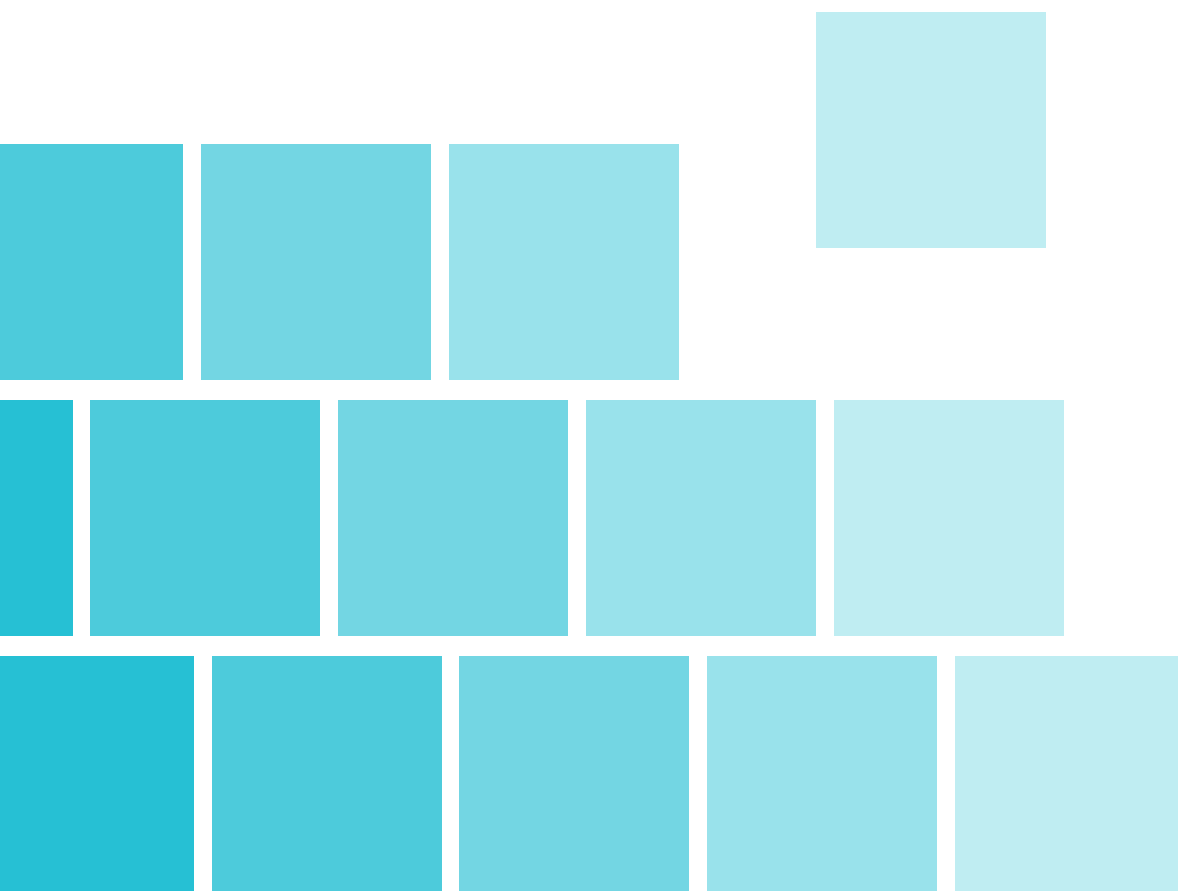


Building Solid Foundations





PFC promotes the growth and development of effective and responsible foundations and organized philanthropy in Canada through provision of membership services, resources and advocacy.

Philanthropic Foundations Canada is a national member association of grant-making foundations and charitable organizations and a registered charity.

Message from chair & president

This has been a year which has offered both crisis and new motivation for philanthropy in Canada. Looking back on the latter half of 2008, and early 2009, we have observed the severely negative impact of the financial and economic crisis on Canadian charities, on governments and on private endowments. But the crisis also offers us opportunity. Through the PFC network, Canadian foundations are gaining information, sharing ideas, co-venturing on projects and giving each other support as they confront the very real dilemmas of how to support their communities, serve their donors' wishes and ensure their own continuity.

