

2009 Annual Report



Foundation of Greater Montreal

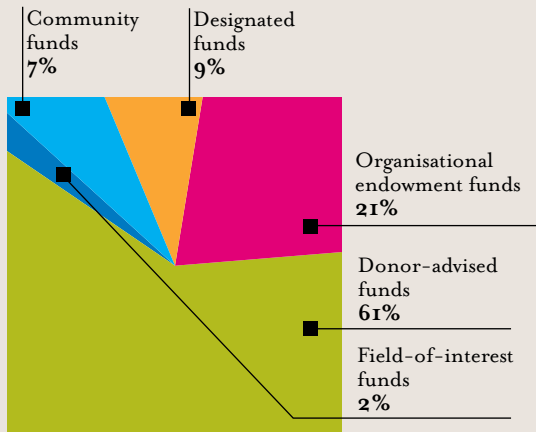
Highlights for 2009

FGM-owned endowment funds: 124
Total assets: \$46.1 million

Managed funds owned by other charitable organisations: 131
Total assets: \$53.8 million

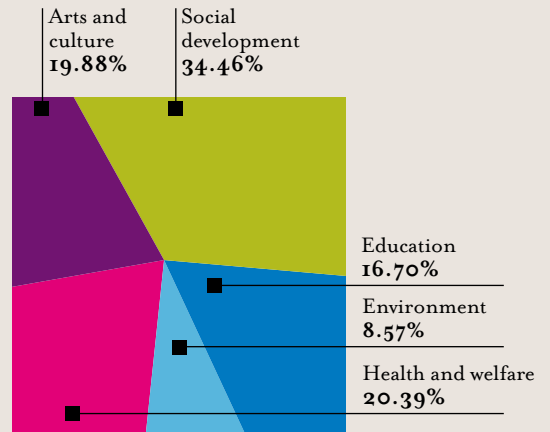
Funds by type as of December 31, 2009

Total: \$46,371,285



Grants distributed in 2009

Total: \$1,307,323



The Foundation of Greater Montreal (FGM) is a non-profit charitable organisation dedicated to the well-being of the Greater Montreal community. It establishes and manages permanent endowment funds and distributes their 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), an organisation numbering 173 community foundations that reaches thousands of communities across Canada and whose collective assets total more than \$2.9 billion.

The FGM counts on 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 foundations' network. It 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.

For more information:

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Registered charitable organisation: 88197 9124 RR 0001



Message from the Chairman and from the President and CEO

Throughout the year 2009, the Foundation of Greater Montreal successfully overcame a number of important challenges. Who would have believed that in its 10th year of existence, the Foundation, like all other community foundations, would be on the heels of the greatest economic crisis in generations? The uncertainty resulting from the crisis affected donors and community recipients alike.

The impact of the crisis hit the Foundation hard in 2008. The Foundation's fully-owned investment fund closed its books with assets of \$40.1 million, posting a \$4 million loss on December 31, 2008. But the Foundation rebounded and recovered in 2009, recouping the losses of the previous year and resuming growth. Thus, the Foundation's fully-owned investment fund ended 2009 with a historic high of \$46.5 million in assets. The \$6.4 million increase includes \$2.2 million in new donations, with the balance coming from gains in the Foundation's investment portfolio. As a result, in the moment of greatest need for communities in Greater Montreal in 2009, the Foundation's Board of Directors authorized grants worth \$1.3 million to some 150 local organisations.

THE FOUNDATION IS AS CONFIDENT EMBARKING ON A SECOND DECADE AS IT IS PROUD OF WHAT IT ACCOMPLISHED IN ITS FIRST

over the course of the year, resulting from new donations and portfolio growth in equal parts. The Foundation is very proud of the confidence shown by other community organisations, and is keen to expand such activities in the coming years.

The year 2009 also saw the Foundation undergo an important transition. In June 2009, Alex Paterson completed his mandate as Chairman of the Board of Directors and handed the torch to Marcel Côté, Founding Partner of SECOR. In addition, on July 1st, 2009, Marina Boulos took over the reins as President and CEO of the Foundation. Marina succeeded Gaston Bouchard, LL.B., who acted as interim President and CEO for the nine months following the departure of Kathleen Weil.

For its part, the Foundation of Greater Montreal Investment Fund grew from \$81.6 million on December 31, 2008 to \$98.1 million on December 31, 2009, an increase of 20.2%. Maintaining this momentum, the Fund surpassed the \$100 million cap in March of 2010, another historic milestone. The fund's return on investment for 2009 was 13.89%, net of administrative charges, an excellent performance in view of the portfolio's conservative position.

Funds managed by the Foundation for third party organisations grew to \$53.8 million as of December 31st, 2009, a \$10.2 million increase

continued >>>

Message from the Chairman and from the President and CEO

With a new team at the top and a new economic cycle ahead of us, the Foundation is as confident embarking on a second decade as it is proud of what it accomplished in its first. The Board has mandated that the Foundation double the size of assets in its fully-owned funds to more than \$100 million over the next five years. Managed funds should also increase over this period. Those goals derive from the strategic imperative to reach the critical mass the Foundation needs to fully realize its mission. The Foundation relies on an operating budget based on 0.66% of its total investments, excluding the fees of its portfolio managers. It must therefore reach

assets of \$125 million to be in a position to self-finance an operating budget of \$825,000, the minimum deemed necessary to offer adequate services to the community.

To that end, the Foundation must increase its visibility within the community and among potential donors. Most particularly, the Foundation must turn its efforts towards the emerging generation of philanthropists who want to get involved in their community and for whom the Foundation can be an essential tool.

THE FOUNDATION'S BOARD OF DIRECTORS AUTHORIZED GRANTS WORTH \$1.3 MILLION TO SOME 150 LOCAL ORGANISATIONS

In a single decade, the Foundation has built a unique instrument for the development of community services in Greater Montreal. As we look ahead to the next ten years, our gratitude extends to the pioneers who brought us here and to the new partners and leaders who will help us reach even further.



