



Chambre de commerce
du Montréal métropolitain
Board of Trade of Metropolitan Montreal

2008

ANNUAL MEETING OF MEMBERS



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ANNUAL MEETING OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL

October 29, 2008 - 4:30 p.m. to 5:30 p.m.

Centre d'archives de Montréal, Gilles-Hocquart Building | 535 Viger Avenue West, Montréal

AGENDA

1. Call to order, declaration of quorum and approval of the agenda
2. Approval of the minutes of the members annual meeting of October 11, 2007
3. Chair's report
4. Financial report - fiscal year ended June 30, 2008
5. Appointment of auditors
6. Election of the board of directors for fiscal year 2008-2009
7. Miscellaneous
8. Adjournment
9. Presentation of the chairman for fiscal year 2008-2009
10. Termination of annual meeting



Chambre de commerce
du Montréal métropolitain
Board of Trade of Metropolitan Montreal

ANNUAL MEETING OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL

MINUTES

Minutes of the annual meeting of members of the Board of Trade of Metropolitan Montreal held on October 11, 2007, starting at 11 a.m. at the Hotel Omni Mont-Royal, Salon Pierre-de-Coubertin. The meeting was chaired by Elliot Lifson, chair of the Board of Trade.

The meeting was attended by approximately 100 people.

Jacinthe Poirier, executive assistant to the president and CEO, served as recording secretary.

1. CALL TO ORDER, DECLARATION OF QUORUM, AND APPROVAL OF THE AGENDA

Elliot Lifson, chair of the Board of Trade, accompanied by Isabelle Hudon, president and CEO, and Roger Plamondon, treasurer, called the meeting to order, noting that a quorum (30 members) was present. He then submitted the agenda for approval.

On a motion by Marie-Claude Lalande, seconded by Jean Laurin, the proposed agenda was unanimously approved.

2. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF MEMBERS ON OCTOBER 12, 2006

As a reading of the minutes was not requested, on a motion by Rémi Racine, seconded by Sylvie Giguère, the minutes of the above-mentioned meeting were unanimously approved as if read.

3. CHAIR'S REPORT

Elliot Lifson, chair of the board, presented a report of his mandate during fiscal 2006-2007, noting that the Board of Trade is still the most relevant organization when it comes to promoting the development of Montréal.

The Board of Trade deployed its expertise throughout the year. More than 600 new companies swelled its ranks, and its membership retention rate, now almost 75%, continues to increase. This may be seen as the logical result of the steady rise in the Board of Trade's income over the past four years.

In addition to offering its usual wide range of programs, the Board of Trade continued to perfect its tools for communicating with members.

In all the major issues - economic and sustainable development, education, and cultural vitality -, the Board of Trade continued its determined efforts to promote its number one cause: Montréal!

Mr. Lifson added that none of this would have been possible without a team of seasoned employees working under the strong leadership of president and CEO Isabelle Hudon and the support of Board of Trade members. All share the same passion for Montréal and the same objective: to ensure the excellence of the organization.

Once again this year, the work done by the Board of Trade's strategic analysis committees, composed of members from all fields, enabled the organization to provide accurate updates on the major trends affecting Montréal's economy.

Mr. Lifson concluded by noting that, year after year, the Board of Trade can count on a strong membership because it constantly demonstrates its credibility. The future is promising for an organization that, after almost two centuries, is still so connected to the world.

4. FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Roger Plamondon introduced the members of the Board of Trade's audit and finance committee, which he chairs: Hélène Desmarais, Sylvie Giguère, Dominique Levesque, and Martin Spalding. He thanked the members for their work throughout the year and also mentioned the collaboration of Éric Meunier, the Board of Trade's vice-president, Administration, and his team.

This committee, whose members are appointed each year from among the board members, is charged, among other things, with validating the proposed draft budget and examining and validating all financial information requiring the approval of the board of directors.

Before commenting on the highlights of the fiscal year ended June 30, 2007, Mr. Plamondon mentioned that the financial statements had been approved by the board of directors during a meeting held on September 17, 2007. The auditors' report was without reservation.

He noted that the balance sheet showed current assets of \$2,351,227, investments of \$703,390, and fixed assets of \$339,403, for total assets of \$3,394,020.

Under liabilities, there were \$2,159,322 in current liabilities, composed primarily of accounts payable and deferred membership dues of \$849,532, a deferred lease inducement of \$240,763, and deferred revenues of \$299,700, for total liabilities of \$2,699,785.

The surplus was \$694,235, of which \$339,403 was invested in fixed assets and \$354,832 was unappropriated.

In terms of results, revenues this year were \$4,148,553 minus expenses of \$1,800,070 resulting in an excess of revenue over expenses before other items of \$2,348,483. To this amount, we must add other revenue (\$2,192,266) and subtract global remuneration (\$2,773,735) and operating expenses (\$1,733,623). There was thus an operating surplus of \$33,391 before the contribution to the Board of Trade's Foundation.

Taking into account the \$15,000 contribution to the Board of Trade of Metropolitan Montreal Foundation, the excess of revenue over expenses for fiscal 2006-2007 was \$18,391.

The details of the surplus invested in fixed assets and the unappropriated surplus are included in the financial statements.

The statement of cash flows indicates that cash increased by \$653,371. This variation was due to an increase in operating activities (\$652,046) and an increase in investing activities (\$1,325).

The notes to the financial statements included the Board of Trade's significant accounting policies, the details of some previously mentioned items included in the financial statements, and information regarding the various companies controlled by the Board of Trade.

5. APPOINTMENT OF AUDITORS

During the board meeting on September 17, 2007, the Board of Trade's board of directors unanimously recommended that the firm PricewaterhouseCoopers be appointed as external auditors for fiscal 2007-2008.

On a motion by Marie-Claude Lalande, seconded by Hélène Desmarais, the appointment of the firm PricewaterhouseCoopers as external auditors for fiscal 2007-2008 was unanimously approved.

6. ELECTION OF THE BOARD OF DIRECTORS - FISCAL 2007-2008

In accordance with by-law 34 of the Board of Trade's Code of bylaws, the Nominating Committee was formed of the following members:

The chair of the board, who chaired the committee: Elliot Lifson, vice-chair, Vêtements Peerless Clothing Inc.

The senior deputy chair of the board: H  l  ne Desmarais, chair and CEO, Centre d'entreprises et d'innovation de Montr  al.