The pressure being felt by the philanthropic sector over the next several years will underline more than ever the importance of an organized voice in Canadian philanthropy. In the following pages, you have evidence of the value that membership in PFC brings to its members. It is only through a national association that foundation boards can exchange reliable and confidential information on investment returns, asset allocation models, regulatory constraints, granting policies and other strategies to meet the challenges to private funders. We are gathering and sharing detailed information for members this year on how their peers are coping with the downturn. This is information of importance to every foundation board that is reviewing investing and granting options in 2009 and 2010. In times of stress, our members want even more exposure to good practices in grantmaking and governance. Through PFC, you have numerous opportunities for peer exchange and learning in this field.

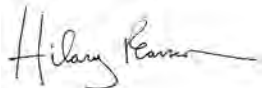
We look forward to welcoming all of our members and many others to our third national conference in Calgary, Alberta at the end of October 2009. This gathering will offer us all motivation, expertise and renewed energy to tackle the challenges facing philanthropy in 2010 and beyond.

Sadly, early 2009 has marked the passing of PFC's first Chair, James Hume, President of the Kahanoff Foundation of Calgary. Jim was a remarkable foundation leader who had the foresight and commitment in 1999 to create, along with his peers, a new philanthropic infrastructure organization to take Canadian foundations forward into the 21st century. He will be very much missed.

Finally, we thank most sincerely the members of the 2008-2009 PFC Board who represent the membership at large and who invest their time and talents on behalf of all their colleagues to build our community.



Peter Warrian
Chair



Hilary Pearson
President



Through the PFC network, Canadian foundations are gaining information, sharing ideas, co-venturing on projects and giving each other support as they confront the very real dilemmas of how to support their communities, serve their donors' wishes and ensure their own continuity.

PFC in 2008



Working for our Members

As a membership association, we play three major roles on behalf of our members: we share knowledge to improve effectiveness; we advocate and educate to protect our members' interests; and we represent and network with others to build the field.



Sharing Knowledge to Improve Effectiveness

Before PFC was created in 1999, staff members and trustees of private foundations had no organized network within which to exchange ideas and learn from each other. Now, through our monthly newsletters and peer events, members meet colleagues and learn of opportunities for working together more effectively on community needs.

Our two national conferences in Toronto and Montreal led to many fruitful exchanges and collaborations between foundations, and we plan to repeat this success in Calgary in October 2009.

Over the course of 2008, PFC held eleven professional development and learning events on topics ranging from mission-related investing to foundation governance. Presentations and resources from these sessions are posted in the growing library on the PFC web site and are easily accessible to members.

PFC provides information to its members to improve their operational effectiveness. Our fourth member-only survey on compensation and benefits was distributed to all members in summer 2008. In fall 2008, we collected and prepared data from a member survey of investment and disbursement decisions. This survey was expanded and repeated in January 2009 and we will continue this survey work in 2009 to keep members informed in a timely way about their peers' responses to the economic crisis.

PFC publishes customized tools and guides, available to members only. The Members' Area of our web site was completely reorganized in 2008 to meet the information needs of any foundation. In 2009, it is featuring more tailored materials on investment, governance policies and ways to stretch your assets and expenditures in support of mission in difficult times.



PFC's professional development offerings are tremendously well tailored. I haven't found any other organization whose programs meet our needs nearly as well.

- David Peever, Executive Director, Nickle Family Foundation, Calgary



PFC has provided very valuable and valued assistance.

- Hulene Montgomery, Executive Director,
Lyle S. Hallman Foundation,
Kitchener, ON

Over the years, PFC has become the place to go for those who are passionate about developing the philanthropic sector in Canada.

- Lyne Lavoie, Executive Director,
Fondation J. Armand Bombardier, Montréal

2008

PFC Highlights

Over 99,000 visits to the PFC website:

**Starting a Foundation
downloaded 1504 times**

**Our Annual Reports
downloaded 1124 times**

**Great Grant Stories
downloaded 553 times**

About our member events:

300 participants at 20 learning sessions

14 PFC events in Calgary, Toronto, Montréal and Halifax

Advocacy and Education

PFC provides timely advice on provincial and federal regulatory policies and changes that may affect the operations and governance of foundations. In 2008, we distributed three member advisories on the regulatory rules with respect to the excess business holdings regime, capital encroachment rules and prudent investment practices. We continue to keep a watching brief and to intervene with Finance and CRA on behalf of private foundations on the application of the new excess business holdings regime.

PFC speaks to policy makers, grantseekers and public audiences who are scrutinizing the decisions of private funders at times of intensifying pressure on community resources. With member input, we present a portrait of foundations as engaged and essential supporters of the community during difficult times.

Building the Field

PFC promotes the creation and growth of new foundations. In 2008, we revised and published a second edition of *Starting a Foundation*, our comprehensive guide to getting involved in foundation philanthropy. We continue to collect and tell stories about foundation great grants, as a way to motivate greater interest in philanthropy.