Marcel Côté
Chairman of the Board



Marina Boulos-Winton
President and CEO

The Investment Committee is a standing committee of volunteers mandated by the Board of Directors. It is made up of proven professionals from the investment and finance sectors who have chosen to contribute to their community. The Committee's mandate is to oversee all aspects of investment practices in order to ensure the protection of the FGM's capital, and to generate the revenues required to accomplish the Foundation's mission. As such, the Committee:

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

The annual revenues and the positive variation of the fair value of FGM investments, although not realized as of December 31, 2009, represent the yield of the portfolios managed by the FGM and its investment partners for the 2009 fiscal year. That yield stands at 13.89%, net of management fees. It reflects a definite recovery from the market turbulence experienced in the previous fiscal year. According to the firm Morneau Sobeco, Canadian retirement funds posted a yield of 17.85% in 2009, compared to -16.5% in 2008, an average yield of -0.15% over the last two fiscal years, before management fees. The FGM investment fund's average yield over the past two fiscal years stands at -0.16%, net of management fees.

During the four previous years, the FGM had posted yields of 7.28% (2005), 11.08% (2006), -0.39% (2007), and -12.5% (2008), net of management fees. The average yield for the past five years stands at 3.43%, net of management fees.

The Investment Committee remains confident that the FGM's investment policy will help the Foundation overcome the current period of instability. In 2009, the wide diversity of its investments and the quality of its managers have provided the FGM with appropriate hedges against the risks associated with a specific economic or geographic sector. Over the coming years, the Committee plans to pursue the current investment strategy.

Gilles Émond
Chairman, Investment Committee



POPULARIZING CULTURE

The FGM believes that culture should be accessible to all. It is an educational tool that helps stimulate curiosity and creativity among the young, reduce the drop-out rate, and reintegrate those who may have been marginalized. That is why the FGM gives special consideration to organisations that popularize culture and close the gap between the general public and artists.

Supported by the FGM, the *Théâtre Aphasique* undertook a tour to stage events in multicultural community centres with a view to raise awareness about the lives of aphasics. The FGM also supported a project called *Des ados et des mots* by the *Festival de littérature jeunesse Laval*, which offered some fifteen workshops on different topics involving literature, aimed at bridging the gap between young people of different ages.

Arts and culture

Photo: Théâtre Aphasique

NEARLY 70 CHARITABLE ORGANISATIONS ESTABLISHED IN THE GREATER MONTREAL AREA SHARED \$633,900 IN GRANTS FROM THE FGM'S COMMUNITY GRANTS PROGRAM

The Foundation of Greater Montreal renewed its commitment to sponsor programs and projects that address the needs of society's most vulnerable people and improve the quality of life within Greater Montreal. Nearly 70 charitable organisations established in the Greater Montreal area shared \$633,900 in grants from the FGM's Community Grants Program. Social services received nearly 45% of the grants, arts and culture 24%, education 15%, health almost 10%, and the environment 6%.

How to apply for a community program grant

Priorities

The FGM supports all endeavours that contribute to the quality of life of the people of Greater Montreal. In deciding on the allocation of grants for 2009, the FGM paid particular attention to projects in the following sectors:

- > physical and mental health
- > education
- > social services
- > arts and culture
- > environmental protection and sustainable development

Eligibility

Only non-profit charitable organisations registered with the Canada Revenue Agency and established in the Greater Montreal area – the Island of Montreal, the North Shore and the South Shore – are eligible for FGM grants.

Process

Grants are allocated to specific programs for pre-determined periods. The Grants Committee is made up of volunteer community members and professional advisors who evaluate requests and prepare recommendations for the Board of Directors and the Foundation's donors. The Board of Directors allocates grants in keeping with established parameters.

ROOM FOR EVERYONE

The FGM favours a brand of social development that relies on inclusion, recognizing that no society can progress by marginalizing entire groups within its boundaries. The FGM therefore promotes an approach that is oriented to action and social accountability. It has provided grants to organisations dedicated to providing marginalized citizens with the tools they need to take their rightful place in society.

Thanks to contributions from the FGM, young girls between the ages of 4 and 14 were able to join the *Colonie Sainte-Jeanne d'Arc* and participate in a number of cultural, sports and outdoor activities. An FGM grant has allowed the *Maison Bleue*, an organisation that helps pregnant women, to continue financing three personal attendants whose role it is to help women throughout their pregnancies and after their deliveries. *Le Centre des aînés pour Espoir nouveau* acquired a new freezer for their meals-on-wheels service.

Social development

Photo: Project LOVE: Leave Out Violence is a violence prevention program.

FUNDS AND GRANTS

Organisations that received grants from the FGM Community Fund in 2009: \$633,900

Grantee	Grant
Arts and culture	\$155,300
Arsenal à musique inc. (L')	\$10,000
ATSA	\$7,500
Blue Metropolis Foundation	\$10,000
Comité musique Maisonneuve inc.	\$10,000
Communauté Sépharade Unifiée du Québec	\$10,000
Compagnie Marie Chouinard (La)	\$10,000
Danse-Cité inc.	\$10,000
Ensemble instrumental Appassionata (L')	\$10,000
Festival de littérature jeunesse Laval – Lis avec moi	\$5,000
Festival des arts de Saint-Sauveur	\$10,000
Impatients (Les)	\$10,000
Institut national de la recherche scientifique, Urbanisation, Culture et Société	\$5,000
Musée Pointe-à-Callière	\$6,800
Muses : Centre des arts de la scène (Les)	\$6,000
Oboro Goboro	\$5,000
Théâtre Aphasique	\$10,000
Théâtre le Clou	\$10,000
Vivacité Montréal (CALQ)	\$10,000
Education	\$95,000
Allô Prof	\$10,000
CBC School Needs 2009	\$5,000
Centre for Literacy of Quebec (The)	\$10,000
Délic – Soutien à la persévérance scolaire	\$10,000
Faculty of Fine Arts, Department of Theatre (Concordia University)	\$10,000
Fondation de l'école Le Plateau	\$10,000
Giant Steps Foundation – Montreal	\$10,000
Jeunes Entreprises du Québec Inc. (Les)	\$10,000
Learning Disabilities Association of Quebec	\$10,000
Montreal Children's Library	\$10,000
Environment	\$38,500
Action Communiterre	\$10,000
Cercles des jeunes naturalistes (Les)	\$8,500
Ecomuseum / Société d'histoire naturelle de la vallée du Saint-Laurent	\$10,000
Université de Montréal	\$10,000
Health and well-being	\$60,000
Association des parents et amis de la personne atteinte de maladie mentale de la Rive-Sud (APAMM-RS)	\$5,000
Autisme et troubles envahissants du développement Montréal	\$10,000
CHIP McGill (Cardiovascular Health Improvement Program)	\$10,000
Fondation Centre de santé et de services sociaux Jeanne-Mance	\$10,000
Friends for Mental Health	\$10,000
Montreal Fluency Centre	\$5,000
Multiple Sclerosis Society of Canada – Montreal division	\$10,000
Social development	\$285,100
Action Nouvelle Vie	\$10,000
Agence Ometz	\$10,000
Arche-Montréal inc. (L')	\$10,000
Bread Basket Lac-Saint-Louis	\$10,000
Camp Amy Molson Inc.	\$10,000
Carrefour d'entraide de Lachine	\$10,000
Carrefour Mousseau	\$10,000
Centre d'Activités Récréatives et Éducatives (C.A.R.E.)	\$10,000
Centre de répit Philou	\$10,000
CNIB Library for the Blind	\$6,000
Colonie Sainte-Jeanne d'Arc (La)	\$10,000
Dynamic Theatre Factory (The)	\$10,000
Elizabeth House Foundation (The)	\$10,000
Fondation des Centres jeunesse de Montréal	\$10,000