Two former chairs: Marie-Claude Lalande, assistant vice-president and senior counsel, Sun Life Financial, and Guy Fr  chette, vice-president and Quebec managing partner, Ernst & Young.

Individual members or delegates of member firms: Howard Bowles, vice-president, Sales, Eastern Region, Allstream; Patrick Kenniff, partner, Kenniff & Racine Inc., and Monette Malewski, president, M. Bacal Insurance Agencies Inc.

Isabelle Hudon, president and CEO of the Board of Trade, also participated as a non-voting member.

The Nominating Committee recommended the following people to serve on the board of directors for fiscal 2007-2008:

- > Pierre Anctil, executive vice-president, SNC-Lavalin Group Inc.
- > Charles-Mathieu Brunelle, executive vice-president and general manager, TOHU
- > Isabelle Courville, president, Hydro-Qu  bec Trans  nergie
- > Robert Desbiens, executive consultant, Strategy and Innovation, Industry Sector, IBM Canada
- > H  l  ne Desmarais, chair and CEO, Montr  al Enterprises and Innovation Centre
- > Sylvie Gigu  re, vice-president, SMB Sales - Quebec, Bell Canada
- > Michael Goodman, founding president, Michael Goodman Executive Search
- > Anne-Marie Hubert, FCA, partner, Ernst & Young LLP
- > Isabelle Hudon, president and CEO, Board of Trade of Metropolitan Montreal
- > Joseph Iannicelli, president and CEO, Standard Life Assurance Company of Canada
- > Elliot Lifson, vice-chair, V  tements Peerless Clothing Inc.
- > Trung Huu Nguyen, senior vice-president, Finances, Strategic Alliances, and International, Caisse centrale Desjardins
- > John Parisella, president, BCP Ltd.
- > Lorraine Pintal, artistic and general director, Th   tre du Nouveau Monde
- > Roger Plamondon, president, Soci  t   en commandite Stationnement de Montr  al
- > Jan-Fryderyk Pleszczyński, vice-president, Strategic Affairs, and managing director, Digital Dimension
- > Marc Poulin, president, Sobeys Qu  bec
- > R  mi Racine, president and executive producer, Artificial Mind and Movement (A2M)
- > Erik Ryan, vice-president, Corporate Affairs and Communications, Alcan Primary Metal Group
- > J  r  me Silvestre, president and CEO, sanofi-aventis Canada Inc.
- > Pierre-  tienne Simard, president, Jeune Chambre de commerce de Montr  al
- > Martin Spalding, general manager, Toronto National Sales and Montr  al Local Sales, Astral Media Radio Inc.
- > Peter Todd, professor and dean, Desautels Faculty of Management, McGill University
- > Helen Tyros, vice-president, Montreal Metropolitan District, BMO Bank of Montreal, and president, Hellenic Board of Trade of Metropolitan Montreal
- > Luc Vinet, president, Universit   de Montr  al

On a motion by Guy Fr  chette, seconded by Marie-Claude Lalande, the composition of the board of directors for fiscal 2007-2008 as recommended by the Nominating Committee was unanimously approved.

On behalf of the Board of Trade, Mr. Lifson thanked all the board members, particularly those who are stepping down this year. It is the generous involvement of people of their calibre that has made it possible for the Board of Trade to successfully meet its many challenges. Their participation and commitment have contributed greatly to the Board of Trade's development. Our sincere thanks to Claude Lajeunesse, president, Concordia University; Johanne L  pine, president and CEO, Aon Parizeau; Dominique Levesque, vice-president, Operations - Eastern Canada, Protectron L.P.; France-  liane Nolet, past president, Jeune Chambre de commerce de Montr  al; Robert Racine, partner, Kenniff & Racine, Executive Search; Larry Smith, president and CEO, Montreal Alouettes; Danielle Sauvage, executive director and secretary, Conseil des arts de Montr  al; Pierre Turcotte, senior vice-president and general manager - CGI Quebec; and retiring chair Marie-Claude Lalande.

Mr. Lifson also underscored the commitment of the Board of Trade's management team as well as the exceptional work of all of the organization's employees, who, through their loyalty and devotion, make it possible to implement their vision.

7. MISCELLANEOUS

Anna Campagna, executive director, Centre G  n  ration Emploi, hopes that members will be more aware of the integration of the immigrant population.

8. RECESS

The meeting of the Board of Trade was recessed to allow the new board of directors to elect its executive committee. In the meantime, the annual meeting of the Foundation was held.

9. INTRODUCTION OF THE CHAIR OF THE BOARD FOR FISCAL 2007-2008

The chair of the board for fiscal 2007-2008 was introduced by Elliot Lifson, who explained that tradition dictates that, after one year in office, the senior deputy chair of the board accedes to the position of chair of the board. H  l  ne Desmarais, the senior deputy chair, is therefore the new chair.

Ms. Desmarais has had an impressive career. Holder of a B.A.A. (finance) from HEC Montr  al, she founded the Centre d'entreprises et d'innovation de Montr  al (CEIM) and has been its chair and CEO since 1996.

CEIM is an incubator of new technology companies that focuses on the start-up and development of IT, multimedia, innovative industrial technology, and biotechnology companies. CEIM supports the emergence of viable, innovative, and prosperous companies in these sectors, which are economic priorities for Greater Montr  al and Quebec.

Since its founding in 1996, CEIM has become the leading incubator in Quebec and the largest of its kind in Canada. In eleven years, CEIM has helped 250 companies with a 78% survival rate.

Ms. Desmarais is known by her peers for her exceptional involvement. Her determination and sense of commitment have earned her numerous awards, including the Order of Merit from the Universit   de Montr  al alumni association on May 15, 2007.

She sits on several boards of directors. In fact, she became the first woman chair of HEC Montr  al's board of directors, where she has served since 1999.

Ms. Desmarais then took the podium and began by thanking the members of the board of directors for the confidence they had shown in her and for the honour they did her by choosing her as their chair for the 2007-2008 season.

She congratulated Mr. Lifson, the retiring chair, on his commitment and achievements, mentioning not just his conscientious involvement but also his generosity and sense of humour.

She then welcomed the new board members and thanked them for contributing their individual expertise to meeting the exciting challenge of promoting the prosperity of Montr  al, noting that the metropolis needs key players of their stature to realize its full potential in every sector.