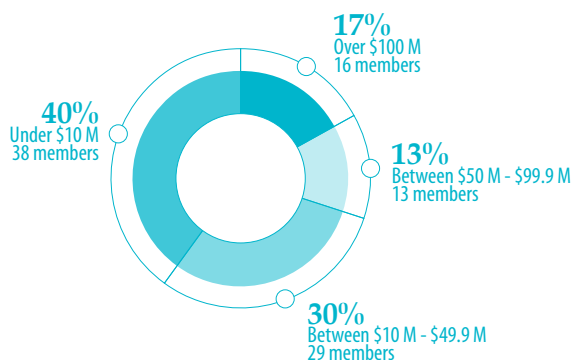
Our Members

Our membership continues to grow. In 2008 we welcomed 8 new members. The majority of our members are family foundations of varying sizes and interests. Our membership also includes public foundations, charitable organizations that are primarily grantmakers and donor-advised funds.

Members by asset size

Our members collectively manage over \$7.7 billion in assets – about half the total assets of all private foundations in Canada.

40% of PFC members have assets under \$10 million; 30% have assets over \$50 million; the remaining 30% are mid-sized foundations with assets between \$10 and \$49.9 million.



The ALVA Foundation, Toronto
The ASPER Foundation, Winnipeg
Robert and Judith ASTLEY Family Foundation, Waterloo
The ATKINSON Charitable Foundation, Toronto
The Ralph M. BARFORD Foundation, Toronto
BEALIGHT Foundation, Toronto
De Gaspé BEAUBIEN Foundation, Montréal
Max BELL Foundation, Calgary
Fondation Famille BENOÎT, Montréal*
J. P. BICKELL Foundation, Toronto
S.M. BLAIR Family Foundation, Toronto
Fondation J. Armand BOMBARDIER, Montréal
The BOREALIS Foundation, Stittsville*
The BRANSCOMBE Family Foundation, Niagara Falls
Brian BRONFMAN Family Foundation, Montréal
Stephen R. BRONFMAN Foundation, Montréal
The BURNS Memorial Fund, Calgary
BUTLER Family Foundation, Edmonton*
CARTHY Foundation, Calgary
CGOV Foundation, Toronto
Fondation Lucie et André CHAGNON, Montréal
The Arthur J.E. CHILD Foundation, Calgary
Harry and Martha COHEN Foundation, Calgary
The COLE Foundation, Montréal
Dr. Geoffrey R. CONWAY Memorial Foundation (Canada), Toronto
The COUNSELLING Foundation of Canada, Toronto*
The Harold CRABTREE Foundation, Ottawa
The CRB Foundation, Montréal
DELOITTE & Touche Foundation Canada, Toronto
The Catherine DONNELLY Foundation, Toronto
DONNER Canadian Foundation, Toronto
The DRUMMOND Foundation, Montréal
Fondation DUFRESNE et Gauthier, Québec
The EJLB Foundation, Montréal
ENDSWELL Foundation, Vancouver
Sir Joseph FLAVELLE Foundation, Toronto
GAINEY Foundation, Montréal*
GALIN Foundation, Toronto
GELMONT Foundation, Montréal
Colin B. GLASSCO Charitable Foundation for Children, Calgary
GOOD Foundation Inc., London
Walter and Duncan GORDON Foundation, Toronto
The Lyle S. HALLMAN Foundation, Kitchener
HARBINGER Foundation, Toronto
HAYNES-CONNELL Foundation, Toronto
Lotte and John HECHT Memorial Foundation, Vancouver
The HELDERLEIGH Foundation, Winona, ON
Fondation Sibylla HESSE, Longueuil, QC*