Friendship Circle of Quebec	\$9,400
Girls Action Foundation	\$10,000
Jeunes au Travail	\$10,000
Joujouthèque Saint-Michel (La) – VSMS	\$10,000
LOVE: Leave Out Violence	\$10,000
Maison Bleue (La)	\$8,000
Maison des jeunes du Plateau Inc.	\$8,900
Mile-End Community Mission	\$6,700
Montreal Assault Prevention Centre	\$9,700
Mouvement des personnes d'abord de Montréal	\$10,000
N.D.G. Senior Citizens' Council Inc.	\$7,200
New Hope Senior Citizens' Centre	\$5,000
Refuge Juan Moreno	\$10,000
Santropol roulant Inc.	\$10,000
Traversée (La)	\$8,000
Tyndale St-George Community Centre	\$10,000
West Island Community Resource Centre	\$6,200

Community Funds

Junior League of Montreal Legacy Fund

Contributed to the Community Grants Program	\$1,790
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Michael Novak Fund

Contributed to the Community Grants Program	\$3,620
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Pierre Brunet Fund

Contributed to the Community Grants Program	\$331
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Susan and Jonathan Wener Fund

Contributed to the Community Grants Program	\$567
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Anonymous Fund

Contributed to the Community Grants Program	\$93,398
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Designated Funds

Queen Elizabeth Hospital Foundation Health Fund

Fondation de l'Institut universitaire en santé mentale Douglas	\$13,885
Montreal Chest Institute Foundation (The)	\$6,942
Montreal Children's Hospital Foundation (The)	\$20,827
Montreal General Hospital Foundation (The)	\$20,827
Royal Institution for the Advancement of Learning McGill	\$20,827
Royal Victoria Hospital Foundation	\$20,827
Sir Mortimer B. Davis Jewish General Hospital Foundation (The)	\$13,885
St. Mary's Hospital Foundation	\$20,827

William Garnett Strong Bursary Fund

McGill University	\$1,916
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Anonymous fund

Dominican University College Foundation	\$2,194
Oeuvres des abbés Martel et Marcel (Les)	\$2,195
Secours Tiers-Monde Québec Inc.	\$2,195

Donor-Advised Funds

Anna and Philip Belec Foundation Fund

Action Centre / Centre Action	\$2,334
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Anne-Marie and Jacques Bougie Fund

Royal Institution for the Advancement of Learning McGill (Montreal Neurological Institute and Hospital)	\$14,000
Contributed to the Community Grants Program	\$165

Anonymous fund

Fonds du Conservatoire Musique & Art dramatique du Québec	\$75,000
Contributed to the Community Grants Program	\$594,620

Christopher Hartt Jones Fund

Montreal General Hospital Foundation (The)	\$11,677
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Corey and Betsy Copeland Family Fund

Contributed to the Community Grants Program (50% environment)	\$1,417
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December 6th Victims Foundation Against Violence Fund

Contributed to the Community Grants Program	\$886
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DBD Fund for Youth and Recreation

Camp Amy Molson inc.	\$742
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MOTIVATION FIRST AND FOREMOST

Education should be a gratifying and stimulating experience. Unfortunately, the path through the school years can be fraught with pitfalls for some youth. The FGM has identified experiences that are key to one's educational success and supports organisations that help young people find renewed interest and motivation in education, and prevent them from dropping out.

Allô Prof is actively engaged in an ongoing mission to lower the drop-out rate. Among other initiatives, the organisation offers help with homework and on-line classes. Thanks to a grant from the FGM, teachers and volunteers have teamed up to launch a campaign called *Option réussite*, intended to raise awareness of the pervasiveness of dropping out. The campaign reached more than 1,000 young people from grades 4 and 5, in seven primary schools. The FGM also supported the *HIPPY* project managed by the *Centre d'alphabétisation du Québec*. This project helps parents acquire the tools they need to be more effective and engaged as first educators.

