



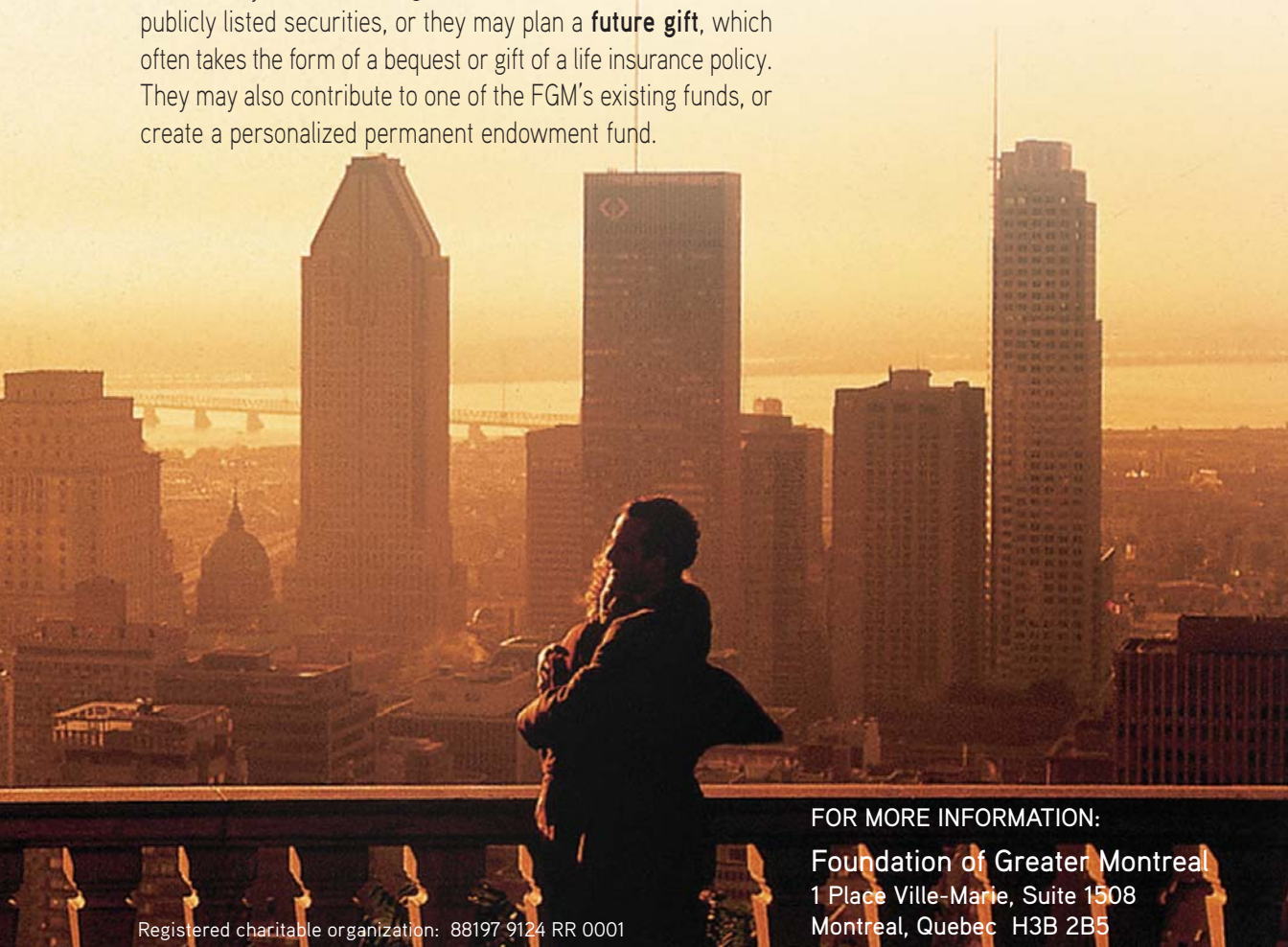
Foundation of Greater Montreal



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

THERE ARE SEVERAL WAYS TO MAKE A DONATION TO THE FGM

Donors may make an **outright donation**, in the form of cash or publicly listed securities, 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.



Registered charitable organization: 88197 9124 RR 0001

FOR MORE INFORMATION:

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MESSAGE

FROM THE **CHAIRMAN AND PRESIDENT & CEO**

The year 2006 will be a highlight in the annals of our Foundation. In a single year the FGM doubled its assets, which stand today at \$80 million. Several new funds have been entrusted to us, including a donor-advised fund of \$24 million from a donor who has chosen to remain anonymous. This is one of the largest gifts in the history of our city. It is also the third largest donation ever to a community foundation in Canada.

The significance of this gift is not only in the amount but also in the gesture. Like all the donations we receive, it demonstrates the donor's commitment to improve life in Montreal and to generate positive change through philanthropy, today and forever. More and more donors are expressing their desire to contribute to their community in this way. This augurs well for the future of Greater Montreal.

These new gifts, which have allowed us to double our assets this year, confirm an ever greater confidence in the FGM as a trusted steward of charitable funds with unique expertise in helping donors identify immediate and long term community issues and opportunities. Thanks to the varied nature of the funds we hold, we are now granting in virtually every area of community life: supporting initiatives in the social services sector, where some of the most pressing needs are felt; supporting education and youth development programs; promoting health and welfare. Government endowment incentive programs, such as Quebec's Placements Culture, and the federal government's Endowment Incentive Component of the Canadian Arts and Heritage Sustainability Program, are also helping us play a key role in supporting arts organizations. With every new fund, our community outreach broadens.

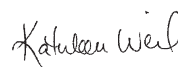
The launch of *Greater Montreal's Vital Signs*® in 2006 informs and supports our expanding reach. This annual check-up on the health of our community measures the vitality of our city and region, and identifies major trends in those sectors which are critical to quality of life. Vital Signs is a unique instrument for reflection and dialogue which will help us identify more pressing needs in our community, inform our long-term planning and implement the commitments of our donors to those sectors which they have chosen to support.

Clearly, 2006 was a year of intense activity for the FGM! We would not have been able to achieve so much without the incomparable work of our Board and committee members, whose volunteer involvement contributes so much to improving our community's quality of life. We express to them our profound gratitude. We thank as well our numerous partners and donors for their trust and generosity. Finally, we thank our devoted staff.

Pierre Brunet
Chairman
of the Board



Kathleen Weil
President
and Chief Executive Officer



THE YEAR 2006 WILL BE A HIGHLIGHT IN THE ANNALS OF OUR FOUNDATION

FGM

FUNDS

A wide choice of funds for great flexibility

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

Community Fund

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

Field-of-interest Fund

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

Designated Fund

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

Donor-Advised Fund

Allow for donors' involvement in selecting charitable organizations 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.

