



Foundation of Greater Montreal





Foundation of Greater Montreal

The Foundation of Greater Montreal is a non-profit charitable organization dedicated to the well-being of the Greater Montreal community. It establishes and manages permanent endowment funds and distributes their revenues to support a broad spectrum of community projects in the sectors of health, social services, arts and culture, education, and the environment.

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, for example; or they may plan a **future gift**, which often takes the form of a bequest or donation of a life insurance policy. Donors may contribute to one of the FGM's existing funds, or they may create a personalized permanent endowment fund.

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It is with pride and satisfaction that we present the FGM's 2003 Annual report. We succeeded this year in reaching the targets we had set for ourselves, having put in place some of the basic and necessary structures to ensure our continued growth.

Several leading Montreal businesses and foundations renewed their support for our operations and development activities, thereby reiterating their confidence in the FGM and its ability to play an essential role in the charitable sector in Montreal in the years to come. We have also brought new partners on board and are better positioned than ever to attract even more.

Thanks to this tremendous support, we have launched our gift planning program, which is the key to developing and building endowment funds in the coming years. To raise awareness of the FGM, we organized and participated in numerous seminars and meetings in various professional milieus and made presentations to many charitable organizations, all interested in the benefits of a community foundation. The FGM is now joining the ranks of community leaders in Montreal.

This year also marked the beginning of a new and exciting stage of the Foundation's life—the goal toward which we have worked so hard over the last three years: the establishment of our grant program. Though the FGM's first grants were modest, they were in line with the goals we had set and signal that the FGM is now able to begin fulfilling its central purpose of meeting community needs.

We would like to thank all our partners and donors, as well as our volunteers and our staff, for helping us to achieve so much in so little time. Together, we have taken a decisive first step toward improving the quality of life in the Greater Montreal region.



Pierre Brunet
Chairman



Kathleen Weil
President and CEO



FGM Funds

A wide choice of funds for great 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 organization 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, meaning the donation becomes a permanent gift to the community. These types of funds can take many forms. .

Community 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 donors to direct their charitable giving to a general area of concern or a 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 directly to charitable organizations, ensuring that their gifts remain useful over time. If a designated organization ceases to exist, revenues from such funds are directed to an organization with a similar mission.

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 other means such as fund-raising campaigns. Donors may contribute to such funds through the FGM or by contacting the organization directly.

Memorial Funds

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

Managed Funds

A charitable organization or foundation entrusts the FGM with the long-term management of its endowment fund. The charity or foundation naturally continues to own the fund and administer its revenues.

New Funds Created in 2003

Three new funds were entrusted to the FGM this year. Two of them highlight the FGM's ability to provide a lasting solution to other organizations. Two foundations whose activities had ended were able to find a permanent home for their endowments at the FGM. The other, the Marymount Fund, is eloquent proof that creating a fund is within anyone's reach.

Queen Elizabeth Hospital of Montreal Foundation Health Fund

After the closure of the Queen Elizabeth Hospital in 1996, its foundation made several significant donations in the health sector, including \$3 million to the Queen Elizabeth Health Complex, \$1.5 million to McGill University to found a chair in pediatric anesthesia, and \$2 million to finance the Community Cancer Care Program at St. Mary's Hospital.

In 2003, it decided to transfer the remaining balance of \$3.8 million to the FGM to create an endowment fund for the benefit of the McGill University hospital network. The Queen Elizabeth Hospital Foundation Fund represents the largest gift to the FGM in its history.

"Our Foundation was established to ensure that Montrealers receive top-notch patient care in a community setting. When the Queen Elizabeth Hospital was closed, we kept this mission in mind in determining how best to allocate our residual funds. Under the FGM's leadership, we are confident that the capital of these funds will continue to grow and that the income generated will be used to strengthen McGill University teaching hospitals, a source of pride for all Montrealers. In this manner, the contributions of Montrealers will continue to support improved patient care for generations to come."