Education

Photo: Allô Prof

Fondation Lucie et André Chagnon Fund	
Dedicated to the development of the FGM	\$32,691
Fondation québécoise de la thalidomide Fund	
Thalidomide Victims Association of Canada	\$9,881
Francine Robert Fund	
Fabrique de la Paroisse de Saint-Patrice	\$1,565
Gallop Family Fund	
Contributed to the Community Grants Program	\$1,464
Gérard Veilleux Foundation Fund	
Maison Monbourquette	\$3,890
Groupe Di Tomasso Foundation Fund	
Fonds Cardinal Léger et ses œuvres	\$1,403
Guy Tiphane Fund	
Contributed to the Community Grants Program	\$18,921
Harrison Family Fund	
Contributed to the Community Grants Program	\$778
Isidore and Anna Blanchard Fund	
Fondation de l'Hôpital Louis-H. Lafontaine	\$700
Fondation des Auberges du Cœur du Québec	\$711
J.W. McConnell Family Foundation Fund	
Dedicated to the development of the FGM	\$32,691
Jérôme Gendron Fund	
Centraide of Greater Montreal	\$1,068
Josée & Michel Jacques Fund	
Douglas Hospital Foundation	\$5,185
Fondation Hôpital Sainte-Justine	\$5,000
Fondation du Centre hospitalier de l'Université de Montréal	\$5,000
Living Environmental Studies (LES) Foundation Fund	
Action pour la solidarité, l'équité, l'environnement et le développement (ASEED) – Équiterre	\$1,350
Malouf Family Fund	
Amyotrophic Lateral Sclerosis Society of Canada	\$1,000
Amyotrophic Lateral Sclerosis Society of Quebec	\$1,000
Cedars Home for Elderly People	\$3,000
Centre de répit Philou	\$1,500
Fondation de la résidence de soins palliatifs de l'Ouest de l'Île Inc.	\$1,000
Fondation Partageons L'Espoir	\$2,500
La Fondation du refuge pour femmes Chez Doris Inc.	\$1,800
Le Bon Dieu dans la rue, organisme pour jeunes adultes	\$2,000
Le Fond de développement du Collège Jean-de-Brébeuf	\$1,000
Marianopolis College	\$3,500
Musée des beaux-arts de Montréal	\$3,500
Refuge Juan Moreno	\$2,700
Royal Institution for the Advancement of Learning McGill University (Alzheimer's Disease Research Unit)	\$5,000
Selwyn House Association	\$4,500
St. George Orthodox Church of Montreal Attention Gabriel Rossy Memorial Fund	\$1,000
St-Sauveur Cathedral Trust	\$2,500
The Montreal Children's Hospital Foundation	\$3,000
The Sir Mortimer B. Davis Jewish General Hospital Foundation	\$3,000
The Zhubin Foundation	\$1,500
Margaret K. Deacon Trust Fund	
Société des missionnaires d'Afrique-Province de l'Amérique du Nord	\$456
May Kersten Social Justice Fund	
Foundation of Catholic Community Services Inc.	\$4,058
Michael and Michaelleen O'Connor Fund	
Le Bon Dieu dans la rue, organisme pour jeunes adultes	\$1,492
Santropol roulant Inc.	\$1,491
Monique and Guy Bisaillon Fund	
Fondation Centre de santé et de services sociaux Jeanne-Mance	\$484
Patrick H. Irwin Trust Fund	
Contributed to the Community Grants Program	\$12,945
Raisa and Armand Afilalo Fund	
Contributed to the Community Grants Program	\$866
Sam and Lynda Gatelaro Fund	
West Island Association for the Intellectually Handicapped	\$486

Tom and Olga Maxwell Fund	
Grace Church	\$1,000
Contributed to the Community Grants Program	\$438

Flow-Through Funds

Living Environmental Studies (LES) Foundation Fund	
Action pour la solidarité, l'équité, l'environnement et le développement (ASEED) – Équiterre	\$15,366
Neil and Louise Tillotson Fund, through the New Hampshire Charitable Foundation	
Barnston Heritage Cemetery Association (City of Coaticook)	\$18,371
Centre d'action bénévole de la MRC de Coaticook	\$31,284
Church of Epiphany (The)	\$8,307
Club social les Troubadours de la vie de Coaticook Inc.	\$5,065
Commission scolaire des Hauts-Cantons	\$16,152
MRC de Coaticook (Ville de Coaticook)	\$10,247
Musée Baulne Inc.	\$8,573
Saveurs des Cantons (Ville de Coaticook)	\$56,812
Table de concertation culturelle de la MRC de Coaticook	\$32,332

Field-of-Interest Funds

Alex Paterson Fund	
Contributed towards Social Development within the Community Grants Program	\$679
Anonymous Fund	
Contributed towards Health & Welfare within the Community Grants Program	\$837
Montrusco Bolton Fund	
Contributed towards Education within the Community Grants Program	\$1,584
Red Feather Fund	
Contributed to the Community Grants Program	\$17,676

Organisational Endowment Funds

Bond Foundation for Animal Welfare (The)	\$1,833
Compagnie de théâtre il va sans dire (La)	\$2,300
École de cirque de Verdun (L')	\$339
Ensemble contemporain de Montréal	\$621
Ensemble instrumental Appassionata (L')	\$771
Espace Go Inc.	\$850
Espace Libre Inc.	\$1,213
Festival des Arts de Saint-Sauveur	\$26,659
Filles électriques (Les)	\$309
Fondation Centre de santé et de services sociaux Jeanne-Mance	\$5,458
Fondation des Étoiles	\$466
Fondation des ingénieurs municipaux du Québec (La)	\$4,444
Fondation du Collège Stanislas	\$924
Fondation du Musée des maîtres et artisans du Québec	\$821
Fondation du Théâtre du Nouveau Monde (La)	\$24,038
Fondation Toujours Ensemble (La)	\$3,889
Jeunesse Canada Monde	\$2,689
Maison Jean-Monbourquette (La)	\$762
Maison québécoise du théâtre pour l'enfance et la jeunesse	\$799
Metropolis Blue Foundation	\$3,082
National Theatre School of Canada Fund	\$16,107
Oboro	\$735
Optica – Un centre au service de l'art contemporain	\$309
Orchestre métropolitain du Grand Montréal	\$1,544
Petits violons Inc.	\$14,158
Praxis art actuel	\$383
Priory School Foundation Inc. (The)	\$2,209
Radio communautaire francophone de Montréal Inc.	\$386
Refuge Juan Moreno	\$9,504
Rotary club of Montreal Fund	\$2,361
Service de soins palliatifs de l'Ouest de l'Île Inc. (Le)	\$450
Société de musique contemporaine du Québec (La)	\$2,311
St. John's Ambulance Fund	\$358
Théâtre de la Ville	\$903



A CALL TO ACTION

The FGM supports grassroots projects aimed at community involvement and action.

It has been keen to leverage local alliances, such as the *Cercle des jeunes naturalistes*. This program's mission is to awaken young people to the discovery and understanding of nature. The Foundation also awarded a grant for the maintenance of the *Racine de Paix*, a community garden located in *Les Enfants du Monde* school yard.

Environment

Photo: University of Montreal. Together with *Le Bon Dieu dans la rue*, homeless youth have access to a veterinary clinic for the treatment of their animals.

CBC SCHOOL NEEDS



Students from Nesbitt Elementary School

The Foundation of Greater Montreal has participated in CBC's School Needs Project since its inception in 2007. Each year, a new theme is selected, and in 2009, it was diversity and inclusion.