She also thanked those members who are continuing to serve for a second or third year or even longer, reminding them that the Board of Trade's successes are also theirs. She stressed their inestimable contribution to the economic, social, and cultural development of Montr  al and thanked them for their on-going commitment.

Ms. Desmarais then introduced the members of the new executive committee for 2007-2008:

- > Elliot Lifson, retiring chair
- > Isabelle Hudon, president and CEO
- > Rémi Racine, senior deputy chair
- > Roger Plamondon, treasurer
- > John Parisella
- > Lorraine Pintal
- > Erik Ryan
- > Martin Spalding
- > and herself, Hélène Desmarais, chair

She concluded by mentioning that the Board of Trade is well positioned to become an exemplary model for promoting entrepreneurship. Further stimulating efforts to create new companies and offering SMEs the tools they need to innovate and remain competitive are among the objectives on which she plans to focus during her mandate.

Before proposing that the meeting be adjourned, Ms. Desmarais underscored the significant contribution of retiring chair Marie-Claude Lalande to the pursuit of the organization's vision. She thanked Ms. Lalande for giving so generously of her time and energy to promote and defend the success and development of Greater Montréal.

10. ADJOURNMENT OF THE ANNUAL MEETING

On a motion by Jan-Fryderyk Pleszczyński, seconded by Guy Fréchette, the annual meeting was adjourned by unanimous consent.

PRESIDENT AND CEO

CHAIR

PricewaterhouseCoopers
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September 18, 2008

Auditors' Report

**To the Members of the
Board of Trade of Metropolitan Montreal**

We have audited the balance sheet of the **Board of Trade of Metropolitan Montreal** (the "organization") as at June 30, 2008 and the statements of revenue and expenses, surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization'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 organization as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

Board of Trade of Metropolitan Montreal

Balance Sheet
As at June 30, 2008

	2008 \$	2007 \$
Assets		
Current assets		
Cash and cash equivalents	1,510,432	1,278,090
Accounts receivable (note 4)	546,463	826,682
Prepaid expenses	60,212	90,132
Current portion of investments (note 5)	23,985	156,323
	<u>2,141,092</u>	<u>2,351,227</u>
Investments (note 5)	864,737	703,390
Property and equipment (note 6)	302,847	339,403
	<u>3,308,676</u>	<u>3,394,020</u>
Liabilities		
Current liabilities		
Accounts payable (note 8)	1,030,285	1,131,196
Deferred membership dues	901,609	849,532
Deferred revenue	177,810	178,594
	<u>2,109,704</u>	<u>2,159,322</u>
Deferred lease inducement	226,894	240,763
Deferred revenue	283,050	299,700
	<u>2,619,648</u>	<u>2,699,785</u>
Surplus		
Invested in property and equipment	302,847	339,403
Unappropriated	386,181	354,832
	<u>689,028</u>	<u>694,235</u>
	<u>3,308,676</u>	<u>3,394,020</u>

Approved by the Board of Directors

Hélène Desmarais

Director



Director

Board of Trade of Metropolitan Montreal

Statement of Revenue and Expenses

For the year ended June 30, 2008

	2008 \$	2007 \$
Revenue		
Members' service	1,625,180	1,568,391
Activities	2,152,842	2,040,662
Communications and strategy	511,500	539,500
	<u>4,289,522</u>	<u>4,148,553</u>
Expenses		
Members' service	142,004	196,152
Activities	1,226,550	1,149,985
Communications and strategy	316,290	453,933
	<u>1,684,844</u>	<u>1,800,070</u>
Excess of revenue over expenses before other items	<u>2,604,678</u>	<u>2,348,483</u>
Other items (note 9)		
Other revenue	1,992,757	2,192,266
Other expenses		
Global remuneration	(2,674,066)	(2,773,735)
Operating expenses	(1,841,874)	(1,733,623)
Severance pay (note 10)	(80,769)	-
	<u>(2,603,952)</u>	<u>(2,315,092)</u>
Excess of revenue over expenses from operations before the following	726	33,391
Contribution to Board of Trade of Metropolitan Montreal Foundation	<u>-</u>	<u>15,000</u>
Excess of revenue over expenses for the year	<u>726</u>	<u>18,391</u>

Board of Trade of Metropolitan Montreal

Statement of Surplus

For the year ended June 30, 2008

	2008 \$	2007 \$
Surplus – Beginning of year	339,403	675,844
Changes in accounting policies – financial instruments (note 3)	-	(5,933)
Excess of revenue over expenses (expenses over revenue) for the year	(114,950)	115,676
Acquisition of property and equipment	78,394	(78,394)
Surplus – End of year	<u>302,847</u>	<u>694,235</u>

Board of Trade of Metropolitan Montreal

Statement of Cash Flows

For the year ended June 30, 2008

	2008 \$	2007 \$
Cash flows from		
Operating activities		
Excess of revenue over expenses for the year	726	18,391
Adjustments for		
Unrealized losses on investments	23,351	-
Loss on disposal of investments	5,624	-
Reinvested revenue on investments	(20,238)	-
Amortization of property and equipment	114,950	153,115
Amortization of deferred lease inducement and deferred revenue	(37,843)	(37,843)
Deferred lease cost	7,324	23,018
	93,894	156,681
Change in non-cash working capital items	260,521	495,365
	354,415	652,046
Investing activities		
Acquisition of investments	(388,912)	(406,298)
Disposal of investments	345,233	519,184
Acquisition of property and equipment	(78,394)	(111,561)
	(122,073)	1,325
Net increase in cash and cash equivalents during the year	232,342	653,371
Cash and cash equivalents – Beginning of year	1,278,090	624,719
Cash and cash equivalents – End of year	1,510,432	1,278,090

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

1 Incorporation and nature of activities

The Board of Trade of Metropolitan Montreal (the “organization”) was constituted under an act amalgamating the Montreal Board of Trade and the Chamber of Commerce of Metropolitan Montreal, which received Royal Assent on June 23, 1992. It is registered as a not-for-profit organization and is therefore exempt from income taxes.

The organization has some 7,000 members. Its primary mission is to represent the interests of the business community of Greater Montréal and to provide individuals, merchants, and businesses of all sizes with a variety of specialized services to help them achieve their full potential in terms of innovation, productivity and competitiveness. The organization is Quebec’s leading private economic development organization.

2 Significant accounting policies

Management 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting periods. Actual results may differ from those estimates.

Credit risk

The organization performs a continual evaluation of its customers’ credit and records an allowance for doubtful accounts as required. Management considers there to be no significant credit risk as at June 30, 2008.