**New members in 2008*

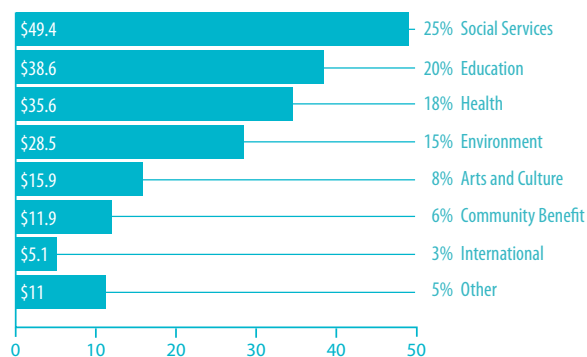
The HUNTER Family Foundation, Calgary
 The HYLKAN Foundation, Montréal
 Charles H. IVEY Foundation, Toronto
 IVEY Foundation, Toronto
 The KAHANOFF Foundation, Calgary
 The Henry and Berenice KAUFMANN Foundation, Montréal
 The KREMBIL Foundation, Toronto
 LAIDLAW Foundation, Toronto
 The LAWSON Foundation, London
 The Eva LEFLAR Foundation, Burlington, ON
 The LUPINA Foundation, Toronto
 MACKENZIE Financial Charitable Foundation, Toronto*
 The Charles and Mary MACLENNAN Foundation, Truro, NS
 Fondation René MALO, Montréal
 MARIGOLD Foundation Ltd., Calgary
 The MASTERCARD Foundation, Toronto
 The MAYTREE Foundation, Toronto
 The Margaret and Wallace McCAIN Family Foundation, Toronto
 The J. W. McCONNELL Family Foundation, Montréal
 The McLEAN Foundation, Toronto
 T. R. MEIGHEN Family Foundation, Toronto
 George Cedric METCALF Charitable Foundation, Toronto
 The MOLSON Foundation, Montréal
 The MUTTART Foundation, Edmonton
 The NEPTIS Foundation, Toronto
 NEWTON Foundation, Montréal
 NICKLE Family Foundation, Calgary
 NORLIEN Foundation, Calgary
 The PALOMA Foundation, Toronto
 The PATERSON Foundation, Thunder Bay
 Fondation PATHONIC, Kirkland, QC
 Fondation PRÉFONTAINE-HUSHION, Montréal
 PRIVATE Giving Foundation, Toronto
 ROASTERS Foundation, Montréal
 ROZSA Foundation, Calgary
 The SALAMANDER Foundation, Toronto
 The SILVER Tree Foundation, Toronto
 The SOBEY Foundation, Stellarton, NS*
 The Howard and Carole TANENBAUM Family Charitable Foundation, Toronto
 TCIG Charitable Foundation Inc., Winnipeg
 TIDES Canada Foundation, Vancouver
 TOSKAN Casale Foundation, Toronto
 The Pierre Elliott TRUDEAU Foundation, Montréal
 R. Howard WEBSTER Foundation, Montréal
 The Mike WEIR Foundation, Oakville
 The W. Garfield WESTON Foundation, Toronto
 The WINDSOR Foundation, Halifax
 The Michael YOUNG Family Foundation, Toronto

Grants and Charitable Activities

PFC members granted over \$195 million in 2007. Over two-thirds of the grants were directed to social services, education and health. An additional \$69.7 million was disbursed directly on foundation-managed charitable programs and activities.

Distribution of member grants by sector

(in millions of dollars, based on 2006-07 data from 96 PFC members)



Staff

50% of PFC member foundations employ full-time staff; 10% of foundations have part-time paid staff; 40% of foundations have no paid staff and are run by volunteers.



Board Members 2008

Back row, far left: Robert Filuk (outgoing), Paul J. Dyer, David Elton, Angie Killoran

Middle row, from left: Nan Shuttleworth (outgoing), Graham Hallward, Mary Rozsa de Coquet, Liza Goulet (staff), Joy Calkin

Front row, from left: Peter Warran, Hilary Pearson (staff), Shira Herzog, Patrick Johnston

Not present in the photo: Nicole Beaudoin, James Good, Janis Levine, Nancy Rosenfeld, Jean-Maurice Saulnier, Norman Webster

Chair

Peter Warran, Managing Director,
The Lupina Foundation, Toronto

Past Chair

David Elton, President,
Max Bell Foundation, Calgary

Vice-Chair

Shira Herzog, Executive Vice-President,
The Kahanoff Foundation, Calgary

Treasurer

Paul J. Dyer, Secretary-Treasurer,
The Windsor Foundation, Halifax

Secretary

Mary Rozsa de Coquet, President,
Rozsa Foundation, Calgary

Nicole Beaudoin, Director,
Fondation J. Armand Bombardier,
Montréal

Joy Calkin, Past President,
The Muttart Foundation,
Edmonton

James Good, President,
The Good Foundation Inc.,
London

Graham F. Hallward, Chair,
Donations Committee, The Alva Foundation,
Toronto

Patrick Johnston, President and CEO,
Walter and Duncan Gordon Foundation,
Toronto

Angie Killoran, Executive Director,
The Lawson Foundation,
London

Janis Levine, Co-President,
The Henry and Berenice Kaufmann Foundation,
Montréal

Nancy Rosenfeld, President,
Stephen R. Bronfman Foundation,
Montréal

Jean-Maurice Saulnier, Vice-President,
Legal and Corporate Affairs,
Fondation Lucie et André Chagnon, Montréal

Norman Webster, President,
R. Howard Webster Foundation,
Montréal

Staff

President & CEO: **Hilary Pearson**
Director, Research & Member Services: **Liza Goulet**
Administrator: **Micheline Parent**





Outgoing Board members Robert Filuk and Nan Shuttleworth receive a token of appreciation from the PFC chair, Peter Warian, for their efforts.