In the fall of 2009, five high school students were chosen to join the FGM's Youth in Philanthropy Program, receive training from the Foundation on how to become a philanthropist, learn about diversity and integration, and understand the mechanics of awarding one-time grants to elementary schools for eligible, worthwhile projects dealing with diversity and integration. In the meantime, grade 5 classes were taught about diversity and integration so they could then create their own school-based project and obtain a grant in order to carry it out. Both high school and elementary school students received some of their training from Equitas, a non-profit organisation that works for the advancement of equality, social justice, and respect for human dignity in Canada and around the world through human rights education programs.

Proposals from the five elementary schools were submitted in December and reviewed by the high school students who decided how to award a total of \$10,000 in grants, half of which was provided by the Alex and Ruth Dworkin Foundation. The five high school students who participated in the training and judging process were: Regina Tolentino, Marymount Academy; Sarah Rossy, Beaconsfield High School; Tommy Vernados, Chambly Academy; Nayab Malik, Laval Liberty High School; and Kristen Penzas, Howard S. Billings Regional High School.

The adjudicators decided to award grants in the following manner:

In first place: Nesbitt Elementary School, with a total grant of \$3,000 for a project entitled "The Nesbitt World Cup: Playing for Passion, Playing for Peace". The goal of their project was to provide soccer equipment and to simulate a World Cup soccer game at school while learning about the cultures of different countries that share a common interest and passion for the game.

In second place: Springdale Elementary School was awarded \$2,500 for a project entitled "Operation Rainbow", intended to promote awareness of the contribution and savoir-faire of six ethnic communities by hosting six cultural events at the school to foster appreciation of the diversity of ideas and ways of life of these communities.

In third place: Willibrord Elementary Learning Centre won \$2,000 for its project to publish a newspaper in order to promote diversity, multiculturalism, and racism awareness.

Tied for fourth and fifth places were St. Mary's School and Crestview School, who each received \$1,250 for their respective efforts.

The awards were announced on CBC English TV and radio on March 25th, 2010.



Sarah Rossy, Kristen Penzas, Tommy Vernados, Regina Tolentino, Nayab Malik, and President and CEO Marina Boulos.

A group of people, including a man with a beard, a woman with blonde hair, and a young boy, are walking outdoors. They are holding several bright pink balloons. In the background, there are trees and a sign that says "L'an des g... les re...". The overall atmosphere is bright and positive.

HEALTH FOR ALL

In the health sector, the FGM's role complements the public network. The FGM seeks to promote physical and mental health among the most vulnerable members of our society.

It is in this context that the FGM supported McGill University's *Comprehensive Health Improvement Program (CHIP)* aimed at people suffering from type 2 diabetes, obesity, and heart disease. In another area, the *Association des parents et amis de la personne atteinte de maladie mentale de la Rive-Sud*, with the help of the FGM, was able to offer two therapeutic and self-help groups to those who lost a family member or close friend to suicide, and to conduct information seminars on mental health problems.

Health

Photo : Autisme et troubles envahissants du développement Montréal (ATEDM) brings together parents of children with autism.

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 award 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 any of the following 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 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 organisations best able to meet them.

Designated Fund

These funds are 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

This fund allows for donors' involvement in selecting charitable organisations to receive grants from their fund.

Field-of-Interest Fund

These funds allow donors to direct their charitable giving in a general area of interest. The FGM provides grants to the charitable organisations best able to meet their needs in the chosen field.

Flow-Through Fund

Funds that are entrusted to the FGM for eventual distribution to another non-profit organisation, in any sector that offers programs for which the funds are intended. The FGM's involvement is generally limited to issuing the grants, as well as to monitoring and overseeing the management of the funds on a fee-for-service basis.

Memorial Fund

Created to commemorate a person, family or important event, these funds can be set up under any of the FGM endowment funds.

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.

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 the gift of a life insurance policy on which they pay the premiums. They may also contribute to one of the FGM's existing funds or create a personalized permanent endowment fund.

THE FGM IS HAPPY TO WELCOME FIVE NEW FUNDS

The FGM is happy to welcome five new funds to its fold. These additions attest to the confidence donors place in the Foundation and to the soundness of its mission and vocation.



Ke Chin Jimmy Ho **MEMORIAL FUND**

"My husband, Ke Chin Jimmy Ho was a successful businessman. His whole life was devoted to his work. It is with as much passion, determination, and courage that he fought an illness that was diagnosed too late. I wanted to create this fund in my husband's name to preserve his memory and his values.

I dedicate this fund to the health sector, more specifically to cancer research and diagnosis, and to support cancer victims and their families."

Lisa Ho



Pierre Chamberland **Foundation FUND**

"The environment, education and healthcare are three causes that I hold dear. With the help of the Foundation of Greater Montreal, I have established a fund devoted to organisations that are active in these sectors.

I chose the Foundation of Greater Montreal because it offers me an opportunity to better manage my donations and to concentrate them on the sectors of my choice, at minimal cost. In addition, I like the Foundation of Greater Montreal's objective of bequeathing a long-term humanitarian heritage."

Pierre Chamberland



Micheline and Pierre L. Comtois **FUND**

"I chose to create a designated fund with the FGM in order to centralize the monies I could contribute both during my lifetime and by means of bequests upon my death.

I also believe that the FGM's corporate structure assures me of the organisation's continuity and that my last wishes will be respected. The capital that accumulates in the designated fund will be preserved in perpetuity and only the interest generated by the invested capital will be distributed each year, in accordance with my wishes."

Pierre Comtois



François Desmarais **Foundation FUND**

"My professional practice as an investment advisor naturally drew me to philanthropy. The FGM provided me with a financial framework that is credible and human. The transparency of its approach to governance gave me the confidence that comes from a management team that is supported by committees of experts that are attentive to my long-term charitable pursuits. The François Desmarais Foundation Fund was instituted to foster gift planning, promote good health through prevention, and finance eligible organisations that operate in relevant areas."

François Desmarais

Moreault Family **Foundation FUND**

"I set up a fund at the Foundation of Greater Montreal because, in addition to offering a number of fund options, the FGM's structure is flexible and simple. The Moreault Family Foundation Fund is a donor-advised fund, in honour of my father and son. Each year, I can recommend the sector or organisations that will benefit from the revenues generated by my fund. These revenues will be granted to organisations dedicated to medical research and to the care of sick children."