Richard Riendeau, President, QEHF

Credit: Alain Décarie



Richard Riendeau, President FHQE; Kathleen Weil, president and CEO, FGM and Brian Levitt, Vice-Chairman of the Board, FGM

Kateri/Canada World Youth Fund

After the Kateri Foundation decided to halt its activities, it transferred its assets to Canada World Youth (CWY), which in turn created a new fund with the FGM to honour the memory of Kateri Melançon, a CWY participant who passed away in 1986. Revenues from the fund will be used to finance projects sponsored by the CWY to assist women in Latin America.

Marymount Alumni Funds for Children and Youth

At the Great Marymount Reunion of 2003, the alumni of Marymount Comprehensive High School and Marymount Academy marked the event by establishing an endowment fund to benefit disadvantaged youth in the area. To set up the fund, the Alumni Committee called upon the FGM, which will help them manage and grow the fund.

“The alumni of Marymount Comprehensive Highschool and Marymount Academy decided they wanted to help children and youth living in the neighbourhoods where the alumni themselves used to live. They felt that establishing The Marymount Alumni Fund for Children and Youth at the Foundation of Greater Montreal would be a wonderful way to do this. For years to come, the Fund will help children and youth living in the neighbourhoods that were so important to Marymounters when they were growing up. I invite all our alumni to contact the FGM directly if they wish to contribute.”

David Brault, organizer and Marymount alumnus

Development Activities

After three years of targeted development activities, this year the FGM broadened its scope.

To ensure the FGM's visibility and build on its credibility, the Foundation initiated activities to raise awareness of the advantages of a community foundation in the financial and legal sectors. The FGM also embarked on a partnership with BMO Financial Group and Community Foundations of Canada.

Participation in the Fiscal and Financial Planning Association (APFF) seminar

In recent decades, the growing wealth of Quebecers has resulted in a parallel and newfound interest in philanthropy, and whether motivated by humanitarian reasons or fiscal incentives, gift planning has become an increasingly important part of financial planning. The FGM represents an added value to donors and charitable organizations by providing financial and legal advisors with the tools to assist their clients in charitable giving.

With this in mind, in December 2003, the FGM helped to organize and host a seminar of the Fiscal and Financial Planning Association (APFF) on gift planning. The meeting in Montreal was a great success and attracted over 100 participants.

The FGM would like to thank Yvon Caron, President and CEO of the APFF for 2003, as well as Anne-Marie

Boucher and Micheline Del Vecchio of the APFF, for inviting the FGM to participate in the organization of this event.

Confessions of a tax lawyer

"The statistics are telling: Canadians leave far fewer bequests to charitable organizations than Americans because, unlike their American colleagues, Canadian lawyers rarely discuss this option with their clients. When I became aware of this several years ago, I resolved to ask all of my clients seeking estate planning assistance if they wished to make a bequest to a charitable organization of their choice. Since then, the rate of charitable bequests among my clientele has risen from 2 percent to 50 percent."

Marc Jolin, B.A., LL.L., M. Fisc., lawyer

Promising partnership between the BMO and Community Foundations of Canada

BMO Financial Group is committed to encouraging its clients to participate in its “Supporting Your Community” program. Thanks to this unique alliance, Bank of Montreal clients, with a minimum donation of \$25,000, can create their own charitable fund at their local community foundation—the FGM in Montreal.

“The partnership between BMO Financial Group and Community Foundations of Canada sends a clear message to potential philanthropists: more Canadians than ever now have

the ability to establish a permanent endowment fund to support charitable works. Community foundations have extensive grant-making experience and a deep understanding of their communities, which, combined with the close relationship BMO has maintained with the communities it serves, will help to foster philanthropy on a nation-wide scale and promote community development, an area that is sorely in need of funding.”

*Christine Marchildon, Vice President
and Managing Director - Quebec,
BMO Harris Private Banking*

Networking with Allied Professionals

In addition to these important development activities, the FGM has made many presentations to legal, financial, tax and estate professionals concerning the advantages of gift planning.

We are successfully demonstrating the advantages of gift planning to notaries, lawyers, financial and tax planners, insurance companies, portfolio managers, and securities specialists, and encouraging them to discuss it with their clients.

Raising Awareness

To fulfill its mission of promoting the well-being of the community, the FGM must be able to identify community needs in a broad range of areas and propose effective responses to those needs.

The FGM must also raise awareness among potential donors of the issues facing the Montreal community.

