



Foundation of
Greater Montreal



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.



COMMUNITY
FOUNDATIONS
OF CANADA
all for community.

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

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Registered charitable organisation: 88197 9124 RR 0001

MESSAGE FROM THE CHAIRMAN AND FROM THE PRESIDENT AND CEO



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.



Alex K. Paterson
Chairman
of the Board



Gaston E. Bouchard
Interim President
and Chief Executive Officer



INVESTMENT COMMITTEE'S REPORT

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

THANK YOU KATHLEEN WEIL



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 unflinching 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).



NEW ENDOWMENT FUNDS



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

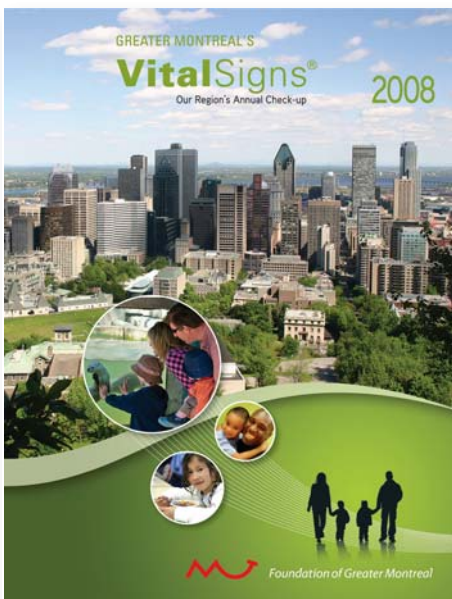
Greater Montreal's Vital Signs

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.



Greater Montreal's Vital Signs is available in an abridged print format; the full version can be downloaded from our website at www.fgmtl.org. To obtain a copy of the national report, visit the CFC website at www.cfc-fcc.ca.

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 the 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 Monrusco 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



OUR ADVISORS

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.*

GRANTS



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 Québec (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 Bisailon 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 Marinko Mirko Biljan Memorial Fund *
Fondation Lucie et André Chagnon Fund
Fondation québécoise de la thalidomide Fund
Gallop Family Fund
Gérard Veilleux 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 Michaelleen O'Connor Fund
Patrick H. Irwin Trust Fund
Pharmasanté-Samaan Fund*
Raisa and Armand Afilalo 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
CIBL, 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
Leonor 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.



Stanislas College Foundation Fund
St. John Ambulance Fund
St-Lawrence Choir Fund*
Studio de musique ancienne de Montréal*
Théâtre de la Ville Fund
Théâtre du Nouveau Monde Fund
The Priory School Foundation Touch Tomorrow Fund
West Island Palliative Care Service Fund

Organizational Managed Funds

Atelier du conte en musique et en images Fund
Canadian Centre for Architecture Fund
Centraide Foundation of Greater Montreal Fund
Centraide of Greater Montreal Fund
Centre des arts actuels Skol Fund
Centre musical en sol mineur 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

La Piéta avec Angèle Dubeau Fund
L'Arsenal à musique Fund
La Fondation Delage Fund
La Fondation Jean Duceppe Fund
La Vie des Arts Fund*
Le Carrousel international du film de Rimouski*
Le Petit théâtre de Sherbrooke Fund
Le Projet Porte-Parole Fund
L'Orchestre symphonique de Montréal Fund
Maison Saint-Gabriel Fund
Montreal International Musical Competition Fund
Montreal Museum of Fine Arts Fund
Musée d'art contemporain des Laurentides Fund
Musée d'art de Mont-Saint-Hilaire Fund
Musée des beaux-arts de Sherbrooke Fund
Musée du costume et du textile du Québec Fund
Opéra de Montréal Fund
Pointe-à-Callière Foundation (Montreal Museum of Archaeology and History) Fund
PPS Danse Fund
Productions Super Mémé Fund
Pro Musica Society Fund
Quazar Quatuor de saxophones Fund*
Sibyllines Fund*
Sinha Danse Fund
Société de développement culturel de Terrebonne Fund*
Stanstead Historical Society Fund *
Stuko-Théâtre Fund
The McCord Museum of Canadian History Fund*
The National Circus School Foundation Fund
The Priory School Foundation Fund
The YMCAS of Quebec Fund
Thomas More Institute Fund
Vaudreuil-Soulanges Regional Museum 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 Bisailon
Michel Boucher
Rosemary Brinkema
Douglas Fletcher Brown
Lise Brunet-Alziphat
André Gélinas
Martin Goodwin
Guy Tiphane
Anonymous donors (18)

*new funds

BOARD OF DIRECTORS



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Counsel, Borden
Ladner Gervais



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Vice-Chairman*
Founding Partner,
Secor Conseil Inc.



