

# **FINANCIAL REPORT 2014**

ACCESUM INC.  
AND  
SOCIÉTÉ EN COMMANDITE  
STATIONNEMENT DE MONTRÉAL



## **Board of Directors**

### **ACCESUM INC.**

**AS GENERAL PARTNER FOR SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL**

#### **Rémi Racine<sup>3</sup>**

President and Chief Executive Officer  
Behaviour Interactif  
Chair of the Board of Directors  
Accesum Inc.

#### **Lise Aubin<sup>2,3</sup>**

Vice-President, Operations and Administration  
Board of Trade of Metropolitan Montréal

#### **Benoit Bessette<sup>1,3</sup>**

Vice-President, Marketing and Communication  
Camoplast Solideal

#### **Marie-Claude Gévr<sup>2,3</sup>**

Company Director

#### **Me André Goyer<sup>1,3</sup>**

Executive Vice-President and Chief Legal Officer  
ACCEO Solutions Inc.

#### **Raoul Cyr<sup>2,3</sup>**

Director, Accounting and Financial Information  
City of Montréal

#### **Pierre LeBlanc<sup>1,3</sup>**

Director and head volunteer  
Fondation Montréal inc.

#### **Aref Salem<sup>1,3</sup>**

Member of the Executive Committee – Manager, Transportation  
City of Montréal

1. Governance and Human Resources Committee

2. Finance and Audit Committee

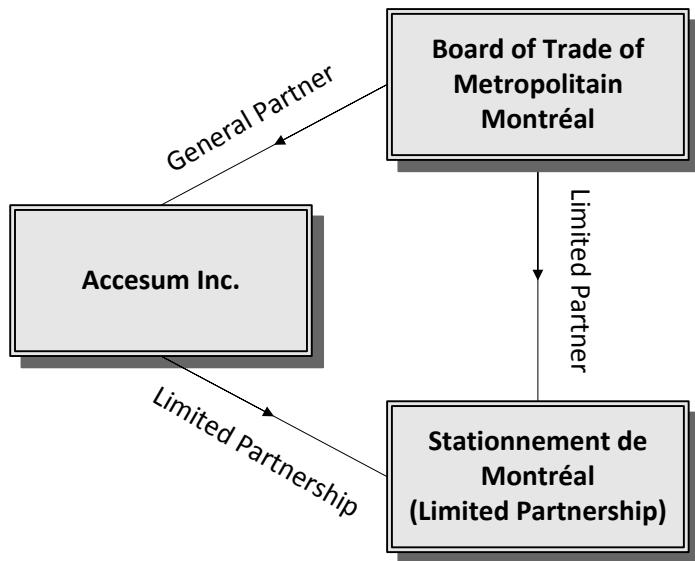
3. Strategy Committee (ad hoc)

## Our mission

Since its creation in 1995, Société en commandite Stationnement de Montréal (the “Company”) has been a leading player in the development of operational solutions for urban travel. Originally founded to ensure the optimal management of municipal paid on-street and off-street parking, the Company was quickly recognized for its innovation, its advantageous use of cutting-edge technologies and the harmonious integration of its installations into the urban landscape.

## Do you know Accesum Inc.?

Stationnement de Montréal is a subsidiary of the Board of Trade of Metropolitan Montréal. By its very nature, the Company has no board of directors. Accesum Inc., its general partner, acts on behalf of Stationnement de Montréal. The Board of Trade of Metropolitan Montréal is the limited partner of Accesum Inc.



# 2014 Highlights

**\$62.9 M** in on-street parking income;

**26,029,000** on-street and off-street transactions made during the year;

The *P\$ Mobile Service* app accounted for **25.3%** of all payment transactions during the year.

At the pay station level, **38.8%** were made by credit card and **35.9%** with cash;

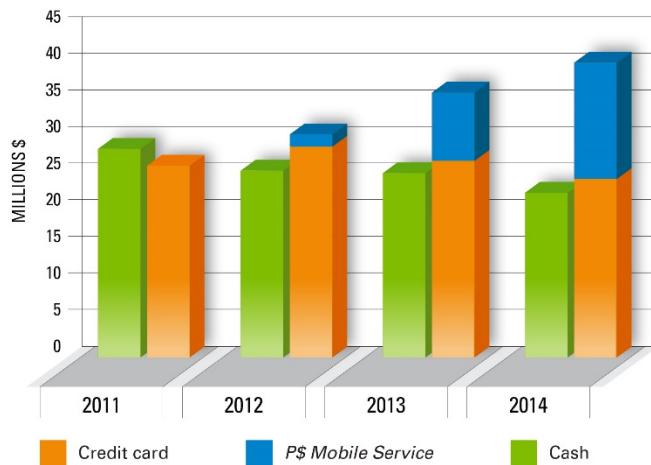
**434,000** users registered to the *P\$ Mobile Service* app;