Organizational Endowment Fund

Designated funds established by charitable organizations 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 organization directly.

Managed Fund

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

TREASURER'S REPORT

Fiscal 2006 was marked by increases on all fronts.

Operating fund

Revenues derived from this fund rose from \$496,000 in 2005 to \$803,000 in 2006. This was due to an increase of revenues generated from management and administration fees, a major grant directed to the Vital Signs® project, and increased investment income from endowment funds.

The rise in revenues from management and administration fees is attributable to the significant increase in the FGM's endowment and managed funds, and to a minor adjustment in the fee schedule. As of September 1st management fees were reduced from 0.75% to 0.50%, while administration fees were set on a schedule ranging from 0.25% to 0.75% according to the type and size of each fund.

Distribution fund

In 2006, the net balance in this fund rose from \$94,000 in 2005 to \$1,874,000. This increase was due to two factors: an excellent return on investment, and an adjustment to the method of accounting of the investments in the course of the year. The Foundation applied the standards set forth in chapter 3855 of the manual of the Canadian Institute of Chartered Accountants, entitled Financial Instruments – Accounting and Evaluation. This chapter calls for the accounting of investments at their market value, rather than at their cost, as the FGM had done in 2005. While this modification was applied retroactively, 2005 figures were not changed. Consequently, on January 1st, 2006, the value of the investments and of the balance in the distribution fund was increased by \$757,000. For the fiscal year 2006, this modification allowed the inclusion in income of an unrealized gain of \$1,484,000.

Furthermore, in order to protect the endowment fund capital against inflation, an amount of \$283,000 was transferred out of the distribution fund: an amount of \$110,000, or 1.9%, was added to capital on December 31st, 2004, and a further \$173,000, or 2.2%, was added to capital on December 31st, 2005.

On December 31st, 2006, the available balance in the distribution fund stood at \$2,435,000. In conformity with its distribution policy, the Board of Directors decided to proceed with the distribution of these sums, after reserving 50% of this amount for a stabilization fund. (In any given year additions to the stabilization fund cannot exceed 5% of the market value of all FGM endowment funds). An amount of \$1,387,000 will therefore be distributed at the beginning of fiscal 2007.

Endowment funds

There was a spectacular increase in the FGM's endowment, from \$11,269,000 to \$37,142,000, due in large part to new contributions. These new donations included an anonymous gift of \$24,000,000, and a number of gifts under the Canadian Heritage matching grant program and the Quebec Government program Placements Culture. Also, in order to protect the capital against inflation, an amount of \$283,000 was transferred from the distribution fund to the endowment fund, as noted above.

Gilles Émond, Treasurer



REPORT

OF THE INVESTMENT COMMITTEE

The Investment Committee is appointed by the Board of Directors to oversee all aspects of investment management. Its members, all volunteers, include seasoned investment and finance professionals who are interested in the community. In summary, it:

- Recommends the Investment Policy to the Board and updates as required
- Recommends the appointment of Investment Managers and the Custodian
- Allocates funds among Investment Managers
- Reviews and reports to the Board, at least quarterly, the performance of each Manager and of the Investment Fund.

During fiscal 2006, the total holdings of the FGM rose from \$36,934,000 to \$75,278,000. New contributions totalled \$29,659,000. Managed funds increased by \$8,685,000. This year saw an excellent return on our portfolio: a net of 11.08% after deduction of administrative fees.

Gilles Émond, Chair, Investment Committee

Greater Montreal's Vital Signs

A first annual check-up on the metropolitan region's quality of life

On December 12th 2006, the FGM held a public launch at the downtown YMCA to release its first annual check-up on the health of Greater Montreal entitled *Greater Montreal's Vital Signs*®. This report was made possible through the generous support of the J.W. McConnell Family Foundation.

Further to extensive consultation with expert organizations, *Vital Signs* provides a snapshot of the factors that contribute to the quality of life in and around Montreal and presents a statistical outlook on different sectors of community life: work, the gap between rich and poor, learning, health and wellness, housing, getting around, safety, the environment, arts and culture, getting started in the community, and belonging and leadership.

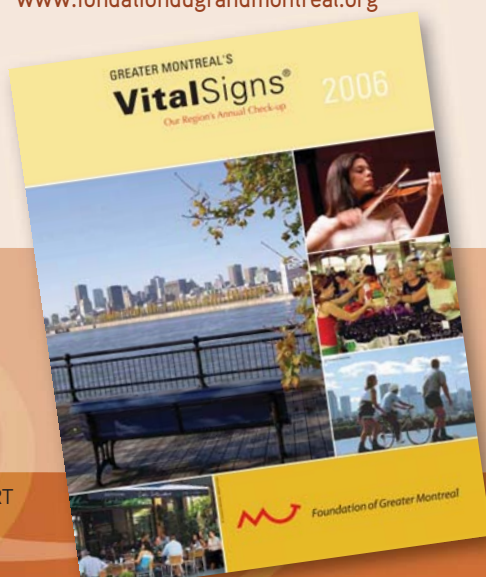
By publishing the report we hope to offer food for thought, promote dialogue, and raise awareness of a range of important issues affecting our community's future. It will also help the Foundation of Greater Montreal increase its grant-making effectiveness and better guide donors who are looking to achieve high-impact philanthropy across all areas of charitable

activity but particularly in our community's most vulnerable sectors.

Since the launch, response from the community confirms the relevance of the *Vital Signs* report. An increase in requests for information and traffic on the FGM's web site reflect this. The report also sparked the interest of our donors who see it as a precious resource for their philanthropic activities.

A summary of the *Vital Signs* report is available in printed format and the fully detailed version is available on our website at

www.fondationdugrandmontreal.org



THE FGM

WELCOMED MANY NEW FUNDS THIS YEAR. THEY INCLUDE:



Junior League of Montreal Legacy Fund

For 94 years, the Junior League of Montreal, a women's volunteer association, created and supported a wide range of social, cultural, recreational and educational programs, many of which are still in operation today. Throughout the years, the women maintained these programs through numerous fundraising activities such as cabarets, variety shows, dances, and a series of second hand shops.