The FGM engaged in its awareness-raising activities this year with these twin goals in mind.

CBC Montreal Matters

As a major partner of CBC Radio in “Montreal Matters,” the public broadcaster’s program to foster debate on important local issues, the FGM organized a business breakfast on poverty in Montreal.

Before an audience of some of the region’s most influential business people, the four guest panelists discussed the effects of poverty on families and on child development. They drew a compelling portrait of the devastating effect of poverty on the development of young children; the presentations were thought-provoking and had a significant impact on the participants at the conference.

The conclusion was clear—to fight poverty, society must adopt early intervention strategies. A child’s first five years have a determining effect on the rest of his or her life, and it is during that time that action must be taken to support both children and their parents.

For the Foundation and everyone present, the message was loud and clear.

“With almost half of our children living below the poverty line, we no longer have a choice: all the social players in the public, private, and community sectors must invest earlier and in a sustained way in the development of Montreal’s young people. The social and economic future of our community is at stake.”

Dr. Richard Lessard, Director of Public Health for Montreal

Credit : Heidi Hollinger



Judith Maxwell, Henri-Paul Rousseau, John Rae



Dr. Richard Lessard, Director of Public Health for Montreal

Dr. Diane Benoît, Associate Professor, University of Toronto; Associate Scientist of the Research Institute and Psychiatrist, Toronto's Hospital for Sick Children

Dr. Richard Tremblay, Professor of Pediatrics, Psychiatry and Psychology, University of Montreal; Canada Research Chair in Child Development

Lyse Brunet, Vice-President - Social Development, Centraide of Greater Montreal



Thank you to all who contributed to the success of this event:

Deborah Bonney, information officer, Montreal Department of Public Health

Jacques Gagnon, Chair, Communications and Marketing Committee, FGM

Michael Godman, Director of Youth Protection, Batshaw Youth and Family Centres

Jonathan Goldbloom, Vice-President and General Manager, Optimum Public Relations

Richard Lessard, Director of Public Health for Montreal

Robert Racine, Partner, Raymond Executive Search

Réal Raymond, President and Chief Executive Officer, National Bank of Canada, event host

Nancy Wood, host of the CBC program "Radio Noon"

Batshaw Youth and Family Centres
Montreal Department of Public Health

Report of the Investment Committee

Faced with an uncertain economic context, the investment committee maintained this year its prudent investment approach. The results were positive.

The net return of the investment fund for 2003 was 5.54 percent, resulting in a net return of 3.69 percent since the fund's creation on July 5, 2001. The FGM Fund compares favourably to the median of the Canadian pension funds universe. The return of the investment fund resulted in strong revenues in the order of \$1.6 million. It should be noted that the investment fund includes the FGM's own endowed funds as well as those entrusted to it by other organizations, including the Centraide Foundation, the Montreal YMCA Foundation, the Foundation of Catholic Community Services, and the Fondation Jean Duceppe.

The investment committee will continue its prudent course in the coming years to mitigate fluctuations in the revenues available for grants and to ensure their continued growth.

*Gilles Émond
Chair, Investment Committee*

Credit : Alain Décarie



Thank you to three founding FGM Board members for their commitment and contribution to the FGM.

Irene Nattel, Managing Director, RBC Capital Markets and Founding Chair of the FGM Board; Sheila Goldbloom, Past President of the Red Feather Foundation and Honorary member Chair of the FGM Board and Tim Brodhead, President and CEO, The J.W. McConnell Family Foundation

Grants

The FGM is committed to improving the quality of life of all its citizens—one grant at a time. For our inaugural grants, we had a discretionary amount of \$35,000 from the Community and Field-of-interest funds, and a contribution of \$27,000 from a donor-advised fund for a total of \$62,000. And while the grants may have been relatively modest by community foundation standards, we are confident that the FGM has begun to usher in a new era of civic philanthropy for our great city.

We recognized at the outset that part of our success would depend on the quality of organizations and special projects we chose to support. As such, our selection committee was composed of a panel of experts, and our selection criteria was rigorous. We were particularly interested in supporting initiatives that prioritized:

- prevention and long-term solutions
- integration
- the development of young people and families
- physical activity
- education
- a multi-disciplinary approach
- partnerships
- concrete and long-lasting effects

Based on these criteria, we chose seven projects, each of which received a grant of \$5,000.