**18,317** paid on-street parking spaces;

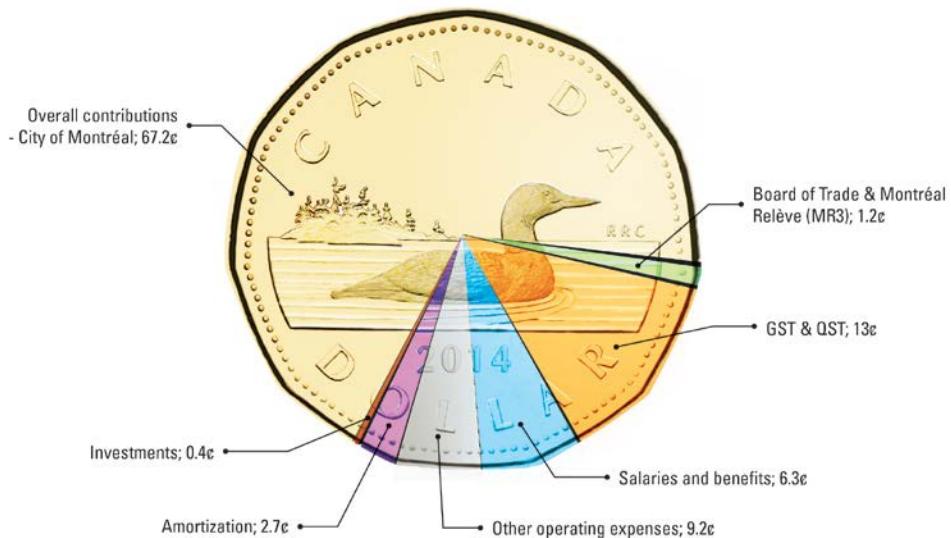
**27,478** bi-weekly, monthly and quarterly parking permits issued for **33** parking lots comprised of a total of **3,288** spaces;

**1,505** on-street and off-street pay stations.

Evolution of on-street revenues by payment method



2014 breakdown of each dollar spent on parking facilities



## A WORD FROM MANAGEMENT

As you read this financial report, you will notice that the Société has made remarkable strides in implementing its 2012-2015 strategic plan.

Said plan features three main strategic pillars, namely updating our mission, optimizing technologies, as well as aligning our structure and capacity to our vision. Among other objectives, this plan aims to enable us to consolidate our position as a leader in Montréal's parking operations and focus on technologies that can enhance users' parking experience.

### On the leading edge of the best practices

Implementing the best practices in the parking industry is of key importance to the Société. To this end, it has once again taken part in the International Parking Institute's convention, which enabled it to strengthen its relationships with some of the industry's seasoned suppliers and develop new contacts among representatives of North American cities.

In this regard, the benchmarking of best practices enabled the Société to produce a study on the concept of Demand-Based Pricing (DBP). This emerging approach in parking management enables to improve quality of life by addressing targeted concerns regarding the overuse of parking spaces, which contributes to traffic, the emission of greenhouse gases and infrastructure wear. This study led the Société to explore said approach's benefits for the City of Montréal and how it could be implemented.

### Smart parking

The concept of smart parking has been a reality at the Société for the past several years, specifically since the integration of the pay stations in 2005. Since then, the Société has continued to listen to user feedback and quickly adapted to their technologically inclined habits by developing the *P\$ Mobile Service* app, which makes life easier for drivers. As a result, paying for a parking space without having to go to the pay station itself marked a turning point in Montrealers' parking habits.

Moreover, the Société implements all its tech optimization initiatives with an eye on carefully proposing the best parking solutions to the City of Montréal. Indeed, as part of a pilot project launched in 2013, the Société has analyzed smart sensor technology, which enables to capture precise, real-time data pertaining to on-street parking usage. With the goal of managing parking resources in real-time, the Société continued its assessment after installing nearly 200 additional sensors, using different technology, in an area of downtown Montréal. These tests will help the Société validate the system's accuracy and test the durability of the devices' physical components under winter conditions.

Still with an eye on assessing best practices, the Société is currently producing a proof of concept that would enable it to improve compliance to parking regulations through a licence plate recognition system ("LPRS"). To this end, a vehicle equipped with cameras and bearing the Société's markings is circulating to test the accuracy with which this technology links a licence plate reading to the correct space, as well as said reading's visual quality.

### **Confirmed leadership and expertise**

The Société has joined forces with the City of Montréal to support its development of an official parking policy. Moreover, the Société's vision regarding parking facilities in the downtown area led it to table a report on the current state of public parking.

### **P\$ Mobile Service**

As anticipated upon the launch of the *P\$ Mobile Service* app in June 2012, the Société reduced its service charges for the payment of an on-street parking space from **40 ¢ to 30 ¢** on June 4, 2014.

The Société has also improved its customer service by enabling users to view the rates and regulations of all on-street paid parking spaces across Montréal. Following the launch of this new feature, on November 25, the Société noted a 15% bump in registrations between 2013 and 2014.