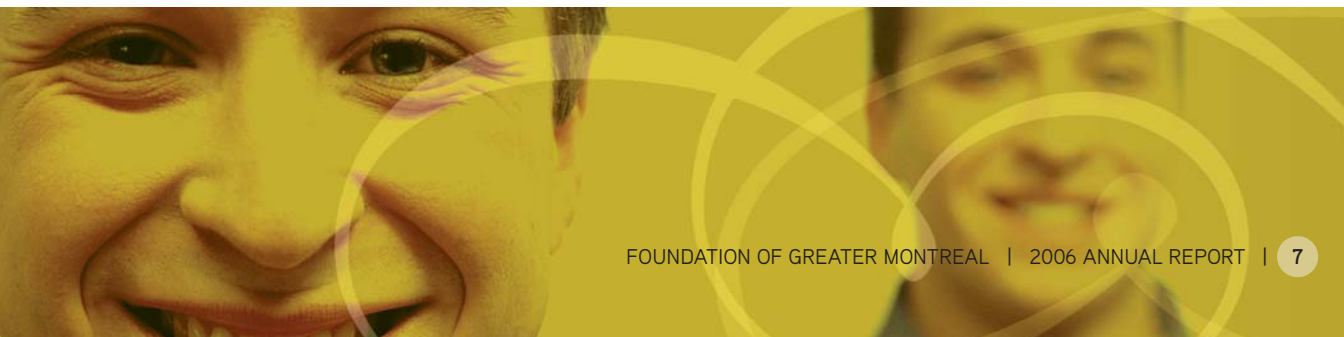
In the face of declining membership, and seeing the close kinship between the objectives of the FGM's Community Fund and its original mission, the Junior League of Montreal turned over its assets of more than \$50,000 to an endowment within the FGM's Community Fund. The FGM will perpetuate the name and legacy of an organization that has played a significant role in Montreal's social history.

Anonymous \$24 Million Donor Fund

This generous donor moved to Montreal as a young man and quickly fell under the city's spell. Decades later, he is relishing a new stage in his life and the opportunity to learn about his city in an entirely different way.

The donor considered starting his own foundation but did not want to shoulder the administrative responsibilities or pass those requirements onto his family. He liked the fact that his gift would be administered by the community foundation and he could still guide his fund over time. The donor will work with the foundation to determine his fund's focus, which will include arts and culture, education, social and humanitarian causes.

The donor was impressed by the fact that his gift would keep on giving to our community – long after he's gone. Fifty years from now and forever, organizations working in a variety of charitable sectors will still be benefiting from this donor's vision and generosity. It is a gift, not to one organization, but to our entire city.



PLANNED GIVING

Since the launch of our planned giving program in 2003, a growing number of professional advisors have become strategic partners with the FGM. They have discovered in our foundation an uncomplicated means of responding to the philanthropic goals, and tax and estate objectives of their clients.

On its website, the FGM provides professional advisors with a document specially designed for them. It makes available various planned giving instruments and provides tips on how to discuss philanthropy with clients. The document can be downloaded from www.fondationdugrandmontreal.org.



"The FGM makes it possible for me to suggest to my clients that they consolidate all their charitable

activities in one place. Indeed, it offers them all the flexibility they need to choose the organizations which will benefit from their gifts. Moreover, its integrated management fees are much more affordable for my clients than those of commercial gift products in general."

Alain Lévesque

President, DeVimy Group
Financial services firm



"I always wanted my entire estate to be devoted to causes and programs that I have cared about. I found in the Foundation of Greater Montreal the ideal organization to manage my funds according to my wishes and my philanthropic objectives."

"My wish is that the proceeds of my invested assets be directed to specific organizations that I care about, for the benefit of my home city, Montreal. Through my fund, I wish to perpetuate the memory of an exceptional, extraordinary woman, my mother, Marguerite (Margo) Duchastel de Montrouge-Bisailon. Throughout her life, she fully participated in the life of Montreal. She was a person of unconditional support, love and generosity."

Lynne Paule Bisailon,

Donor and retired stock broker

THEIR LEGACY lives on for the community

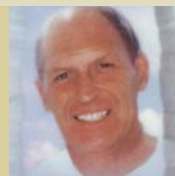
"As we prepared her tax and estate plan, my client, a retired nurse, expressed her wish to support organizations devoted to the health sector through a permanent endowment fund. She chose to give to the FGM as a way to maximize the impact of her gift to the community. A few weeks before she passed away I visited her in the hospital. She said to me, 'Pierre, thank you for having guided me to the Foundation of Greater Montreal. My gift will remain anonymous, but I know that the FGM will always protect the fund and respect my wishes.' I was deeply touched by her words."

Pierre Deschâtelets
Financial planner
Manulife Financial



In June 2003, upon the recommendation of his financial advisor, Mr. Yvon Roy contacted the FGM. His wish was to support certain charitable sectors that were important to him, and the FGM proved to be the ideal solution. In his will, he generously left his entire estate to the FGM for this purpose. Mr. Roy passed away on September 7th, 2006. The name and memory of Yvon Roy will live on in our community through the Yvon Roy Fund.

The late **Yvon Roy**
1934-2006,
donor



GRANTS

Community Grants Program

Core funding for the Community Grants Program comes from the Community Fund and Field-of-interest Funds. These funds are created by donors who want to ensure that their gift will be used to meet the community's most pressing needs by allowing the FGM to identify priority issues and recipient organizations.

<i>Grantee</i>	<i>Grant</i>
Action Centre	\$5 000
AIDS Community Care Montreal	\$5 000
Atwater Library and Computer Centre	\$5 000
Centre de services préventifs à l'enfance de Côte-des-Neiges (CSPE)	\$4 300
Centre DÉBAT Montréal	\$5 000
Équiterre	\$15 000
Friends for Mental Health	\$5 000
Groupe communautaire L'itinéraire	\$5 000
La Rencontre Châteauguaise	\$3 800
L'Oasis des enfants de Rosemont	\$5 000
Parrainage civique Champlain (Saint-Hubert)	\$3 000
Un itinéraire pour tous	\$5 000
Vivre Saint-Michel en Santé	\$15 000
YMCA Pointe-Saint-Charles	\$5 000

Action Centre

The Action Centre is a community centre for adults with physical or cognitive disabilities. It organizes activities and outings which promote self-sufficiency, inclusiveness and the participation of clients in all aspects of the Centre's life. The Action Centre also works to sensitize the public, the different levels of government and the media to the challenges and needs with which handicapped persons must cope. Thanks to an FGM grant, the organization has been able to add an arts and crafts course to its weekly schedule.