Patrick Moreault

THE FGM: A CUSTOM-MADE PARTNER FOR CULTURE



Photo © Luc Laverrière

Théâtre de la Banquette arrière

“Placements Culture has enjoyed considerable success and fostered the diversification of funding for the arts, literature and communications. The program has added \$66.2 million to the assets of organisations, thus contributing to their consolidation, even during a crisis. This success stems from the efforts, commitment and vitality of all of our partners, in particular the Foundation of Greater Montreal, whose reputation for integrity and rigorous management has certainly encouraged patrons of the arts to support the culture and communication sectors.”

Yvan Gauthier, CEO of the Conseil des arts et des lettres du Québec

The creation of the *Placements Culture* program of the *Conseil des arts et des lettres du Québec* and the improvement of the endowment fund incentives provided under the Canada Cultural Investment Fund (formerly Heritage Canada) program in 2005 have motivated cultural organisations to set up endowment funds. Inspired by these initiatives, a large number of Montreal cultural organisations have entrusted the management of their funds to the FGM. Governments have since renewed their commitments in support of the artistic community. As a result, the FGM welcomes new funds to its fold every year. In 2009, 33 additional cultural organisations entrusted their funds to the Foundation.

New cultural Funds Established in 2009

Association des auteurs et auteures de l'Outaouais
CEAD Diffusion
Centre culturel et communautaire de Prévost Inc.
Centre International d'art Contemporain de Montréal
Chœur de l'Outaouais
Chœur des disciples de Massenet
Chœur polyphonique de Montréal
Circuit-Est
Dulcinée Langfelder & Cie
École de Musique d'Abitibi Ouest Inc.
École de musique Harricana
Ensemble Caprice
Fondation du Musée québécois de culture populaire
Fondation lavalloise des lettres
Fondation Orchestre symphonique de Longueuil
Galerie B-312
Groupe Molière
Ici par les Arts
Le Chœur des Enfants de Montréal
Musée du Fjord
Musée Pierre-Boucher
Musica Orbium
Omnibus, Le Corps du Théâtre
Orchestre symphonique de Drummondville
Patrimoine religieux du Québec
Productions Totem contemporain
Quatuor Molinari
Société des mélomanes de l'Abitibi-Témiscamingue
Théâtre de la Banquette arrière
Théâtre de la Manufacture
Théâtre le Tandem Inc.
Vieux métiers, Métiers vivants
Vues d'Afrique

Community Funds

Junior League of Montreal Legacy Fund
Laya and Harry Feldman Fund
Michael Novak Fund
Pierre Brunet Fund
Susan and Jonathan Wener Fund
Suzanne Trépanier-Côté Memorial Fund
Anonymous

Field-of-Interest Funds

Joan and Alex K. Paterson Fund
Ke Chin Jimmy Ho Memorial Fund*
Marymount Alumni Fund
Montrusco Bolton Fund
Red Feather Fund
Yvon Roy Fund
Anonymous

Designated Funds

Queen Elizabeth Hospital Foundation Health Fund
Pharma santé-Samaan Fund
William Garnet Strong Bursary 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 Youth and Recreation
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
Francine Robert Fund
François Desmarais Foundation Fund*
Gallop Family Fund
Gérard Veilleux Foundation Fund
Groupe Di Tomasso Foundation Fund
Guy Tiphane Fund
Harrison Family Fund
Isidore and Anna Blanchard Fund
J.S. and Associates Fund
J.W. McConnell Family Foundation Fund
Jérôme Gendron Fund
Josée and Michel Jacques Fund
Katharine Pearson Memorial Fund
LES Foundation Fund
Malouf Family Fund
Marcel Naud Family Foundation Fund
Margaret K. Deacon Trust Fund
May Kersten Social Justice Fund
Michael and Michaelen O'Connor Fund
Micheline and Pierre L. Comtois Fund*
Monique and Guy Biasillon Fund
Moreault Family Foundation Fund*
Morgans' Hope Memorial Fund
Patrick H. Irwin Trust Fund
Pierre Chamberland Foundation Fund*

Raisa and Armand Afilalo Fund
Sam and Lynda Gatelaro Fund
Samcon Fund
Tom and Olga Maxwell Fund
Anonymous

Organisational Endowment Funds

Blue Metropolis Foundation Fund
Bond Foundation for Animal Welfare Fund
Chœur des Disciples de Massenet Fund*
Chœur des Enfants de Montréal Fund*
CIBL, La radio francophone de Montréal Fund
École de musique d'Abitibi-Ouest Fund*
Ensemble Caprice Fund*
Ensemble contemporain de Montréal Fund
Ensemble Musica Obium 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 du Musée des maîtres et artisans du Québec Fund*
Fondation Famijeunes Fund
Fondation Orchestre symphonique de Longueuil Fund*
Fonds de l'Arrière Scène Fund
Fonds Maison Théâtre Fund
ICI par les arts Fund*
Kateri/Canada World Youth Fund
L'École de cirque de Verdun Fund
L'Ensemble instrumental Appassionata Fund
La Compagnie de théâtre Il va sans dire Fund
La Fondation lavalloise des lettres Fund*
La Fondation Toujours ensemble Fund
La Société de musique contemporaine du Québec Fund
Le Chœur de l'Outaouais Fund*
Le Fonds du Patrimoine religieux du Québec Fund*
Le Théâtre Banquette arrière Fund*
Le Théâtre de la manufacture Fund*
Leonor and Alvin Segal Theatre Fund
Les Amis des Jardins de Métis Fund
Les Filles électriques Fund
Les Petits Violons Fund
Maison Monbourquette Fund
Maison nationale des Patriotes Fund
Musée du Fjord Fund*
Musée Pierre-Boucher 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
Orchestre symphonique de Drummondville Fund*
Oxfam-Québec Fund*
Parkinson Society Quebec Fund
Persephone Productions Fund
Praxis art actuel Fund
Productions Traquen'art Fund
Refuge Juan Moreno Fund
Rotary Club of Montreal Fund
St. John Ambulance Fund
Stanislas College Foundation Fund