Radio Centre-Ville

A weekly radio program that fosters learning

Radio Centre-Ville (102.3 FM) is Montreal's only multilingual community radio station. Serving over forty communities, with broadcasts in seven different languages, it is both a resource for new immigrants and a rich tapestry of

cultural expression for everyone in the city to enjoy.

The FGM grant will be used to support the production of "Radio-Enfants", a weekly radio program that will help elementary school children learn oral and written French. Selected schools are located in underprivileged neighbourhoods, where children from cultural communities make up a large percentage of the students. What makes the initiative so novel and exciting is its hands-on nature—children participate in all aspects of the radio broadcast, from brainstorming content ideas to pre- and post-production. This gives them an opportunity to pick up a host of cross-curricular skills.



Camp Amy Molson

The renovation of a summer camp for underprivileged kids.

Camp Amy Molson is a summer camp for 5-to-12-year-old kids from underprivileged families. Located on a huge lakeside property, the camp boasts a

counsellor-to-child ratio of three to one that ensures very personalized care and attention.

Unfortunately, the camp's playground was outdated and in disrepair. The FGM grant will help build a new climbing apparatus that is versatile, safe and fun, and will enable campers to enjoy outdoor recreation for years to come.

"Our mission is to provide a healthy, safe and loving environment for everyone. After camp, it's so obvious that the kids are happier, more enthusiastic and trusting, and they leave with such a different attitude."

Jack Cobb, Camp Director



Maison de jeunes Kekpart

Promoting non-violence through artistic expression and creativity

Through the arts, music and other activities, the Maison Kekpart fosters a sense of responsibility, a social conscience, team spirit, self-confidence, and the desire to achieve personal growth among South Shore youth. A member of the Boys and Girls Clubs of Canada, the organization offers an alternative to delinquency, prostitution, and drug abuse by helping youth develop social and personal skills.

Thanks to the FGM grant, the Longueuil community organization will be able to introduce a special set of cultural and artistic activities, including photography and audio-visual production, that will focus on the theme of violence prevention.

"If we want to steer young people away from street life, if we want to help them avoid this trap, we have to find ways to hold their interest. We have to let them fix goals that they will want to achieve."

Richard Desjardins, Director, Maison de jeunes Kekpart



The Autism Foundation of Montreal and Service Repit Emergo

Support for children with autism and their families

Autism and pervasive development disorders (PDDs) affect nearly 10,000 families in Quebec, and sadly, the number of cases is on the rise. Autism and PDDs are neurobiological disorders that often cause physical and mental disabilities. Everyday

life is very trying for autistics and their families, as accessibility issues and routine activities pose constant challenges. The FGM therefore felt that two organizations providing recreational activities for people living with autism and respite services for their families were especially deserving of its support.

First, The Autism Foundation of Montreal will provide swimming lessons to dozens of children. The lessons will give the kids a chance to get some exercise and have some fun, while allowing their respective families to enjoy some important down time.

Second, Service Repit Emergo will organize several field trips for children with autism, including visits to sugar shacks and local museums as well outdoor activities, that will leave them with memories to last a lifetime.



Centre Normand-Léveillé

Barrier-free outdoor activities

Normand Léveillé is a former hockey player with the Boston Bruins who, at the age of 19, became hemiplegic and aphasic following a hard check. Confronted with the realities of day-to-day life with a handicap, Léveillé has devoted himself to building a leisure centre that poses neither architectural nor prejudicial barriers for children and adults with disabilities.

The Centre Normand-Léveillé has a long history of providing vacation camps and outdoor weekend activities for handicapped children. The camps are

animated by trained staff and are meant to be both educational and recreational, with each retreat tailor-made to the needs of each set of campers.

The "FGM weekend" is the Centre's newest weekend camp initiative, made possible by the FGM grant. This pilot project unites 9-to-12-year-old girls from underprivileged Montreal neighbourhoods with disabled youth. The weekends are animated by "Les Scientifines," a group whose mandate is to introduce girls to science and information technology. As the program evolves, other themes will include music, theatre, and computers.