GRANTS



Aids Community Care Montreal (ACCM)

ACCM is a community organization working primarily in the English language to enhance the quality of life of people living with HIV/AIDS, to prevent HIV transmission, and to promote community awareness and action. Among other activities, ACCM undertakes group food purchases so as to take into account the particular nutritional needs of its clientele. The FGM's grant will make possible a series of workshops on health and nutrition, adapted to the particular needs of persons living with HIV/AIDS. These workshops will deal with a considerable range of topics: planning shopping and menus, adapting the diet to the state of health of the person and the treatments which he or she is receiving, coping with possible problems, maintaining good weight and muscle tone, and strengthening the immune system through nutrition.

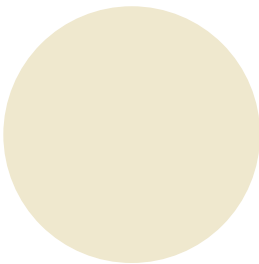


Atwater Library and Computer Centre

This library, founded in 1828 as the *Mechanics' Institute of Montreal*, is the oldest in all of Canada. Listed today as a national historic site, it welcomes more than 75,000 visitors a year. The Atwater Library's mission is to enrich the lives of Montrealers through social, educational and cultural programs. It has a computer centre, open to the public, in which it will establish a program to teach modern computer technologies. Developed in cooperation with a number of related community organizations, and with the notable support of the FGM, this program is intended in particular to reach out to at risk youth in the surrounding area.

Centre de services préventifs à l'enfance de Côte-des-Neiges (CSPE)

Co-founded by Dr. Gilles Julien, a social pediatrician, the CSPE is a welcome centre where children, accompanied by their parents, receive a thorough evaluation of their physical, psychological and social needs, leading to an individually designed therapeutic program. The objective is to forestall developmental or adaptational difficulties through early intervention. The FGM grant supports group activities for infants and pre-school children, with the objective of strengthening their abilities in all developmental areas-fine and gross motor skills, cognitive development and socialization-through activities such as building small objects, drawing, ball games, writing, etc.. The program also promotes French immersion.



GRANTS



Centre DÉBAT Montréal

Centre DÉBAT Montréal (*développement de l'éducation de base au travail*) offers literacy and basic math program in Hochelaga-Maisonneuve, one of Montreal's disadvantaged neighbourhoods. The FGM grant will support the organization of workshops in a new program entitled *Apprends-moi à apprendre* (Teach Me How to Learn), aimed at coping with illiteracy and preventing school dropouts. The objective is twofold: to help parents with limited education to support their children in their schoolwork, and to help children who are experiencing difficulties at the elementary-school level to develop learning and problem solving strategies.



Équiterre

Équiterre is an organization dedicated to building a citizens' movement by promoting individual and collective choices that are both environmentally and socially responsible. Through its four programs - ecological agriculture, fair trade, sustainable transportation and energy efficiency - the organization has developed projects that encourage individuals to take concrete actions that bring about positive change. In 2002, Équiterre launched a project entitled "Garderie bio" which promotes the provision of organic foods for children's meals. The project, which involves structured, direct linkages between daycare centres and organic farms, also has an important awareness component for parents, and an educational component for children. Through the FGM grant, Équiterre will continue its work promoting environmental alternatives in food production and distribution.



Friends for Mental Health

Problems of mental health can impose enormous burdens not only on those who suffer from them, but also on those close to them. This support group, the only one of its kind in the West Island, was founded 23 years ago for families coping with mental illness. This year, the FGM funded consultation services for parents and art therapy for children. The program aims to provide much-needed help to children who live with a mentally ill family member, enabling them to understand mental health problems and develop their capacity to adapt to them.

GRANTS

Groupe communautaire L'Itinéraire

Groupe communautaire L'Itinéraire assists unemployed, alcoholic, addicted and marginalized persons in Montreal with re-entry into society and into the workplace. Its mission is to promote self-sufficiency, competency and creativity in individuals whose difficulties derive from marginalization or homelessness, and improve their chances of entry into the workforce. L'Itinéraire also focuses on raising public awareness to combat prejudice against marginalized members of our society. The FGM participated in funding an addiction-prevention program which provides opportunities to unemployed youth to build self-esteem and acquire skills in multimedia creation. These young people are involved in all stages of the production of a magazine in DVD format: video production, makeup, preparation of the visual material accompanying the DVD, and distribution.



La Rencontre Châteauguoise

The mission of La Rencontre Châteauguoise is to counter the isolation and social exclusion of individuals and families living in poverty in Châteauguay and the surrounding area. Its approach is multifaceted: group meals, collective kitchens, an after school homework program, school meal programs, workshops and public education meetings. The organization accomplishes its work through the important contribution of many volunteers. With the objective of strengthening their volunteer base, the FGM grant funds specialized training workshops that deal with conflict resolution, and with basic and advanced life-saving techniques.



L'Oasis des enfants de Rosemont

L'Oasis des enfants de Rosemont is a place where schoolchildren, aged five to twelve years, find a welcome, a good listener and an opportunity for self-expression. The FGM grant will support an introductory program on healthy eating and food hygiene which includes workshops in simple cooking and in the preparation of lunch-boxes. The program intends also to produce a book of recipes adapted to children of different ages, and to organize intergenerational and intercultural encounters.



Parrainage civique Champlain (Saint-Hubert)

Social integration of individuals with physical, intellectual or psychological disabilities is the mission of Parrainage civique Champlain. By matching volunteers with handicapped persons for recreational activities, the organization helps to break the isolation of the disabled and develop their self-sufficiency so that they can find their place in society. Parrainage civique Champlain also organizes activities which are open to all handicapped persons in Saint-Hubert and the surrounding area. The FGM's grant will make possible a summer program of recreational and educational activities: organized games, exercise, workshops, weekly outings, and "La grande sortie" (The Big Outing), a three-day stay in a summer camp.



GRANTS



Un itinéraire pour tous

Un itinéraire pour tous (UIPT) is an educational organization which promotes a sense of belonging to Montreal North. It administers and coordinates the Maison culturelle et communautaire de Montréal-Nord, which has a library, a theatre, an exhibition hall, a lunch counter, and several adjustable spaces which serve as classrooms and for other purposes. The FGM's grant will make possible the creation of a lively space reserved for 13- to 17-year-olds and open for informal gatherings, social games, plastic arts projects, etc.



Vivre Saint-Michel en santé

Vivre Saint-Michel en santé brings together citizens, community organizations, institutions and business people to act in partnership towards improving the quality of life, through social and economic development, in the Saint-Michel district, one of the poorest neighbourhoods in Canada. Citizen engagement is key in the transformation of challenged communities. The FGM grant supports the development of a network of informed and engaged citizens which meets regularly, with a moderator, to discuss a variety of issues that concern them: school readiness, neighbourhood resources, health issues, the environment, etc.