* new funds

St. Lawrence Choir Fund
 Studio de musique ancienne de Montréal Fund
 The Priory School Foundation Touch Tomorrow Fund
 Théâtre de la Ville Fund
 Théâtre du Nouveau Monde Fund
 Théâtre le Tandem Fund*
 Vieux Métiers, Métiers vivants Fund*
 Vues d'Afrique Fund*
 West Island Palliative Care Service Fund

Organisational Managed Funds

Association des auteurs et auteures de l'Outaouais Fund*
 Atelier du conte en musique et en images Fund
 Canadian Centre for Architecture Fund
 CEAD Diffusion Fund*
 Centraide Foundation of Greater Montreal Fund
 Centraide of Greater Montreal Fund
 Centre culture et communautaire de Prévost Inc. Fund*
 Centre des arts actuels Skol Fund
 Centre international d'art contemporain de Montréal Fund*
 Centre musical en sol mineur Fund
 Château Ramezay Museum Fund
 Circuit-Est Fund*
 Compagnie musicale La Nef Fund
 Dare-Dare, Centre de diffusion d'art multidisciplinaire de Montréal Fund
 Dulciné Langfelder & Cie Fund*
 Dynamo Théâtre Fund
 École de musique Harricana Inc. Fund*
 Écomusée de la maison du fier monde Fund
 Fondation de l'Ensemble Arion Fund
 Fondation de la Maison Trestler Fund
 Fondation des Jardins de Métis Fund
 Fondation du Musée québécois de culture populaire Fund*
 Fondation Festival international de Lanaudière Fund
 Fondation Ushket-André Michel Fund
 Galerie B-312 Fund*
 Graff, centre de conception graphique Fund
 Jeunesses musicales du Canada Fund
 L'Agora de la danse Fund
 L'Orchestre symphonique de Montréal Fund
 La Cinémathèque québécoise Fund
 La Fondation Delage Fund
 La Fondation Jean Duceppe Fund
 La Pietà avec Angèle Dubeau Fund
 La Vie des Arts Fund
 L'Arsenal à musique Fund
 Le Carrousel international du film de Rimouski Fund
 Le Chœur polyphonique de Montréal Inc. Fund
 Le Groupe Molio Inc. Fund*
 Le Petit théâtre de Sherbrooke Fund
 Le Projet Porte-Parole Fund
 L'Orchestre de chambre I Musici 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
 Omnibus, Le Corps du Théâtre Fund*
 Opéra de Montréal Fund

Pointe-à-Callière Foundation
 (Montreal Museum of Archaeology and History) Fund
 PPS Danse Fund
 Pro Musica Society Fund
 Production Totem Contemporain Fund*
 Productions Super-Mémé Fund
 Quatuor Molinari Fund*
 Quazar Quatuor de saxophones Fund*
 Red Feather Fund
 Sibyllines Fund*
 Sinha Danse Fund
 Société de développement culturel de Terrebonne Fund
 Société des mélomanes Abitibi-Témiscamingue 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
 Théâtre du Tandem Inc. Fund*
 Thomas More Institute Fund
 Vaudreuil-Soulanges Regional Museum Fund

Deferred Gifts

André Gélinas
 Douglas Fletcher Brown
 Guy Tiphane
 Lise Brunet-Alziphat
 Lynne Paule Bisailon
 Martin Goodwin
 Michel Boucher
 Roch Laframboise**
 Rosemary Brinkema
 Anonymous donors (18)

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 organisations will benefit from their fund or integrate the fund into the FGM Community Fund. The FGM assumes all administrative and investment management responsibilities.

* new funds
 ** new deferred gift

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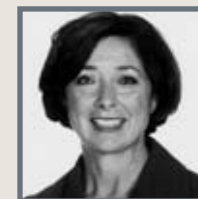
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The Foundation of Greater Montreal extends heartfelt thanks to Germaine Gibara for her precious three-year contribution as a member of the Board of Directors of the FGM. Madame Gibara passed away on April 10th, 2010 after a valiant battle against cancer. We offer our sincere condolences to her family and friends.

* Executive Committee members

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Sociologist

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Interim President and CEO from December 2008 until June 2009

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Director, Donor Services, Grants, and Community Initiatives

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 Montreal.

The FGM especially wishes to thank **Jules Charette**, Honorary Legal Counsel, **Ogilvy Renault** and **SITQ Real Estate** for their generous contribution of goods and services.

Thank you to the sponsors and contributors who made the 2009 Annual General Meeting a success:

Placements Montrusco Bolton
HR Stratégies Inc.
Letko Brosseau
Jarislowsky Fraser
Danie Deschênes, Oxygène Événements
Montreal Museum of Fine Arts

Financial statements of
THE FOUNDATION OF GREATER MONTREAL

December 31, 2009

<i>Auditors' report</i>	<i>23</i>
<i>Statement of operations and changes in fund balances</i>	<i>24</i>
<i>Balance sheet</i>	<i>25</i>
<i>Notes to the financial statements</i>	<i>26</i>



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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, 2009 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, 2009 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.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l.

March 25, 2010

¹ Chartered accountant auditor permit no 20238

Statement of operations and changes in fund balances

year ended December 31, 2009

	Operating Fund	Distribution Fund	Endowment Fund	2009	Total 2008
	\$	\$	\$	\$	\$
Revenue (note 7)					
Donations	–	449,455	2,213,563	2,663,018	2,250,131
Sponsorships	8,371	–	–	8,371	211,504
Realized investment income	65,382	1,345,112	–	1,410,494	2,018,379
Change in unrealized depreciation on investments	–	4,401,932	–	4,401,932	(7,308,595)
Management fees	433,798	(201,241)	–	232,557	219,794
Administration fees	494,736	(260,567)	–	234,169	112,301
Other	–	–	–	–	86,895
	1,002,287	5,734,691	2,213,563	8,950,541	(2,409,591)
Expenses					
Donations	–	1,307,323	–	1,307,323	380,961
Administration fees	532,273	–	–	532,273	449,995
Investment management and custodial fees	304,772	–	–	304,772	288,855
Life insurance premiums received in donations	–	246,946	–	246,946	40,416
Fees – community support	–	47,966	–	47,966	127,174
Communications and marketing	32,627	–	–	32,627	168,814
Fees – planned donations	28,581	–	–	28,581	75,005
Amortization of capital assets	13,539	–	–	13,539	13,463
	911,792	1,602,235	–	2,514,027	1,544,683
Net result	90,495	4,132,456	2,213,563	6,436,514	(3,954,274)
Fund balances at beginning	6,898	2,647,163	37,424,664	40,078,725	44,032,999
Transfer the change in unrealized depreciation on investments	–	(4,401,932)	4,401,932	–	–
Fund balances at end	97,393	2,377,687	44,040,159	46,515,239	40,078,725