"The project's main goal is to foster a sense of community by encouraging young people from underprivileged neighbourhoods in Greater Montreal to take part in activities with our disabled clientele."

*Marielle Bergeron, Executive Director,
Centre Normand-Léveillé Foundation*



Action Center

Equipment that makes life easier for everyone

The Action Center provides bilingual drop-in services for physically and/or cognitively disabled Montrealers. Its

mission is to promote the social integration of the disabled through participation in the Center's various educational and cultural activities. Since eighty percent of its members live in poverty, for many members, the Center represents their only opportunity to socialize and partake in leisure activities.

The FGM grant allowed the Action Centre to purchase a special piece of equipment called a "patient lifter." The lifter makes transfers more comfortable for the members and reduces the risk of injuries for the staff. Both members and staff are grateful to have it.

GRANTS Donor-Advised Funds

Also for the first time, a donor-advised fund at the FGM made grants to fourteen organizations and institutions in the sectors of education, culture, health, and self-help. The Malouf Family also chose to support the FGM's discretionary grant program and the FGM wishes to express its deepest gratitude for this act of generosity.

Funds

Community Funds

Donors ensure that their gift will be used to meet the community's most pressing needs by allowing the FGM to identify priority issues and recipient organizations.

- Michael Novak Fund

Field-of-interest Funds

Donors direct the income from their fund to a field-of-interest, while the FGM chooses the recipient organizations.

Social services:

- Red Feather Fund
- Joan and Alex K. Paterson Fund
- Marymount Alumni Fund for Children and Youth

Education:

- Montrusco Bolton Fund

Donor-Advised Funds

Donors recommend to the FGM the organizations to benefit from their fund's revenues.

- Malouf Family Fund
- Patrick H. Irwin Fund
- Gallop Family Fund
- Queen Elizabeth Hospital Foundation Health Fund
- The J.W. McConnell Family Foundation Fund
- Fondation Lucie et André Chagnon Fund

Organizational Endowment Funds

Funds created by an organization for their own benefit.

- Kateri/Canada World Youth Fund
- Théâtre du Nouveau Monde Fund
- St. John Ambulance Fund
- West Island Palliative Care Service Fund

Memorial Funds

Created to commemorate a person, family or important event.

- Suzanne Trépanier-Côté Fund

Managed Funds

An organization or foundation entrusts the FGM with the long-term management of its endowment fund while retaining ownership of the fund.

- Centraide Foundation Fund
- Montreal YMCA Foundation Fund
- Foundation of Catholic Community Services Fund
- Fondation Jean Duceppe Fund

Deferred Gifts (Bequests)

- Martin Goodwin
- Guy Tiphane
- Anonymous (1)

Donors may contribute any amount to an existing fund, or they may create a fund with a minimum donation of \$10,000. There are no deadlines, nor are there any administrative or legal start-up fees.

The trustees of a private foundation may also convert their foundation into an FGM endowment fund. They may either name advisors to determine which sectors or organizations will receive fund revenues, or integrate the fund into the FGM Community Fund. In either case, the FGM assumes the administration and management of the fund's portfolio.

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Ladner Gervais

Katharine Pearson
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The J. W. McConnell
Family Foundation

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President and CEO,
ex-officio member of
board committees

Diane Bertrand
Administrative
Assistant

Gaston E. Bouchard, LL.B.
Director of donor
services and gift planning

Technical support:
Accounting: Centraide
of Greater Montreal

Coordinator, Grants
Program: Colin Bérubé



Acknowledgements

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

Thanks to the generosity of the **J. W. McConnell Family Foundation** and the **Fondation Lucie et André Chagnon**, the FGM also has an endowment fund to support its own development.

Thank you to our first corporate partners.

Contribution of \$30,000 over three years:

Alcan
Bell Canada
CGI
Cirque du Soleil
Fednav
Hydro Québec
Merck Frosst
Metro inc.
National Bank of Canada
Pratt & Whitney Canada
RBC Financial Group
SNC Lavalin
Société des alcools du Québec

Contribution of \$10,000 over one or two years:

Scotiabank
Transat

Thank you to our donating foundations and businesses.