Pointe-Saint-Charles YMCA

Part of the YMCA of Greater Montreal, the Pointe-Saint-Charles YMCA has for the past four years offered an after school homework club throughout the school year. In addition to helping with homework, the club has a creativity and enrichment program which combines educational and cultural activities as well as explorations (visits to museums, theatres, scientific workshops, sporting events, etc.). Since the launch of this program, the YMCA has observed significant changes among its young clients: increased motivation for learning in school, a desire to explore the worlds of fine arts, science and health, and improvements in self-image, in interpersonal relations and in self-discipline. The FGM's funding will make it possible to expand this program from 32 to 56 children.

FUNDS AND GRANTS

Designated Funds

Fund / Grantee	Grant	Fund / Grantee	Grant
Anonymous Fund		Queen Elizabeth Hospital Foundation	
<i>Fondation du collège universitaire dominicain</i>	\$588	Health Fund	
<i>Les Œuvres des abbés Martel et Marcil</i>	\$588	<i>Douglas Hospital Foundation</i>	\$15 092
<i>Secours Tiers-Monde Québec</i>	\$588	<i>Montreal Neurological Hospital Foundation</i>	\$23 088
Margaret K. Deacon Fund		<i>Royal Victoria Hospital Foundation</i>	\$23 088
<i>Fondation de gériologie Courville</i>	\$248	<i>St. Mary's Hospital Foundation</i>	\$23 088
		<i>The Montreal Children's Hospital Foundation</i>	\$23 088
		<i>The Montreal General Hospital Foundation</i>	\$23 088
		<i>The Montreal Chest Institute Foundation</i>	\$7 700
		<i>The Sir Mortimer B. Davis Jewish General Hospital Foundation</i>	\$15 092

Donor-Advised Funds

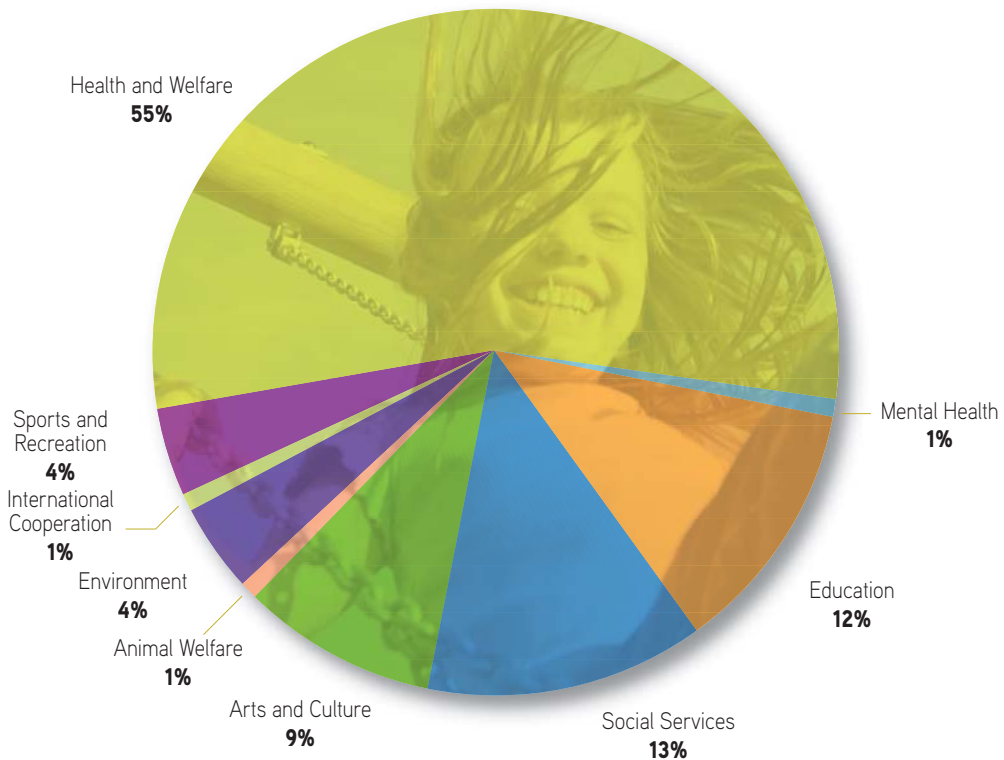
Fund / Grantee	Grant	Fund / Grantee	Grant
Fondation Lucie et André Chagnon Fund		<i>McGill Center for Studies in Aging</i>	\$5 000
<i>Income dedicated to the development of the FGM</i>	\$40 000	<i>The Montreal Museum of Fine Arts</i>	\$5 000
Fonds de la Fondation québécoise de la thalidomide		<i>Reena Foundation</i>	\$5 000
<i>Association canadienne des victimes de la thalidomide</i>	\$5 400	<i>Refuge Juan Moreno</i>	\$1 700
Gallop Family Fund		<i>Selwyn House Association:</i>	
<i>Income contributed to the Community Grants Program</i>	\$874	<i>The Veritas Fund</i>	\$4 500
Patrick H. Irwin Trust Fund		<i>The Study School Foundation</i>	\$2 000
<i>Income contributed to the Community Grants Program</i>	\$14 412	<i>The Sir Mortimer B. Davis Jewish General Hospital Foundation</i>	\$2 000
Malouf Family Fund		<i>York University Foundation</i>	\$1 000
<i>Collège Marianopolis</i>	\$3 500	<i>Income contributed to the Community Grants Program</i>	\$4 300
<i>Fondation de Polytechnique</i>	\$2 500	(Centre de services préventifs à l'enfance Côte-des-Neiges)	
<i>Fondation Cathédrale St-Sauveur (Éparchie St-Sauveur de Montréal)</i>	\$5 000	The J.W. McConnell Family Foundation Fund	
<i>Cedars Home for Elderly People Foundation</i>	\$2 500	<i>Income dedicated to the development of the FGM</i>	\$40 000
<i>Le Fonds de développement du Collège Jean-de-Brébeuf</i>	\$1 000	Guy Tiphane Fund	
		<i>Income contributed to the Community Grants Program</i>	
		(Un itinéraire pour tous, YMCA Pointe-Saint-Charles, Vivre Saint-Michel en santé)	\$20 443

FUNDS AND GRANTS

Organizational Endowment Funds

Organization	Grant	Organization	Grant
Blue Metropolis	\$444	National Theatre School of Canada	\$2 306
Bond Foundation for Animal Welfare	\$903	Priory School Foundation	\$7 217
Canada World Youth/ Kateri Fund	\$2 069	Refuge Juan Moreno	\$2 575
Festival des arts de St-Sauveur	\$4 440	Rotary Club of Montreal	\$4 606
Fondation Centre de santé et des services sociaux Jeanne-Mance	\$1 142	St. John Ambulance	\$391
Fondation des ingénieurs municipaux du Québec	\$2 386	Théâtre du Nouveau Monde	\$15 983
Les Petits violons	\$5 550	West Island Palliative Care Service	\$441