Claire Richer Leduc
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Treasurer, Centraide
Foundation



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Technologies Inc.



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Foundation



Jacques Bougie
Former CEO, Alcan



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Optimum Asset
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Founding Partner,
Schwartz, Levitsky,
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Past President, Red
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École Polytechnique de
Montréal



Robert Tessier
Chairman, Caisse de
dépôt et placement du
Québec



Jonathan Wener
Chairman, Chief
Executive Officer,
Canderel

*Executive Committee members



COMMITTEES

Investment Committee

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Treasurer, Centraide Foundation

Armand Afilalo

President, MEP Technologies Inc.

Guy Bisailon

Chairman, Centraide Foundation

Harry Feldman

Founding Partner, Schwartz, Levitsky, Feldman

W. John Gallop

MacDougall, MacDougall & MacTier Inc.

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Volunteer Advisors - Gift Planning

Sylvain Carpentier

Notary, Gendron Carpentier L.L.P.

Diane Hamel

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

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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

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Director, Grants and Special Projects

Marcel Mathieu

Director, Finance



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

ORDER OF THE FOUNDATION OF GREATER MONTREAL



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
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Dorothy Bond
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Martin
Michel Di Tomasso
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(\$10,000 and over)

Raisa and Armand Afilalo
Monique and Guy Bisailon
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James Bisiker
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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 Bisailon
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
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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 Québec.

FINANCIAL STATEMENTS OF THE FOUNDATION OF GREATER MONTREAL

December 31, 2008

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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.

Sanson Bélair/Deloitte & Touche p.e.n.c.r.l.

Montréal, March 26, 2009

¹ Chartered accountant auditor permit no 20238

THE FOUNDATION OF GREATER MONTREAL
Statement of operations and changes in fund balances
year ended December 31, 2008

	Operating Fund	Distribution Fund	Endowment Fund	Total	
				2008	2007
	\$	\$	\$	\$	\$
Revenue (Note 7)					
Donations	-	306,067	1,944,064	2,250,131	6,762,683
Sponsorships	77,500	-	-	77,500	58,000
Sponsorships - National Convention 2008	134,004	-	-	134,004	-
Realized investment income	-	2,018,379	-	2,018,379	3,408,523
Change in unrealized depreciation on investments	-	(7,308,595)	-	(7,308,595)	(3,352,947)
Management fees	422,455	(202,661)	-	219,794	199,060
Administration fees	273,007	(160,706)	-	112,301	99,092
Special projects - Grants	32,700	50,000	-	82,700	52,300
Bank interest	4,154	-	-	4,154	7,141
Other	41	-	-	41	1,728
	943,861	(5,297,516)	1,944,064	(2,409,591)	7,235,580
Expenses					
Donations	-	380,961	-	380,961	2,016,224
Salaries and fringe benefits	307,911	43,797	-	351,708	247,928
Management Investment fees	246,240	-	-	246,240	235,411
Trustee fees	42,615	-	-	42,615	43,539
Administration fees	20,755	-	-	20,755	30,789
Fees - planned donations	63,409	-	-	63,409	87,589
Fees - National Convention 2008	129,431	-	-	129,431	-
Fees - Vital Signs project	-	68,377	-	68,377	57,883
Fees - Poverty project	15,000	-	-	15,000	1,261
Fees - other	22,194	-	-	22,194	38,066
Rent	48,270	-	-	48,270	32,273
Taxes and permits	656	-	-	656	1,237
Communications	39,383	-	-	39,383	30,529
Office supplies	8,799	-	-	8,799	5,899
Repairs and maintenance	3,678	-	-	3,678	11,036
Stationery and printing	5,151	-	-	5,151	11,907
Travel	1,531	-	-	1,531	8,504
Meetings	2,687	-	-	2,687	2,476
Telecommunications	6,310	-	-	6,310	6,071
Insurance	6,388	-	-	6,388	6,405
Life insurance premiums received in donations	-	40,416	-	40,416	54,349
Dues	11,596	-	-	11,596	7,660
Conferences	8,018	-	-	8,018	2,016
Stamps and delivery	2,805	-	-	2,805	5,255
Publications and subscriptions	1,080	-	-	1,080	638
Bank charges	3,351	-	-	3,351	3,134
Amortization	13,463	-	-	13,463	7,848
Other	411	-	-	411	2,531
	1,011,132	533,551	-	1,544,683	2,958,458
Net result	(67,271)	(5,831,067)	1,944,064	(3,954,274)	4,277,122
Fund balances at beginning					
Initial balances presented	74,169	226,148	43,732,682	44,032,999	39,755,877
Reclassification of the unrealized depreciation on investments	-	943,487	(943,487)	-	-
Adjusted balances	74,169	1,169,635	42,789,195	44,032,999	39,755,877
Transfer the change in unrealized depreciation on investments	-	7,308,595	(7,308,595)	-	-
Fund balances at end	6,898	2,647,163	37,424,664	40,078,725	44,032,999