Contribution of \$30,000 over three years:

The Molson Foundation
Power Corporation of Canada

Contribution of \$10,000 over two years:

Laurentian Bank

Thank you to the Government of Canada for their contributions to the Théâtre du Nouveau Monde Fund through the Endowment Incentive component of the Canadian Arts and Heritage Sustainability Program.

We also wish to thank the following people and businesses for the goods or services they have generously donated to the Foundation of Greater Montreal:

M^e Jules Charette, Honorary Legal Counsel,
Ogilvy Renault
Heidi Hollinger, Photographer
Board of Trade of Metropolitan Montreal
National Bank Financial
SITQ Real-Estate

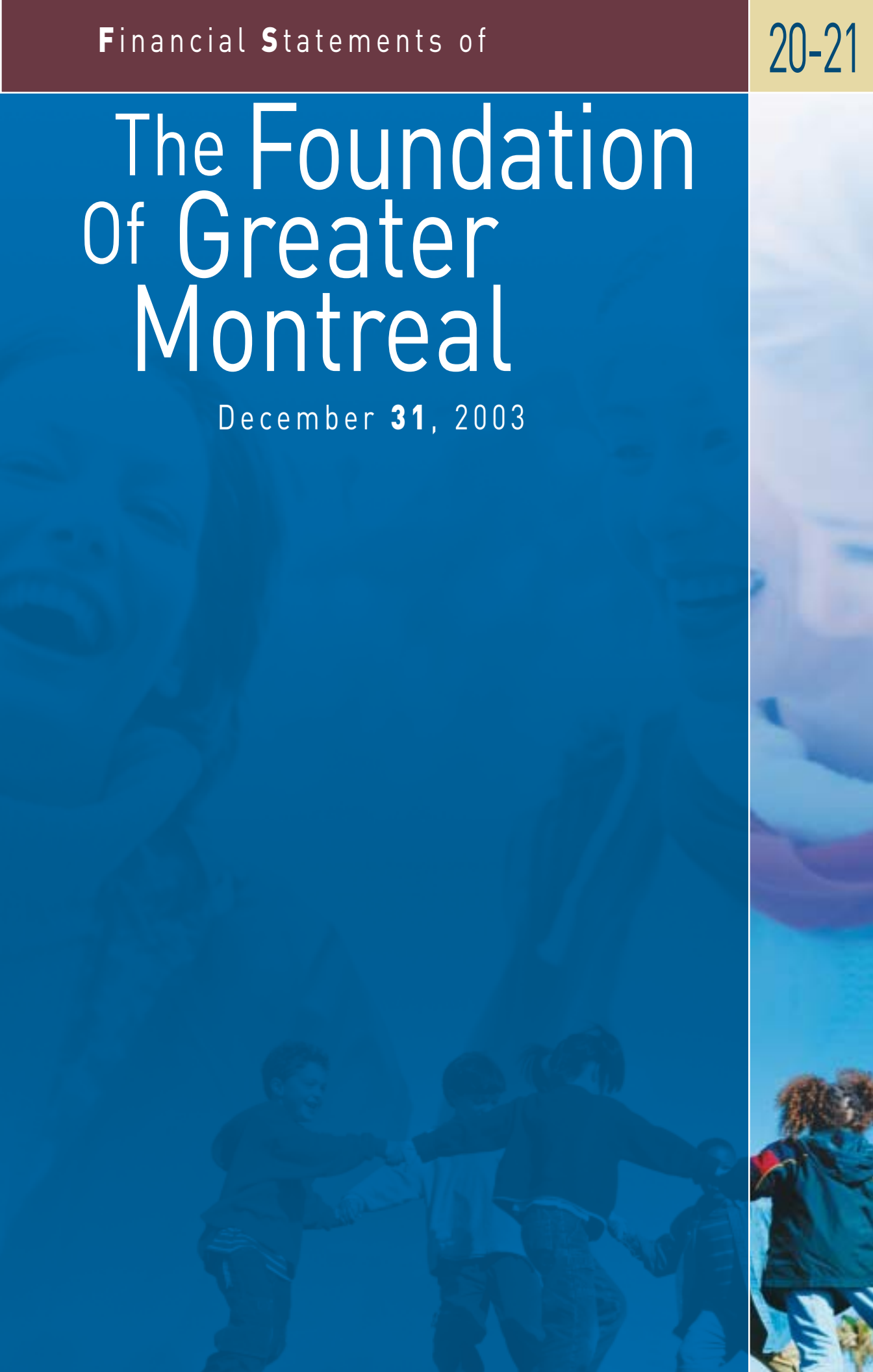
The Foundation of Greater Montreal is a member of Community Foundations of Canada (CFC), the membership organization for Canada's community foundations. The CFC has 139 members, which collectively hold nearly \$1.8 billion in assets and serve 75 percent of Canada's population.