**Grants distributed by sector in 2006
from all FGM funds**



FGM

FUNDS

Community Fund

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

Pierre Brunet Fund
Junior League of Montreal Fund*
May Kersten Fund*
Michael Novak Fund
Anonymous (1)*

Field-of-interest Funds

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

Monique and Guy Bisaillon Fund
Montrusco Bolton Fund
Morgan's Hope Memorial Fund
Joan and Alex K. Paterson Fund
Red Feather Fund
Yvon Roy Trust Fund*
Anonymous (1)

Designated Funds

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

Queen Elizabeth Hospital Foundation
Health Fund
Anonymous (1)

Donor-Advised Funds

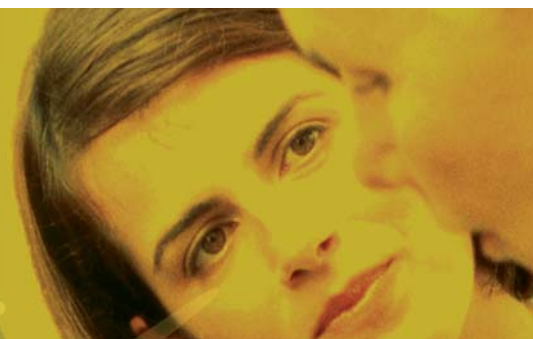
Allow for donors' involvement in selecting charitable organizations to receive grants from their fund.

Raisa et Armand Afilalo Fund
Isidore et Anna Blanchard Fund*
Anne-Marie et Jacques Bougie Fund
Fondation Lucie et André Chagnon Fund
DBD Fund for Recreation and Youth*
Fondation québécoise de la thalidomide Fund
Gallop Family Fund
Patrick H. Irwin Trust Fund
J.S and Associates Fund
May Kersten Fund for Social Justice*
Alan et Joan Lindsay Fund*
Malouf Family Fund
Margaret K. Deacon Trust Fund
Guy Tiphane Fund
The December 6th Victims Foundation Against Violence Fund
The J.W. McConnell Family Foundation Fund
Susan and Jonathan Wener Fund
Anonymous (1)*

Organizational Endowment Funds

Designated funds established by charitable organizations 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 organization directly.

Blue Metropolis Foundation Fund
Bond Foundation for Animal Welfare Fund
Canada World Youth Fund/Katerie
Compagnie de théâtre il va sans dire Fund*
Festival des Arts de Saint-Sauveur Fund
Fondation Centre de santé et des services sociaux
Jeanne-Mance Fund



FGM FUNDS

Fondation des ingénieurs municipaux
du Québec Fund
Foundation for Research into Children's
Diseases Fund *
Musée des maîtres et artisans du Québec Fund*
National Theatre School of Canada Fund
Les Petits violons Fund
Priory School Foundation Touch Tomorrow Fund
Refuge Juan Moreno Fund
Rotary Club of Montreal Fund
Société de musique contemporaine
du Québec Fund*
Stanislas College Foundation Fund*
St. John Ambulance Fund
Théâtre du Nouveau Monde Fund
West Island Palliative Care Service Fund

National Circus School Fund
Opéra de Montréal Fund*
Priory School Foundation Fund
Thomas More Institute for Adult Education*
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.

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

Managed Funds

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

Canadian Centre for Architecture Fund*
Centraide Foundation Fund
Centraide of Greater Montreal Fund*
Écomusée du fier monde Fund*
Festival international de Lanaudière Fund*
Foundation for Research into Children's
Diseases Fund
Fondation Jean Duceppe Fund
The Montreal Museum of Fine Arts Fund*
Montreal YMCA Foundation Fund

Deferred Gifts

Bequests and life insurance

Lynne Paule Bisailon
Michel Boucher
Douglas Fletcher Brown
Lise Brunet-Alziphat
André Gélinas
Martin Goodwin
Guy Tiphane
Anonymous donors (12)

*new funds

Donors may contribute any amount to an existing fund, or they may create a fund with a minimum donation of \$10,000. The fund is established without delay, without any administrative or legal start-up fees.

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

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*Executive Committee members

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Manulife Financial

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and Alumni Relations
Concordia University

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de Montréal

Katharine Pearson
Director - Social Innovation Generation @ McConnell
The J. W. McConnell Family Foundation



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

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Chairman, Caisse de dépôt et placement du Québec

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Julie Latour

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Director, Grants and Special Projects

Gaston E. Bouchard, LL.B.

Director, Gift Planning

Technical support

Accounting: Centraide of Greater Montreal

ACKNOWLEDGEMENTS

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

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

Thank you to our corporate partners.

Alcan
Alcoa
Bell Canada
Caisse de dépôt et placement du Québec
CGI
Cirque du Soleil
Cogeco Inc.
Fednav
Hydro Québec
Merck Frosst
Metro inc.
National Bank Financial Group
National Bank of Canada
Pratt & Whitney Canada
RBC Financial Group
Scotiabank

SNC Lavalin
Société des alcools du Québec
Transat

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

Caisse de dépôt et placement du Québec
M^{re} Jules Charette, Honorary Legal
Counsel, Ogilvy Renault
Heidi Hollinger, Photographer
National Bank Financial
SITQ Real-Estate

The Foundation of Greater Montreal is a member of Community Foundations of Canada (CFC), the membership organization for Canada's community foundations. CFC has more than 150 members, which collectively hold more than \$2.7 billion in assets and serve 89 percent of Canada's population.

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

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



ORDER

OF THE FOUNDATION OF GREATER MONTREAL

This Order was created to express the Foundation of Greater Montreal'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.

