investments

	\$
534,196 units of the The Foundation of Greater Montreal Investment Fund (market value of \$541,873) (Note 7)	<b>534,680</b>



THE FOUNDATION OF GREATER MONTREAL  
**Notes to the financial statements**  
 year ended December 31, 2001

**4. Capital assets**

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Furniture and equipment	6,975	-	6,975	-
Computer hardware	4,536	-	4,536	-
	11,511	-	11,511	-

**5. The J. W. McConnell Family Foundation**

The J. W. McConnell Family Foundation has agreed to pay \$120,000 to the FGM to finance its start-up. Of this amount, \$60,000 was received in 2000 and the balance of \$60,000 will be received in 2002.

**6. Interfund transfer**

The Board of Directors authorized the transfer of \$6,500 from the Distribution Fund to the Endowment Fund to make the annual adjustment to this fund based on the average annual rate of the Consumer Price Index, which was 2.60% for the year ended December 31, 2001.

**7. Funds under management**

In addition to managing its own funds, the 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 present its investments at market value. As at December 31, 2001, the market values of the funds managed by The Foundation of Greater Montreal Investment Fund are as follows:

	Number of Units	Market Value
		\$
<i>Funds under management for various entities</i>		
Fondation Centraide	15,473.515	15,695,870
The Red Feather Foundation	2,160.815	2,191,866
The Montreal YMCA Foundation Inc.	3,483.628	3,533,688
	21,117.958	21,421,424
<i>Funds under management belonging to</i>		
The Foundation of Greater Montreal	534.196	541,873
	21,652.154	21,963,297

**8. Statement of cash flows**

A statement of cash flows has not been presented as it would not provide any additional meaningful information.