	Operating Fund	Distribution Fund	Endowment Fund	Total	
				2008	2007
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash	77,935	-	-	77,935	305,404
Amounts due from the					
Operating Fund	-	169,543*	4,794*	-	-
Endowment Fund	-	2,407,757*	-	-	-
Accrued interest and dividends	-	61,152	-	61,152	14,029
Accounts receivable	155,975	10,000	-	165,975	539,364
Prepaid expenses	2,539	-	-	2,539	4,981
	236,449	2,648,452	4,794	307,601	863,778
Investments (Note 3)	-	-	39,827,627	39,827,627	43,230,153
Capital assets (Note 4)	28,069	-	-	28,069	40,447
	264,518	2,648,452	39,832,421	40,163,297	44,134,378
Liabilities					
Current liabilities					
Amounts due to the					
Distribution Fund	169,543*	-	2,407,757*	-	-
Endowment Fund	4,794*	-	-	-	-
Accounts payable and accrued liabilities	83,283	1,289	-	84,572	85,679
Deferred revenue	-	-	-	-	15,700
	257,620	1,289	2,407,757	84,572	101,379
Fund balances					
Externally restricted					
Endowment (Note 6)	-	-	45,259,297	45,259,297	43,315,233
Unrealized depreciation on endowment's investment	-	-	(8,252,082)	(8,252,082)	(943,487)
Available amounts for distribution	-	2,647,163	-	2,647,163	1,169,635
Internally restricted	-	-	417,449	417,449	417,449
Invested in capital assets	28,069	-	-	28,069	40,447
Unrestricted	(21,171)	-	-	(21,171)	33,722
	6,898	2,647,163	37,424,664	40,078,725	44,032,999
	264,518	2,648,452	39,832,421	40,163,297	44,134,378

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

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

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

4. Capital assets

	2008		2007	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and equipment	14,854	7,630	7,224	9,030
Computer hardware	18,733	11,787	6,946	8,839
Leasehold improvements	25,018	11,119	13,899	22,578
	58,605	30,536	28,069	40,447

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:

	2008		2007	
	Number of units	Fair value	Number of units	Fair value
		\$		\$
Funds belonging to The Foundation of Greater Montreal	42,177.938	38,105,576	38,301.052	41,432,661
Funds managed for various entities	48,242.184	43,584,322	39,860.322	43,119,417
	90,420.122	81,689,898	78,161.374	84,552,078

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:

	2008	2007
	\$	\$
Perpetuity	44,572,826	42,795,803
For a minimal period of 10 years	686,471	519,430
	45,259,297	43,315,233

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

	2008	2007
	\$	\$
Units of The Foundation of Greater Montreal Investment Fund	1,958,795	3,344,323
Other investments	59,584	64,200
	2,018,379	3,408,523

iii) Management fees

	2008	2007
	\$	\$
The Foundation of Greater Montreal Investment Fund	422,455	396,258
Less: Professional fees attributable to The Foundation of Greater Montreal	(202,661)	(197,198)
	219,794	199,060

iv) Administration fees

	2008	2007
	\$	\$
The Foundation of Greater Montreal Investment Fund unitholders	273,007	230,589
Less: Professional fees attributable to The Foundation of Greater Montreal	(160,706)	(131,497)
	112,301	99,092

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.