Patron

(\$1 million and more)

La Fondation Lucie et André
Chagnon
Peter J. Malouf
The J.W. McConnell Family
Foundation
Anonymous donor (1)

Benefactor

(\$100,000 and more)

Anne-Marie and Jacques Bougie
Patrick H. Irwin Trust
Michael Novak
Red Feather Foundation
Richard Renaud
Roasters Foundation
Yvon Roy Trust
Guy Tiphane
Anonymous donor (1)

Leader

(\$50,000 and more)

Dorothy Bond
May Kersten
Power Corporation du Canada

Builder

(\$10 000 and more)

Raisa and Armand Afilalo
Monique and Guy Bisaillon
Isidore et Anna Blanchard
Trust
Pierre Brunet
Margaret K. Deacon Trust
Geoffrey Dougherty, MD
The EJLB Foundation
W. John Gallop
Laurentian Bank
Alan and Joan Lindsay
Hubert Marleau
The Molson Foundation
Montrusco Bolton Investments
Carmand Normand
Joan and Alex K. Paterson
John and Joan Stevens
Gilles Tremblay
Susan and Jonathan Wener
Anonymous donors (2)

Friend

(\$1 000 and more)

James Bisiker
Germain Carrière
Michel Clair
Marcel Côté
Joan Crossen
John Frost
Laya and Harry Feldman
Claire Goyer
Joan F. Ivory
Norma Morgan
Anonymous donors (2)

Legacy Society

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

Lynne Paule Bisaillon
Michel Boucher
Douglas Fletcher Brown
Lise Brunet-Alziphath
André Gélinas
Martin Goodwin
Guy Tiphane
Anonymous donors (12)

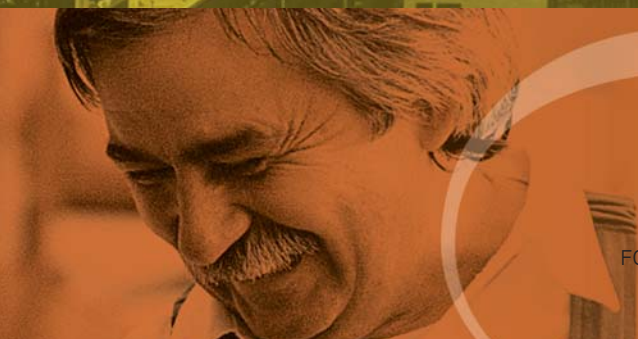
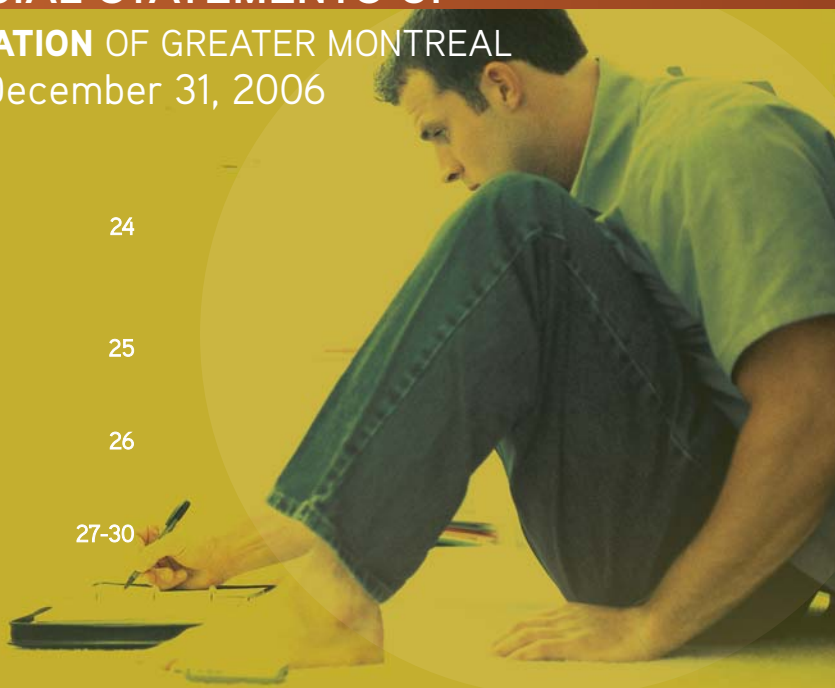
FINANCIAL STATEMENTS OF THE **FOUNDATION** OF GREATER MONTREAL December 31, 2006

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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, 2006 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Lamson Beland
Debatte & Touchette*

Chartered Accountants
February 23, 2007

THE FOUNDATION OF GREATER MONTREAL

Statement of operations and changes in fund balances

year ended December 31, 2006

	Operating Fund	Distribution Fund	Endowment Fund	Total	
				2006	2005
	\$	\$	\$	\$	\$
Revenue (Note 7)					
Donations	-	135,969	25,589,750	25,725,719	2,388,326
Sponsorships	83,000	-	-	83,000	148,000
Change in unrealized appreciation of investments	148,180	1,484,421	-	1,632,601	-
Investment income	63,114	811,807	-	874,921	493,924
Management fees	315,747	(98,473)	-	217,274	209,920
Administrative fees	72,734	(39,562)	-	33,172	-
Special project - grants	115,000	-	-	115,000	-
Bank interest	5,026	-	-	5,026	827
	802,801	2,294,162	25,589,750	28,686,713	3,240,997
Expenses					
Salaries and fringe benefits	165,641	-	-	165,641	165,662
Management fees	131,877	-	-	131,877	93,417
Trustee fees	44,338	-	-	44,338	40,768
Administration fees	17,195	-	-	17,195	14,275
Fees - planned donations	78,448	-	-	78,448	75,034
Fees - environmental project	14,892	-	-	14,892	-
Fees - vital signs project	104,621	-	-	104,621	-
Fees - other	25,461	3,800	-	29,261	20,045
Donations	-	333,808	-	333,808	279,873
Rent	24,519	-	-	24,519	24,041
Taxes and permits	2,307	-	-	2,307	2,292
Office supplies	7,684	-	-	7,684	6,108
Stationery and printing	1,497	-	-	1,497	855
Travel	6,228	-	-	6,228	3,793
Meetings	1,043	-	-	1,043	1,515
Telecommunications	3,374	-	-	3,374	2,833
Insurance	6,405	-	-	6,405	1,016
Life insurance premiums received in donations	-	115,969	-	115,969	350,608
Delivery	1,385	-	-	1,385	917
Publications and subscriptions	549	-	-	549	635
Bank charges	3,302	-	-	3,302	4,044
Communications	24,999	-	-	24,999	19,162
Dues	2,874	-	-	2,874	3,075
Conferences	3,487	-	-	3,487	887
Amortization	1,350	-	-	1,350	1,492
Other	614	-	-	614	94
	673,730	453,577	-	1,127,307	
Net result	129 071	1 840 585	25 589 750	27 559 406	2 128 556
Fund balances, beginning of year	49,399	120,411	11,269,112	11,438,922	9,310,366
Change in accounting policy (Note 2)	-	757,549	-	757,549	-
Interfund transfer (Note 8)	-	(283,083)	283,083	-	-
Fund balances, end of year	178,470	2,435,462	37,141,945	39,755,877	11,438,922