Interest rate risk

Cash and cash equivalents	Fixed and variable interest rates
Accounts receivable	Non-interest bearing
Investments	Note 5
Accounts payable	Non-interest bearing

Financial instruments

Financial assets are initially recorded at their fair value and their revaluation depends on their classification, as described hereafter. Their classification depends on the object concerned when the financial instrument was acquired or issued, their characteristics and their designation by the organization. The accounting at the date of payment is used. Financial liabilities are recorded at cost.

- Cash and cash equivalents and investments other than investments in controlled interest entities are classified as held-for-trading assets. They are presented at fair value, and the gains or losses related to the revaluation at the end of each period are included in revenue and expenses.

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

- Accounts receivable are classified as loans and receivables. After being initially recorded at fair value, they are evaluated at cost after amortization using the effective interest rate method. For the organization, the amortized cost is generally the cost due to the short-term maturity.
- Accounts payable are classified as other financial liabilities. They are initially evaluated at fair value, and future evaluations are done at cost after amortization using the effective interest rate method. For the organization, the amortized cost is generally the cost due to the short-term maturity.

Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term liquid investments with maturities of three months or less.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property and equipment

Property and equipment are accounted for at cost.

Amortization of property and equipment is based on their estimated useful lives using the straight-line method at the following rates or terms:

Computer equipment	33 $\frac{1}{3}$ %
Software and website	20% and 33 $\frac{1}{3}$ %
Office furniture and equipment	20%
Leasehold improvements	Over the balance of the lease term

Deferred revenue

Short-term deferred revenue, comprising revenue from activities which extend over a period of two years and revenue from sponsors, is credited to revenue as the related expenses are incurred or as the services are rendered.

Long-term deferred revenue reflects the terms of the agreement reached between the City of Montréal and Parking Montreal, Limited Partnership of which the organization is the sole limited partner. The limited partnership has recorded goodwill amounting to \$499,500 in favour of the organization in recognition of its contribution to the creation of the entity as well as its know-how and its financing of the enterprise. This goodwill is capitalized as part of the cost of the investment in Parking Montreal, Limited Partnership. Offsetting deferred revenue is amortized on a straight-line basis over the life of the agreement, namely 30 years, beginning July 1, 1995.

(2)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

Deferred lease inducement

The deferred lease inducement is amortized over the balance of the terms of the leases using the straight-line method.

Non-monetary transactions

Goods and services received free of charge are not accounted for in the financial statements.

3 Changes in accounting policies

- a) For the year ended June 30, 2008

On July 1, 2007, the organization adopted the following recommendations of the Canadian Institute of Chartered Accountants (“CICA”) Handbook.

Section 3855, “Financial Instruments – Recognition and Measurement”

This Section describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

This Section requires that:

- i) all financial assets be measured at fair value, with some exceptions such as loans and investments that are classified as held to maturity;
- ii) all financial liabilities be measured at fair value if they are derivatives or classified as held-for-trading purposes. Other financial liabilities are measured at their carrying value; and
- iii) all derivative financial instruments are measured at fair value, even when they are part of a hedging relationship.

The impact of the adoption of this new standard has been considered in the fund balances at the beginning of the year and is detailed in note 5 to these financial statements.

Section 1506, “Accounting Changes”

This standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors. This new standard has no impact on the financial statements.

(3)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

b) Future accounting changes

In December 2006 and June 2007, the CICA issued the following four accounting standards: Section 1400, "General Standards of Financial Statement Presentation"; Section 1535, "Capital Disclosures"; Section 3862, "Financial Instruments – Disclosures"; and Section 3863, "Financial Instruments – Presentation". These new standards will be effective July 1, 2008 for the organization.

Section 1400, "General Standards of Financial Statement Presentation"

This Section has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. This new standard has no impact on the financial statements.

Section 1535, "Capital Disclosures"

This new standard establishes disclosure requirements concerning capital such as: qualitative information about its objectives, policies and processes for managing capital; quantitative data about what an entity regards as capital; and whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. The organization is evaluating the impact of this new standard on its financial statements.

Section 3862, "Financial Instruments – Disclosures", and Section 3863, "Financial Instruments – Presentation"

These new standards replace Section 3861, "Financial Instruments – Disclosure and Presentation", revising and enhancing its disclosure requirements. These new standards have not changed the presentation requirements. The organization is evaluating the impact of these new standards on its financial statements.

4 Accounts receivable

	2008 \$	2007 \$
Accounts receivable	395,017	565,698
Allowance for doubtful accounts	(15,000)	(15,000)
	<u>380,017</u>	<u>550,698</u>
Board of Trade of Metropolitan Montreal Foundation	45,754	-
Centre d'affaires Info entreprises	48,569	232,876
World Trade Centre Montréal Inc.	72,105	39,026
Fonds Ville-Marie	18	-
Interest on investments	-	4,082
	<u>546,463</u>	<u>826,682</u>

(4)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

5 Investments

In compliance with Section 3855 of the CICA Handbook, on July 1, 2007, investments were recorded at fair value, resulting in a decrease in surplus of an amount of \$5,933 as at July 1, 2007.

	2008 \$		
Investments in monetary funds of Fiera Capital Inc., at fair value			
Money market	23,985		
Canadian bonds	160,875		
Canadian shares	109,125		
International diversified shares	87,137		
Investment in Accesum inc. and its subsidiary, Parking Montreal, Limited Partnership	500,100		
Investment in World Trade Centre Montréal Inc.	7,500		
	<u>888,722</u>		
Less: Current portion	23,985		
	<u>864,737</u>		
		<u>2007</u>	
	<u>Cost</u>	<u>Fair value</u>	
	\$	\$	
Bonds, bearing interest at rates ranging from 3.80% to 5.65%, maturing from September 2007 to July 2013	304,103	298,170	
Investment in Accesum inc. and its subsidiary, Parking Montreal, Limited Partnership	500,100	500,100	
Advance to World Trade Centre Montréal Inc., repayable in monthly instalments of \$4,199, including interest at the rate of 9%, maturing June 1, 2008	48,010	48,010	
Investment in World Trade Centre Montréal Inc.	7,500	7,500	
	<u>859,713</u>	<u>853,780</u>	
Less: Current portion	156,323	156,323	
	<u>703,390</u>	<u>697,457</u>	

(5)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

6 Property and equipment

			2008	2007
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	140,573	102,119	38,454	55,525
Software and website	109,686	72,041	37,645	53,115
Office furniture and equipment	92,798	28,579	64,219	30,049
Leasehold improvements	381,854	219,325	162,529	200,714
	<u>724,911</u>	<u>422,064</u>	<u>302,847</u>	<u>339,403</u>

7 Credit facility

As at June 30, 2008, the organization had a credit facility of \$300,000, bearing interest at prime rate and renewable on December 31, 2008. A first ranking moveable hypothec on the universality of the organization's present and future accounts receivable has been given as security for that credit facility. As at June 30, 2008, the credit facility was not used.