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

The CFC also plays a leading role in the world-wide community foundation network and has supported the development of foundations in Brazil, Mexico, central and eastern Europe, South Africa, and Australia.

The Foundation of Greater Montreal

December **31**, 2003



The Foundation Of Greater Montreal

Auditors' report	23
Statement of operations and changes in fund balances	24
Balance sheet	25
Notes to the financial statements	26-28

**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, 2003 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, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Sanson Belair / Deloitte + Touche s.r.m.c.r.l.

Chartered Accountants

January 30, 2004

The Foundation of Greater Montreal

Statement of operations and changes in fund balances
year ended December 31, 2003

	Operating Fund \$	Distribution Fund \$	Endowment Fund \$	2003 \$	<u>Total</u> 2002 \$
Revenues (Note 6)					
Donations	-	25,000	6,009,207	6,034,207	1,827,142
Sponsorships	115,000	-	-	115,000	-
Management fees	203,057	(29,165)	-	173,892	169,932
Investment income	-	308,578	-	308,578	26,314
Contribution from investment income	80,000	(80,000)	-	-	-
Bank interest	1,187	-	-	1,187	609
Other	1,000	-	-	1,000	-
	400,244	224,413	6,009,207	6,633,864	2,023,997
Expenses					
Salaries and fringe benefits	158,204	-	-	158,204	150,780
Management fees	71,474	-	-	71,474	67,035
Trustee fees	26,859	-	-	26,859	16,153
Administration fees	16,132	-	-	16,132	15,912
Fees – planned donations	50,711	-	-	50,711	-
Professional fees	16,302	2,300	-	18,602	17,271
Donations	-	62,000	-	62,000	-
Rent	21,255	-	-	21,255	15,331
Taxes and permits	3,041	-	-	3,041	4,277
Office supplies	4,400	-	-	4,400	5,026
Stationery and printing	758	-	-	758	1,367
Travel	2,430	-	-	2,430	1,554
Meetings	1,970	258	-	2,228	1,724
Telecommunications	4,636	-	-	4,636	3,434
Insurance	799	-	-	799	783
Delivery	2,013	-	-	2,013	1,579
Publications and subscriptions	161	-	-	161	75
Bank charges	2,651	-	-	2,651	1,588
Communications	20,702	-	-	20,702	13,807
Brochures – planned donations	21,946	-	-	21,946	-
Dues	4,602	-	-	4,602	1,150
Conferences	1,282	-	-	1,282	340
Amortization	1,917	-	-	1,917	2,907
Other	658	-	-	658	3,597
	434,903	64,558	-	499,461	325,690
Net result	(34,659)	159,855	6,009,207	6,134,403	1,698,307
Fund balances, beginning of year	53,183	36,282	2,187,142	2,276,607	578,300
Interfund transfer (Note 7)	5,000	(5,000)	-	-	-
Fund balances, end of year	23,524	191,137	8,196,349	8,411,010	2,276,607

	Operating Fund	Distribution Fund	Endowment Fund	2003	Total 2002
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash	(3,484)	-	17,794	14,310	48,206
Accrued interests and dividends	-	26,378	-	26,378	-
Accounts receivable	85,929	-	-	85,929	55,747
	82,445	26,378	17,794	126,617	103,953
Investments (Note 3)	-	165,259	8,178,555	8,343,814	2,222,122
Capital assets (Note 4)	6,686	-	-	6,686	8,604
	89,131	191,637	8,196,349	8,477,117	2,334,679