A cross-section of foundation leaders from across the country serve on the PFC Board. They contribute time and expertise to PFC meetings, events and programs every year and provide strategic direction for the association.



Summarized Financial Statements

The accompanying summarized statements of financial position, operations and changes in net assets are derived from the complete financial statements of Philanthropic Foundations Canada / Fondations Philanthropiques Canada as at December 31, 2008 and for the year then ended on which we expressed an opinion without reservation in our report dated February 5, 2009. The fair summarization of the complete financial statements is the responsibility of the Association's management. Our responsibility, in accordance with the applicable Assurance Guideline of The Canadian Institute of Chartered Accountants, is to report on the summarized financial statements.

In our opinion, the accompanying summarized financial statements fairly summarize, in all material respects, the related complete financial statements in accordance with the criteria described in the Guideline referred to above.

These summarized financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Readers are cautioned that these statements may not be appropriate for their purposes. For more information on the entity's financial position, results of operations and changes in net assets, reference should be made to the related complete financial statements.

Signed MONGIAT-BERNUCCI

Chartered Accountants

Montreal, Quebec
February 5, 2009

Summarized Statement of Financial Position

December 31	2008	2007
CURRENT ASSETS		
Cash	\$ 15,329	\$ 24,488
Term deposits and accrued interest	689,622	591,312
Goods and services tax recoverable	8,683	34,046
Prepaid expenses	14,131	2,917
	727,765	652,763
CAPITAL ASSETS	3,205	5,096
	\$ 730,970	\$ 657,859
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 21,389	\$ 23,403
Deferred contributions	56,227	36,083
	77,616	59,486
NET ASSETS		
Unrestricted	250,149	193,277
Invested in capital assets	3,205	5,096
Internally restricted	400,000	400,000
	653,354	598,373
	\$ 730,970	\$ 657,859

Summarized Statement of Revenues and Expenditures

For the year ended December 31

	2008	2007
REVENUES		
Membership dues	\$ 486,874	\$ 449,779
Donations	65,000	23,000
Interest	27,633	28,881
Program fees	9,305	9,054
Other	-	13,015
	588,812	523,729
EXPENSES		
Salaries and benefits	301,434	290,266
Professional fees	82,787	54,073
Office operations	59,858	47,830
Communications and website	28,715	24,047
Travel and conferences	25,809	25,492
Meetings and workshops	19,697	16,044
Publications	12,594	2,295
Amortization of capital assets	2,937	5,124
	533,831	465,171
Excess of revenues over expenses before the under noted items	54,981	58,558
Net excess of revenues over expenses on the following:		
• PFC conference - At the Heart of Philanthropy (net)	-	16,131
• Tax and Philanthropy project (net)	-	13,824
	-	29,955
Excess of revenues over expenses for the year	\$ 54,981	\$ 88,513

Summarized Statement of Changes in Net Assets

For the year ended December 31

				2008	2007
	Unrestricted	Invested in Capital Assets	Internally Restricted		
Balance, beginning of the year	\$ 193,277	\$ 5,096	\$ 400,000	\$ 598,373	\$ 509,860
Excess (deficiency) of revenues over expenses for the year	57,918	(2,937)	-	54,981	88,513
Investment in capital assets	(1,046)	1,046	-	-	-
Balance, end of year	\$ 250,149	\$ 3,205	\$ 400,000	\$ 653,354	\$ 598,373

Please visit our web site at www.pfc.ca for information about philanthropy and grant-making. You will also find back issues of our newsletters and research reports as well as information on upcoming events.

To learn about our 2009 philanthropy conference *The Pulse of Philanthropy*, visit our conference web site at www.pfc.ca/2009conference.

For a copy of our complete 2008 financial statements, please contact PFC.



Philanthropic
foundations
Canada

Fondations
philanthropiques
Canada

555 René-Lévesque Blvd. West
Suite 900
Montréal, Québec
H2Z 1B1

Tel. : 514-866-5446
Fax : 514-866-5846
E-mail : general@pfc.ca