8 Accounts payable

	2008 \$	2007 \$
Trade and accrued charges	601,704	595,767
Board of Trade of Metropolitan Montreal Foundation	-	15,000
Salaries and vacation pay	392,249	520,429
Sales taxes	36,332	-
	<u>1,030,285</u>	<u>1,131,196</u>

9 Statement of revenue and expenses

Excess of revenue over expenses includes amortization of property and equipment of \$114,950 (2007 – \$153,115).

Other revenue principally includes revenue from controlled companies of \$1,735,991 (2007 – \$1,824,035), detailed in note 13, and investment revenue of \$30,862 (2007 – \$49,404).

(6)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

10 Restructuring

As a result of a decrease in government sources funding, the organization re-examined its structure to reduce salaries in order to increase the profitability of its operations. Layoffs were made in various departments but do not represent closing of operations. Global remuneration was not affected because the layoffs were carried out at the end of the fiscal year. Related severance pay has been presented separately in the financial statements.

11 Commitments

The organization has lease commitments with a balance of \$1,768,237, excluding property taxes and other escalator clauses. Minimum payments payable over the next five years are as follows:

	\$
2009	299,936
2010	315,631
2011	320,862
2012	329,584
2013	502,224

12 Controlled and economic interest entities

The organization controls World Trade Centre Montréal Inc., Fonds Ville-Marie, Centre d'affaires Info enterprises and Board of Trade of Metropolitan Montreal Foundation since the organization appoints the majority of the members of the boards of directors as provided by the constitutional bylaws of the entities. In addition, the organization controls its wholly owned subsidiary, Accesum inc., and Parking Montreal, Limited Partnership.

The above-mentioned entities have not been consolidated in the organization's financial statements. The condensed financial statements of the controlled entities are as follows for the fiscal year indicated.

(7)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

World Trade Centre Montréal Inc.

World Trade Centre Montréal Inc. is a not-for-profit organization whose mandate is to train, advise and support companies, sectoral associations, institutions and economic development organizations across Quebec and other provinces in Canada in their efforts to penetrate foreign markets. World Trade Centre Montréal Inc. is fully integrated into the network of World Trade Centers.

	2008 \$	2007 \$
Balance sheet		
Total assets	741,336	711,892
Total liabilities	584,810	555,196
Total surplus	156,526	156,696
	<u>741,336</u>	<u>711,892</u>
Revenue and expenses		
Total revenue	2,681,927	2,821,904
Total expenses	2,682,097	2,810,469
Excess of revenue over expenses (expenses over revenue)	<u>(170)</u>	<u>11,435</u>
Cash flows		
Operating activities	(44,952)	359,422
Investing activities	(4,439)	(24,321)
Financing activities	(48,010)	(43,893)
Net change in cash and cash equivalents	<u>(97,401)</u>	<u>291,208</u>

(8)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

Fonds Ville-Marie

Fonds Ville-Marie is a not-for-profit organization which promotes the socio-economic development of Montréal.

	2008 \$	2007 \$
Balance sheet		
Total assets	2,210,442	2,241,376
Total liabilities	132,326	113,701
Total net assets	<u>2,078,116</u>	<u>2,127,675</u>
	<u>2,210,442</u>	<u>2,241,376</u>
Revenue and expenses		
Total revenue	824,514	902,104
Total expenses	774,203	680,891
Excess of revenue over expenses	<u>50,311</u>	<u>221,213</u>
Cash flows		
Operating activities	85,841	157,969
Investing activities	(161,115)	(276,945)
Decrease in cash and cash equivalents	<u>(75,274)</u>	<u>(118,976)</u>

(9)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

Centre d'affaires Info entreprises

Centre d'affaires Info entreprises is a not-for-profit organization whose mandate is to provide businesses in all regions of Canada with business information on provincial and federal government programs, services and regulations.

	March 31, 2008 \$	March 31, 2007 \$
Balance sheet		
Total assets	171,039	197,941
Total liabilities	146,220	177,009
Total surplus	24,819	20,932
	<u>171,039</u>	<u>197,941</u>
Revenue and expenses		
Total revenue	1,334,958	1,136,537
Total expenses	1,331,071	1,131,621
Excess of revenue over expenses	<u>3,887</u>	<u>4,916</u>
Cash flows		
Net increase in cash and cash equivalents	<u>25,020</u>	<u>12,878</u>

(10)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

Accesum inc.

Accesum inc. is a business corporation incorporated with the main purpose of acting as a general partner to Parking Montreal, Limited Partnership. The latter operates and manages the activities related to tariff parking in accordance with the terms of an agreement with the City of Montréal. The combined financial statements of Accesum inc. and Parking Montreal, Limited Partnership are as follows:

	December 31, 2007 \$	December 31, 2006 \$
Balance sheet		
Total assets	80,277,242	64,368,104
Total liabilities	79,777,141	63,868,003
Total capital	500,101	500,101
	<u>80,277,242</u>	<u>64,368,104</u>
Revenue and expenses		
Total revenue	57,624,090	38,418,835
Total expenses	57,324,090	38,118,835
Excess of revenue over expenses	<u>300,000</u>	<u>300,000</u>
Cash flows		
Operating activities	21,953,156	12,835,655
Investing activities	(19,181,500)	(5,997,503)
Financing activities	(3,333,333)	(3,333,334)
Net change in cash and cash equivalents	<u>(561,677)</u>	<u>3,504,818</u>

(11)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

Board of Trade of Metropolitan Montreal Foundation

The organization has an economic interest in the Board of Trade of Metropolitan Montreal Foundation due to the fact that the Foundation manages its assets and allocates its revenue in order to secure the long-term financial viability of the organization.