Liabilities

Current liabilities

Accounts payable and accrued liabilities	45,607	500	-	46,107	58,072
Deferred revenues	20,000	-	-	20,000	-
	65,607	500	-	66,107	58,072

Fund balances

Externally restricted	-	191,137	8,196,349	8,387,486	2,223,424
Invested in capital assets	6,686	-	-	6,686	8,604
Unrestricted	16,838	-	-	16,838	44,579
	23,524	191,137	8,196,349	8,411,010	2,276,607
	89,131	191,637	8,196,349	8,477,117	2,334,679

Approved by the Board

 Director

 Director

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.

ii) 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, the portion of the 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 reports the donations received from donors who have stipulated that the principal amount must be maintained intact in perpetuity.

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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

Investments

Investments are recorded at cost. There is no material effect on operations and the balance sheet when bonds are accounted for at cost rather than amortized 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%

3. Investments

	2003	2002
	\$	\$
5,268,234 units of the The Foundation of Greater Montreal Investment Fund (market value of \$5,243,474; \$812,240 in 2002) (Note 5)	5,013,671	832,122
Bonds, interest varying from 5.53% to 7.50%, maturing through 2007 (market value of \$2,034,556)	2,000,143	-
Preferred shares, redeemable only after the death of the last survivor of the two donors, annual dividends of 4.725%, (market value of \$1,000,000)	1,000,000	1,000,000
Mortgage, bearing interest at an annual rate of 4.5%, redeemable through May 2018 (market value of \$330,000); \$390,000 in 2002)	330,000	390,000
	8,343,814	2,222,122

The market value of the units of the Investment Fund and the bonds is based on the most recent market price, usually the most recent purchase price. The market value of the preferred shares is based on the valuation by Schwartz Levitsky Feldman Valuations Inc. performed in 2002. The market value of the mortgage is considered equal to the loan amount.

4. Capital assets

	2003			2002
	Cost	Accumu- lated amortization	Net book	Net book value
	\$	\$	\$	\$
Furniture and equipment	6,975	2,511	4,464	5,580
Computer hardware	4,536	2,314	2,222	3,024
	11,511	4,825	6,686	8,604

5. The Foundation of Greater Montreal Investment Fund

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 presents its investments at market value. As at December 31, 2003, the market values of the funds managed by The Foundation of Greater Montreal Investment Fund are as follows:

	2003		2002	
	Number of units	Market value \$	Number of units	Market value \$
Funds belonging to				
The Foundation of Greater Montreal	5,268.234	5,243,474	835.084	812,240
Funds managed for various entities				
Fondation Centraide du Grand Montréal				
Centraide Fund	16,508.529	16,430,938	16,005.610	15,567,761
Red Feather Fund	2,296.932	2,286,136	2,216.833	2,156,189
The Montreal YMCA				
Foundation Inc.	3,582.952	3,566,112	3,588.121	3,489,964
CCS Foundation	1,182.353	1,176,796	1,300.781	1,265,197
La Fondation Jean Duceppe	856.523	852,498	536.339	521,666
	24,427.289	24,312,480	23,647.684	23,000,777
	29,695.523	29,555,954	24,482.768	23,813,017

6. Revenues

i) Donations

During the year, The Foundation of Greater Montreal received donations of \$6,034,207. This included \$2,000,000 for which donors stipulated that investment income be allocated to operations for a three-year period; i.e., 2003, 2004 and 2005. A contribution from investment income in the amount of \$80,000 was recorded in the Operating Fund for this purpose.

ii) Management fees

	2003	2002
	\$	\$
The Foundation of Greater Montreal Investment Fund	200,717	174,644
Other	2,340	-
	203,057	174,644
Less: Professional fees attributable to The Foundation of Greater Montreal	(29,165)	(4,712)
	173,892	169,932

iii) Investment income

	2003	2002
	\$	\$
Investment Fund	138,662	26,314
Bond interest	105,057	-
Dividends from preferred shares	47,250	-
Mortgage interest	17,609	-
	308,578	26,314

7. Interfund transfer

In 2003, the Board of Directors of The Foundation of Greater Montreal allocated \$5,000 to the Operating Fund for current operations.

8. Statement of cash flows

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

9. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