Balance sheet

as at December 31, 2009

	Operating Fund	Distribution Fund	Endowment Fund	2009	Total 2008
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash	202,388	–	–	202,388	77,935
Amounts due from the					
Operating Fund	–	259,311*	–	–	–
Endowment Fund	–	2,057,807*	–	–	–
Accrued interest and dividends	–	60,569	–	60,569	61,152
Accounts receivable	210,165	–	–	210,165	165,975
Prepaid expenses	3,583	–	–	3,583	2,539
	416,136	2,377,687	–	476,705	307,601
Investments (Note 3)	–	–	46,097,966	46,097,966	39,827,627
Capital assets (Note 4)	26,632	–	–	26,632	28,069
	442,768	2,377,687	46,097,966	46,601,303	40,163,297
Liabilities					
Current liabilities					
Amounts due to the					
Distribution Funds	259,311*	–	2,057,807*	–	–
Accounts payable and accrued liabilities	86,064	–	–	86,064	84,572
	345,375	–	2,057,807	86,064	84,572
Fund balances					
Externally restricted					
Endowment (Note 6)	–	–	47,472,860	47,472,860	45,259,297
Unrealized depreciation on endowment's investment	–	–	(3,850,150)	(3,850,150)	(8,252,082)
Available amounts for distribution	–	2,377,687	–	2,377,687	2,647,163
Internally restricted	–	–	417,449	417,449	417,449
Invested in capital assets	26,632	–	–	26,632	28,069
Unrestricted	70,761	–	–	70,761	(21,171)
	97,393	2,377,687	44,040,159	46,515,239	40,078,725
	442,768	2,377,687	46,097,966	46,601,303	40,163,297

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

Approved by the Board



Marcel Côté
Chairman of the Board



Gilles Émond, CA
Treasurer

Notes to the financial statements

December 31, 2009

1. DESCRIPTION OF ORGANIZATION

The Foundation of Greater Montreal (the "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. The FGM can also manage funds entrusted to it for administrative purposes. It is a registered charity under the *Income Tax Act*.

In order to maintain its registered charity status, the FGM must meet certain spending requirements ("disbursement quota") according to the *Income Tax Act*. The disbursement quota is a minimum amount that the registered charity must spend on charitable programs or as gifts to qualified donees. Failure to comply with this requirement could lead to a revocation of the FGM's registered charity status. As at December 31, 2009, the FGM complies with the requirement.

2. ACCOUNTING POLICIES

On January 1, 2009, the FGM adopted the changes made to Section 4400 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The adoption of these new standards had no impact on the financial statements of the FGM.

The FGM has elected to use the exemption provided by the 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, 2009. The FGM applies the requirements of Section 3861 of the CICA Handbook concerning the presentation and disclosures on financial instruments.

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

Fund accounting

The FGM 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 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 comprises the elements mentioned below.

Externally restricted

The restrictions comprise the following:

Endowment

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 the 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.

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 the Endowment Fund.

Notes to the financial statements (continued)

December 31, 2009

Capital assets

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

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.

3. INVESTMENTS

	2009	2008
	\$	\$
44,458.909 units (42,177,938 units in 2008) of the The Foundation of Greater Montreal Investment Fund (Note 5)	44,328,353	38,105,576
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	513,613	450,970
Mortgage loan, bearing interest at 4.5%, maturing through 2018	256,000	271,081
	46,097,966	39,827,627

4. CAPITAL ASSETS

	2009			2008
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and equipment	24,652	10,745	13,907	7,224
Computer hardware	21,037	13,871	7,166	6,946
Leasehold improvements	25,018	19,459	5,559	13,899
	70,707	44,075	26,632	28,069

Notes to the financial statements (continued)

December 31, 2009

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, 2009, the fair value of the funds managed by The Foundation of Greater Montreal Investment Fund and the number of units held are as follows:

	2009		2008	
	Number of units	Fair value	Number of units	Fair value
		\$		\$
Funds belonging to The Foundation of Greater Montreal	44,458.909	44,328,353	42,177.938	38,105,576
Funds managed for various entities	53,978.875	53,820,378	48,242.184	43,584,322
	98,437.784	98,148,731	90,420.122	81,689,898

6. EXTERNALLY RESTRICTED – ENDOWMENT

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

	2009	2008
	\$	\$
Perpetuity	45,530,333	44,484,639
For a minimal period of 10 years	1,942,527	774,658
	47,472,860	45,259,297

7. REVENUE

i) Donations

During the year, the FGM received donations of \$2,663,018 (\$2,250,131 in 2008). Donations for 2009 include an amount of \$246,946 (\$40,416 in 2008) regarding life insurance premiums paid for which the FGM is the beneficiary of the proceeds.

ii) Realized investment income

	2009	2008
	\$	\$
Units of The Foundation of Greater Montreal Investment Fund	1,279,024	1,958,795
Other investments	131,470	59,584
	1,410,494	2,018,379

iii) Management fees

	2009	2008
	\$	\$
The Foundation of Greater Montreal Investment Fund	433,798	422,455
Less: Professional fees attributable to The Foundation of Greater Montreal	(201,241)	(202,661)
	232,557	219,794

iv) Administration fees

	2009	2008
	\$	\$
The Foundation of Greater Montreal Investment Fund Unitholders	494,736	273,007
Less: Professional fees attributable to The Foundation of Greater Montreal	(260,567)	(160,706)
	234,169	112,301

Notes to the financial statements (continued)

December 31, 2009

8. FINANCIAL INSTRUMENTS

Because of its financial assets and liabilities, the FGM is exposed to the following risks related to the use of financial instruments:

Interest rate risk

A portion of the investments of the Foundation of Greater Montreal Investment Fund, in which the 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 the 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 the 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 the FGM holds units is exposed to risk that arises from fluctuation of market indexes and the degree of volatility of those indexes.

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.

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.