	2008 \$	2007 \$
Balance sheet		
Total assets	3,907,848	4,072,345
Total liabilities	49,910	4,276
Total net assets	3,857,938	4,068,069
	<u>3,907,848</u>	<u>4,072,345</u>
Revenue and expenses		
Total revenue	207,768	434,144
Total expenses	447,804	214,786
Excess of revenue over expenses (expenses over revenue)	(240,036)	219,358
Cash flows		
Operating activities	(138,209)	(205,116)
Investing activities	139,776	205,845
Net increase in cash	1,567	729

(12)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2008

13 Related party transactions

The principal transactions concluded between controlled companies and the organization during the year are as follows:

	2008 \$	2007 \$
Revenue		
Management fees	675,618	674,545
Royalties	400,000	400,000
Interest	2,373	6,490
Contribution	175,000	270,000
Rent	423,000	423,000
Others	60,000	50,000
Expenses		
Contribution	226,500	138,000

These transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(13)

**BOARD OF DIRECTORS
OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL
PROPOSED FOR 2008-2009**

According to the by-law 34 of the Code of Administrative by-laws of the Board of Trade, the Nominating Committee is proposing to the members the following candidates to serve on the board of directors for fiscal year 2008-2009

Dimitri Antonopoulos
Vice-President, Marketing & Hotel and Restaurant Development
The Antonopoulos Group

Marc-André Blanchard
Managing Partner, Quebec Region
McCarthy Tétraut

Manon Brouillette
Senior Vice-President
Market and Business
Strategic Development
Videotron Ltd.

Charles-Mathieu Brunelle
Executive Director
Montréal's Nature Museums

Isabelle Courville
President
Hydro-Québec TransÉnergie

Robert Desbiens
Senior Vice-President, Corporate
Strategies
R3D Consulting Inc.

Hélène Desmarais
Chair of the Board and
Chief Executive Officer
Centre d'entreprises et
d'innovation de Montréal

Sylvie Giguère
Vice-President, Medium Business Market
Bell Canada

François Giroux
President
Groupe Lacasse

Michael Goodman
President and Founder
Michael Goodman Executive Search

Joseph Iannicelli
President and Chief Executive Officer
The Standard Life Assurance Company
of Canada

Luc Martin
National Manufacturing Leader -
Canada
Deloitte

Frédéric Michel
President
Jeune Chambre de commerce de
Montréal

John Parisella
President
BCP Ltd.

Lorraine Pintal
Artistic and General Director
Théâtre du Nouveau Monde

Roger Plamondon
President
Société en commandite
Stationnement de Montréal

Jan-Fryderyk Pleszczynski
General Manager & Vice-President
Corporate Affairs
Digital Dimension

Rémi Racine
President and Executive Producer
Artificial Mind & Movement (A2M)

Erik Ryan
Vice-President, Communications
and External Relations
Rio Tinto Alcan Primary Metal

Jérôme Silvestre
President and CEO
sanofi-aventis Canada Inc.

Martin Spalding
Assistant Vice-President
Sales and Marketing
Astral Media Radio Inc.

Peter Todd
James McGill Professor and Dean
Desautels Faculty of Management
McGill University

Sylvain Vincent
Managing Partner, Quebec, and
Member of Canadian Executive
Committee
Ernst & Young LLP

Luc Vinet
Rector
Université de Montréal

**ANNUAL MEETING OF THE BOARD OF TRADE
OF METROPOLITAN MONTREAL FOUNDATION**

October 29, 2008 - 4:30 p.m. to 5:30 p.m. | Centre d'archives de Montréal, Gilles-Hocquart Building
535 Viger Avenue West, Montréal

AGENDA

1. Call to order, declaration of quorum and approval of the agenda
2. Approval of the minutes of the members annual meeting of October 11, 2007
3. Chairman's report
4. Financial report - fiscal year ended June 30, 2008
5. Appointment of auditors
6. Election of the board of directors for fiscal year 2008-2009
7. Miscellaneous
8. Termination of annual meeting



ANNUAL MEETING OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL FOUNDATION

MINUTES

Minutes of the annual meeting of members of the Board of Trade of Metropolitan Montreal Foundation on October 11, 2007, at the Hôtel Omni Mont-Royal, Salon Pierre-de-Coubertin. The meeting was chaired by Jean Laurin, chair of the Foundation.

The meeting was attended by approximately 100 people, and Jacinthe Poirier served as recording secretary.

1. CALL TO ORDER OF THE MEETING, DECLARATION OF QUORUM, AND APPROVAL OF THE AGENDA

Jean Laurin reminded those present that only members and proxy holders for members of the Board of Trade Foundation could address the assembly.

On a motion by Raoul Côté, seconded by Marie-Claude Lalande, the agenda was unanimously approved.

2. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF MEMBERS ON OCTOBER 12, 2006

On a motion by Marie-Claude Lalande, seconded by Pierre Laferrière, the minutes of the above-mentioned meeting were unanimously approved as if read.

3. REPORT FROM THE CHAIR

Mr. Laurin explained that the mission of the Foundation is to monitor the progress and management of the assets in the Foundation's portfolio.

During the past year, a search for a new portfolio manager was carried out and the criteria for the evaluation process were revised. Following this process, the mandate was entrusted to Fiera Capital.

Throughout the coming year, the Foundation's mission will be reviewed, and past presidents will be invited to participate in the discussion.

Mr. Laurin thanked the members of the board of directors for their work throughout the year and mentioned the departure of Marie-Claude Lalande and Manon Vennat. He also thanked Éric Meunier, vice-president, Administration, and his team.

4. FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Claude Michaud, treasurer, presented the financial report for the fiscal year ended June 30, 2007, and stated that the auditors' report was without reservation and accurately reflects the financial situation of the Foundation as at June 30, 2007.

The highlights of the financial statements approved by the board of directors on September 14, 2007, were explained.

The balance sheet reveals that there were current assets of \$146,598, investments of \$3,925,747, and total assets of \$4,072,345.

Under liabilities, there were accounts payable of \$4,276.

The unappropriated surplus was \$4,068,069.

On the operations summary, total revenues were \$434,144, including a contribution of \$15,000

from the Board of Trade for this year and a gain on disposal of investments of \$260,663 following the change in the portfolio manager. Expenses included \$18,586 in investment management fees, \$8,004 in management fees for the Board of Trade, \$13,000 in professional fees (Aon consultant) and \$196 in administrative expenses.