THE FOUNDATION OF GREATER MONTREAL

Balance sheet

as at December 31, 2006

	Operating Fund	Distribution Fund	Endowment Fund	Total	
				2006	2005
	\$	\$	\$	\$	\$
Assets					
Current assets					
Cash	50,433	-	31,340	81,773	113,640
Amount due from the Endowment Fund	214,859*	2,419,791*	-	-	-
Accrued interest and dividends	-	19,339	-	19,339	40,752
Accounts receivable	83,866	-	-	83,866	94,295
Prepaid expenses	-	-	-	-	300
	349,158	2,439,130	31,340	184,978	248,987
Investments (Notes 2 and 4)	-	-	39,745,255	39,745,255	11,313,715
Capital assets (Note 5)	2,285	-	-	2,285	3,635
	351,443	2,439,130	39,776,595	39,932,518	11,566,337
Liabilities					
Current liabilities					
Amount due to the Distribution Fund	-	-	2,634,650*	-	-
Accounts payable and accrued liabilities	122,973	3,668	-	126,641	62,415
Deferred revenues	50,000	-	-	50,000	65,000
	172,973	3,668	2,634,650	176,641	127,415
Fund balances					
Externally restricted	-	2,435,462	36,724,496	39,159,958	11,255,157
Internally restricted	-	-	417,449	417,449	134,366
Invested in capital assets	2,285	-	-	2,285	3,635
Unrestricted	176,185	-	-	176,185	45,764
	178,470	2,435,462	37,141,945	39,755,877	11,438,922
	351,443	2,439,130	39,776,595	39,932,518	11,566,337

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

Approved by the Board



Pierre Brunet, FCA
Chairman



Gilles Émond, CA
Treasurer

Notes to the financial statements

year ended December 31, 2006

1. Description of organization

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

2. Change in accounting policy

During the year, FGM opted for early adoption of the recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3855 entitled "Financial Instruments - Recognition and Measurement". This section requires that investments be recorded at fair value. In 2005, FGM recorded investments at cost, except for bonds, which were recorded at amortized cost under the straight-line method to the maturity of the related bonds. In the event of a permanent decrease in value of an investment, the investment was reduced to its estimated realizable value. This change in accounting policy has been of investments and fund balances were increased on January 1, 2006 by \$757,549

3 Accounting policies

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund accounting

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

i) Operating Fund

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

ii) Distribution Fund

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

iii) Endowment Fund

The Endowment Fund is comprised of the elements mentioned below. Investment income earned from the Endowment Fund is recorded as income from the Distribution Fund.

External restrictions

Include donations that, according to donor specifications, must be held in perpetuity.

Internal restrictions

Internal restrictions arise from transfers from the Distribution Fund to protect the capital against inflation. These amounts cannot be used without prior consent of the 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 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.

Notes to the financial statements

year ended December 31, 2006

Capital assets

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

Furniture and equipment	20%
Computer hardware	30%

Deferred revenues

Deferred revenues are grants and sponsorships received for the subsequent year.

Financial instruments

Accounting for financial instruments 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, which corresponds to their fair value at that time.

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.

4. Investments

	2006		2005	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
32,782,190 units of the The Foundation of Greater Montreal Investment Fund (Note 6)	38,320,052	35,931,832	8,661,223	7,936,834
Bonds, nominal value of \$1,907,000	-	-	1,992,796	1,959,636
Preferred shares, redeemable after the death of the last survivor of the two donors, annual dividend of 4.725%	1,000,000	1,000,000	1,000,000	1,000,000
Mortgage, bearing interest at an annual rate of 4.5%, maturing through 2018	276,081	276,081	295,970	295,970
Investment certificate, bearing interest at an annual rate of 5.0%, maturing in February 2007	121,275	121,275	121,275	121,275
Other	27,847	25,917	-	-
	39,745,255	37,355,105	12,071,264	11,313,715

Notes to the financial statements

year ended December 31, 2006

5. Capital assets

	2006		2005	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Furniture and equipment	6,975	4,690	2,285	2,857
Computer hardware	4,536	4,536	-	778
	11,511	9,226	2,285	3,635

6. The Foundation of Greater Montreal Investment Fund

In addition to managing its own funds, the FGM manages funds entrusted to it by various entities through The Foundation of Greater Montreal Investment Fund.

Separate financial statements are prepared for The Foundation of Greater Montreal Investment Fund, which presents its investments, comprised mainly of bonds and stocks, at market value. As at December 31, 2006, the market values of the funds managed by The Foundation of Greater Montreal Investment Fund are as follows:

	2006		2005	
	Number of units	Fair value	Number of units	Fair value
		\$		\$
Funds belonging to The Foundation of Greater Montreal	32,782,190	38,320,052	7,988,953	8,661,223
Funds managed for various entities	31,616,921	36,957,936	26,078,804	28,273,336
	64,399,111	75,277,988	34,067,757	36,934,559

7. Revenue

i) Donations

During the year, FGM received donations of \$25,725,719 (\$2,388,326 in 2005). Donations for 2005 include an amount of \$115,969 regarding life insurance premiums paid for which FGM is the beneficiary of the life insurance policies.

ii) Realized investment income

	2006	2005
	\$	\$
Units of the Foundation of Greater Montreal Investment Fund	737,198	339,146
Bonds	70,495	87,721
Preferred shares	47,250	47,250
Mortgage	13,000	13,744
Investment certificate	6,062	6,063
Others	916	-
	874,921	493,924

Notes to the financial statements

year ended December 31, 2006

7. Revenue (continued)*iii) Management fees*

	2006	2005
	\$	\$
The Foundation of Greater Montreal Investment Fund	313,497	265,315
Other	2,250	2,250
	315,747	267,565
Less: Professional fees attributable to The Foundation of Greater Montreal	(98,473)	(57,645)
	217,274	209,920

iv) Administration fees

	2006	2005
	\$	\$
The Foundation of Greater Montreal Fund Participant	72,734	-
Less: Professional fees attributable to The Foundation of Greater Montreal	(39,562)	-
	33,172	-

8. Interfund transfer

The Board of Directors of the FGM Foundation allocated \$283,083 to the Endowment Fund to protect the capital from inflation for 2004 and 2005. This amount was calculated using the consumer price index for the Greater Montreal Area.

9. Financial instruments*Fair value*

The fair values of cash, accounts receivable and accounts payable and accrued liabilities correspond to their carrying amount due to their short-term maturities.

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 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 is invested in shares and interests in foreign equity funds. The units held by FGM are consequently exposed to changes in foreign currency. The same applies to the earned income associated with these units.

10 Statement of cash flows

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