The year, the Foundation gave the same contribution to the Board of Trade as last year (\$175,000). With this contribution, the excess of revenues over expenses was \$219,358.

The statement of cash flows indicates an increase in cash of \$729. This variation was caused by a reduction in operating activities of \$205,116 offset by the sale of investments of \$205,845.

The notes to the financial statements included the Foundation's significant accounting policies.

Note 4 listed the book and market values of investments for the last five years.

The financial statements for the fiscal year ended June 30, 2007, approved by the board of directors at their September 14, 2007, meeting, were tabled.

5. APPOINTMENT OF AUDITORS

At its meeting on September 14, 2007, the Foundation's board of directors recommended the appointment of the firm PricewaterhouseCoopers as external auditors for fiscal 2007-2008.

Moved by Guy Fréchette and seconded by Marie-Claude Lalande, the appointment of the auditors for fiscal 2007-2008 was unanimously approved.

6. ELECTION OF THE BOARD OF DIRECTORS FOR FISCAL 2007-2008

In accordance with article 31 of the Foundation's general by-laws, the Nominating Committee was formed of the following members:

Jean Laurin
President and CEO
GVA Devencore

Isabelle Hudon
President and CEO
Board of Trade of Metropolitan Montreal

Nycol Pageau-Goyette
President
Pageau-Goyette and associates

Manon Vennat
President
Manon Vennat and associates

In accordance with Article 31 of the general by-laws of the Board of Trade's Foundation, the Nominating Committee recommended the following people to serve on the Foundation's board of directors for fiscal 2007-2008:

Isabelle Hudon
President and CEO
Board of Trade of Metropolitan Montreal

Pierre Laferrière
President
Canadian Council for Research in Disease Management

Pierre Laflamme
Partner
McCarthy Tétrault

Jean Laurin
President and CEO
GVA Devencore

Elliot Lifson
Vice-chair of the board
Vêtements Peerless Clothing Inc.

Claude Michaud
Executive vice-president, Finance, and CFO
Kangourou Media Inc.

Nycol Pageau-Goyette
President
Pageau-Goyette and associates

On a motion by Marie-Claude Lalande, seconded by Guy Fréchette, the composition of the board of directors for fiscal 2007-2008 was unanimously approved.

7. MISCELLANEOUS

No points were added under this item.

8. ADJOURNMENT OF THE FOUNDATION'S ANNUAL MEETING

Mr. Laurin thanked the board members for the work done throughout the year.

On a motion by Raoul Côté, seconded by Marie-Claude Lalande, the annual meeting was adjourned by unanimous consent.

CHAIR

BOARD OF TRADE OF METROPOLITAN MONTREAL FOUNDATION

FINANCIAL STATEMENTS JUNE 30, 2008

PricewaterhouseCoopers
LLP/s.r.l./s.e.n.c.r.l.
Chartered Accountants
 1250 René-Lévesque Boulevard West
 Suite 2800
 Montréal, Quebec
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 Telephone +1 514 205 5000
 Facsimile +1 514 876 1502

September 26, 2008

Auditors' Report

**To the Members of the
 Board of Trade of Metropolitan Montreal Foundation**

We have audited the balance sheet of the **Board of Trade of Metropolitan Montreal Foundation** (the "Foundation") as at June 30, 2008 and the statements of operations, surplus and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by 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.

PricewaterhouseCoopers LLP

Chartered Accountants

"PricewaterhouseCoopers" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership, or, as the context requires, the PricewaterhouseCoopers global network or other member firms of the network, each of which is a separate and independent legal entity.

Board of Trade of Metropolitan Montreal Foundation

Balance Sheet
As at June 30, 2008

	2008	2007
	\$	\$
Assets		
Current assets		
Cash	7,184	5,617
Accounts receivable (note 4)	528	15,981
Current portion of balance of land sale	-	125,000
	<u>7,712</u>	<u>146,598</u>
Investments		
Pooled funds (note 5)	3,900,136	3,925,747
	<u>3,907,848</u>	<u>4,072,345</u>
Liabilities		
Current liabilities		
Accounts payable (note 6)	49,910	4,276
Surplus		
Unrestricted	<u>3,857,938</u>	<u>4,068,069</u>
	<u>3,907,848</u>	<u>4,072,345</u>

Approved by the Board of Directors

 Director

 Director

Board of Trade of Metropolitan Montreal Foundation

Statement of Operations

For the year ended June 30, 2008

	2008 \$	2007 \$
Revenue		
Interest and dividends	207,768	158,481
Unrealized loss on investments	(195,321)	-
Gain (loss) on disposal of investments	(52,045)	260,663
Contribution from the Board of Trade of Metropolitan Montreal	-	15,000
	<u>(39,598)</u>	<u>434,144</u>
Expenses		
Management fees		
Investments	17,318	18,586
Board of Trade of Metropolitan Montreal	8,004	8,004
Professional fees	-	13,000
Administrative expenses	116	196
	<u>25,438</u>	<u>39,786</u>
Excess of revenue over expenses (expenses over revenue) before contribution to the Board of Trade of Metropolitan Montreal	(65,036)	394,358
Contribution to the Board of Trade of Metropolitan Montreal	<u>175,000</u>	<u>175,000</u>
Excess of revenue over expenses (expenses over revenue)	<u>(240,036)</u>	<u>219,358</u>

Board of Trade of Metropolitan Montreal Foundation

Statement of Surplus

For the year ended June 30, 2008

	2008 \$	2007 \$
Unrestricted surplus – Beginning of year	4,068,069	3,848,711
Changes in accounting policies – Financial instruments (note 3)	29,905	-
Excess of revenue over expenses (expenses over revenue)	<u>(240,036)</u>	<u>219,358</u>
Unrestricted surplus – End of year	<u>3,857,938</u>	<u>4,068,069</u>

Board of Trade of Metropolitan Montreal Foundation

Statement of Cash Flows

For the year ended June 30, 2008

	2008 \$	2007 \$
Cash flows from		
Operating activities		
Excess of revenue over expenses (expenses over revenue)	(240,036)	219,358
Adjustments for		
Unrealized loss on investments	195,321	-
Loss (gain) on disposal of investments	52,045	(260,663)
Investment revenue reinvested	(206,626)	(148,581)
	(199,296)	(189,886)
Change in non-cash working capital items	61,087	(15,230)
	(138,209)	(205,116)
Investing activities		
Purchase of investments	(555,000)	(6,415,055)
Proceeds on disposal of investments	569,776	6,495,900
Decrease in balance of land sale	125,000	125,000
	139,776	205,845
Net increase in cash during the year	1,567	729
Cash – Beginning of year	5,617	4,888
Cash – End of year	7,184	5,617

Board of Trade of Metropolitan Montreal Foundation

Notes to Financial Statements

June 30, 2008

1 Statutes of incorporation and nature of activities

The Board of Trade of Metropolitan Montreal Foundation (the “Foundation”) is incorporated under Part II of the Canada Corporations Act. The purpose of the Foundation is to administer its assets and allocate its income to best secure the long-term future of the Board of Trade of Metropolitan Montreal.

2 Significant accounting policies

Management 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Financial instruments

Financial assets are initially recorded at their fair value and their revaluation depends on their classification, as described hereafter. Their classification depends on the object concerned when the financial instrument was acquired or issued, their characteristics and their designation by the organization. The accounting at the date of payment is used. Financial liabilities are recorded at cost.

- Cash and investments are classified as held-for-trading assets. They are presented at fair value, and the gains or losses related to the revaluation at the end of each period are included in profit and loss.
- Accounts receivable are classified as loans and receivables. After being initially recorded at fair value, they are evaluated at cost after amortization using the effective interest rate method. For the Foundation, the amortized cost is generally the cost due to the short-term maturity.
- Accounts payable are classified as other financial liabilities. They are initially evaluated at fair value, and future evaluations are done at cost after amortization using the effective interest rate method. For the Foundation, the amortized cost is generally the cost because of the short-term maturity.

The Foundation has estimated the fair value of its financial instruments based on current interest rates, market value and current pricing of financial instruments with similar terms and conditions. Unless otherwise indicated, the carrying value of these financial instruments is considered to approximate their fair value.

Board of Trade of Metropolitan Montreal Foundation

Notes to Financial Statements

June 30, 2008

3 Changes in accounting policies

- a) For the year ended June 30, 2008

On July 1, 2008, the Foundation adopted the following recommendations of the Canadian Institute of Chartered Accountants (“CICA”) Handbook:

Section 3855, “Financial Instruments – Recognition and Measurement”

This Section describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

This Section requires that:

- i) all financial assets be measured at fair value, with some exceptions such as loans and investments that are classified as held to maturity;
- ii) all financial liabilities be measured at fair value if they are derivatives or classified as held for trading purposes. Other financial liabilities are measured at their carrying value;
- iii) all derivative financial instruments be measured at fair value, even when they are part of a hedging relationship.

The impact of the adoption of this new standard has been considered in the Fund balances at the beginning of the year and is detailed in note 5 to these financial statements.

Section 1506, “Accounting Changes”

This standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors. This new standard has no impact on the financial statements.

- b) Future accounting changes

In December 2006 and June 2007, the CICA issued the following four accounting standards: Section 1400, “General Standards on Financial Statement Presentation”; Section 1535, “Capital Disclosures”; Section 3862, “Financial Instruments – Disclosures”; and Section 3863, “Financial Instruments – Presentation”. These new standards will be effective July 1, 2008 for the Foundation.

Section 1400, “General Standards of Financial Statement Presentation”

This Section has been amended to include requirements to assess and disclose an entity’s ability to continue as a going concern. This new standard has no impact on the financial statements.

(2)

Board of Trade of Metropolitan Montreal Foundation

Notes to Financial Statements

June 30, 2008

Section 1535, “Capital Disclosures”

This new standard establishes disclosure requirements concerning capital such as: qualitative information about its objective, policies and processes for managing capital; quantitative data about what an entity regards as capital; whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. The Foundation is evaluating the impact of this new standard on its financial statements.

Section 3862, “Financial Instruments – Disclosures”, and Section 3863, “Financial Instruments – Presentation”

These new standards replace Section 3861, “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements. These new standards have not changed the presentation requirements. The Foundation is evaluating the impact of these new standards on its financial statements.

4 Accounts receivable

	2008 \$	2007 \$
Board of Trade of Metropolitan Montreal	-	15,000
Interest from investments	-	316
Sales taxes	528	665
	<u>528</u>	<u>15,981</u>

(3)

Board of Trade of Metropolitan Montreal Foundation

Notes to Financial Statements

June 30, 2008

5 Pooled funds

In compliance with Section 3855 of the CICA Handbook, on July 1, 2007, an amount of \$29,905 was recorded in reduction of the surplus at the beginning of the year to revalue the investments at the fair value.

	<u>2008</u>		<u>2007</u>
	Market value \$	Market value \$	Cost value \$
Investments in monetary funds of Fiera Capital			
Money market	20,873	75,289	75,850
Canadian bonds	1,512,197	1,709,139	1,763,884
Canadian shares	861,411	1,149,675	1,058,043
International diversified shares	641,591	1,021,541	1,027,970
Diversified absolute returns	573,984	-	-
Tactic asset allocation	290,080	-	-
	<u>3,900,136</u>	<u>3,955,644</u>	<u>3,925,747</u>

6 Accounts payable

	<u>2008</u>	<u>2007</u>
	\$	\$
Trade and accrued charges	4,156	4,276
Board of Trade of Metropolitan Montreal	45,754	-
	<u>49,910</u>	<u>4,276</u>

7 Related party transactions

The Foundation has concluded transactions with the Board of Trade of Metropolitan Montreal, an organization which has members in common with the Foundation. The transactions occurred in the normal course of operations and were measured at the exchange amount which is the amount of consideration agreed to by the related parties.

BOARD OF DIRECTORS OF THE BOARD OF TRADE OF METROPOLITAN MONTREAL FOUNDATION PROPOSED FOR 2008-2009

According to article 30 of the general by-laws of the Board of Trade Foundation, the nominations committee is proposing to the members the following candidates to serve on the Foundation board of directors for fiscal year 2008-2009.

Hélène Desmarais
Chair of the Board and
Chief Executive Officer
Centre d'entreprises et
d'innovation de Montréal

Pierre Laferrière
President
Canadian Council for Research in
Disease Management

Pierre Laflamme
Partner
McCarthy Tétrault

Marie-Claude Lalande
Manager, Administration and
Governance
Hydro-Québec TransÉnergie

Jean Laurin
President and Chief Executive Officer
GVA Devencore

Claude Michaud
Chief and Financial Officer
Groupe Lagassé

(4)