It goes without saying the *P\$ Mobile Service* app's popularity is consistently growing, with 152,000 new registrations generating over 5 million transactions recorded in 2014. Moreover, 25% of all on-street parking fees were paid using this new method. As a result, since 2011, the use of cash has decreased from 52% to 36% of overall revenue.

### **Sustainable development**

As a partner of the *Montréal Community Sustainable Development Plan*, the Société has maintained its efforts to achieve its objectives, such as the environmental rehabilitation of a parking lot adjacent to Promenade Fleury, in Ahuntsic. Through this project, the Société can implement strategies to help reduce heat islands.

### **An exceptional performance**

We would like to share some highlights regarding our 2014 financial results.

In 2014, the Société contributed a total of \$52.3 million in the form of taxes, rents, permits, debenture interest, compensation and royalties, representing a \$1.8 million (4%) increase over 2013. Since its creation in 1995, the Société has contributed a cumulative total of \$589 million to the City of Montréal, including the initial payment of \$56.8 million and debenture repayment.

In accordance with the concession agreement granted to it in 1995, the Société has remitted an amount of \$400,000 to the Board of Trade of Metropolitan Montréal, as well as a yearly contribution of \$600,000 to "Montréal Relève".

In conclusion, we would like to thank the members of the Board of Directors, the management team and employees for their commitment and passion toward the Société. It is thanks to all of them that this year's achievements have been made possible.

We also extend our sincerest thanks to our clients for the trust they put in us.

In 2015, we will be seeing considerable change, including the unveiling of Montréal's first parking policy. We trust that our team will be able to overcome any challenges that emerge as part of said policy's implementation, and we will continue to ensure our organization is subject to proper



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Rémi Racine  
Chairman of the Board of Directors  
Accesum Inc.



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Charles Auger, FCPA, FCMA  
General Manager  
Société en commandite  
Stationnement de Montréal

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# Financial statements of Accesum Inc.

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December 31, 2014

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## Independent auditor's report

To the Directors of  
Accesum Inc.

We have audited the accompanying financial statements of Accesum Inc., which comprise the statement of financial position as at December 31, 2014 and the statements of changes in net debt, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Accesum Inc. as at December 31, 2014, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Deloitte LLP<sup>1</sup>*

March 27, 2015

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A120628

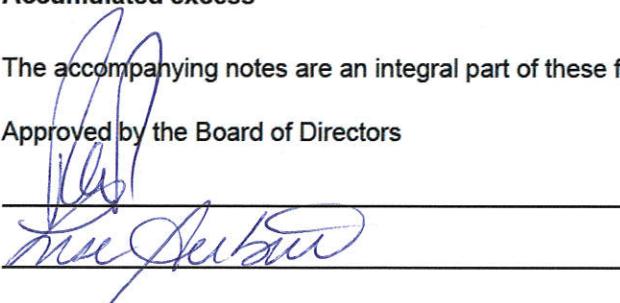
**Accesum Inc.****Statement of financial position**

As at December 31, 2014

	Notes	2014	2013
		\$	\$
<b>Assets</b>			
Cash		27,067	7,153
Due from Société en commandite			
Stationnement de Montréal		8,330	23,180
Investment	3	1	1
		<b>35,398</b>	<b>30,334</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		44,887	39,823
Due to Board of Trade of Metropolitan Montreal		100	100
		<b>44,987</b>	<b>39,923</b>
<b>Net debt</b>		(9,589)	(9,589)
<b>Non-financial assets</b>			
Prepaid expenses		9,589	9,589
<b>Accumulated excess</b>		—	—

The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors

 \_\_\_\_\_, Chairman of the Board  
 \_\_\_\_\_, Director

**Accesum Inc.****Statement of changes in net debt**

Year ended December 31, 2014

	<b>2014</b>	<b>2013</b>
	\$	\$
Excess for the year	—	—
Change in prepaid expenses	—	(278)
Change in net debt during the year	—	(278)
Net debt, beginning of year	<b>9,589</b>	9,867
Net debt, end of year	<b>9,589</b>	9,589

The accompanying notes are an integral part of these financial statements.

**Accesum Inc.**  
**Statement of operations**  
Year ended December 31, 2014

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Revenue</b>		
Indemnity from Société en commandite Stationnement de Montréal	<b>121,514</b>	127,913
<b>Expenses</b>		
Administrative services	104,069	110,320
Insurance	10,006	10,284
Other	7,439	7,309
	<b>121,514</b>	127,913
<b>Excess for the year</b>	—	—
<b>Accumulated excess, beginning and end of year</b>	—	—

The accompanying notes are an integral part of these financial statements.

**Accesum Inc.**  
**Statement of cash flows**  
Year ended December 31, 2014

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	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Operating activities</b>		
Excess for the year	—	—
Changes in non-cash working capital items		
Due from Société en commandite Stationnement de Montréal	14,850	(23,180)
Accounts receivable	—	2,966
Prepaid expenses	—	278
Accounts payable and accrued liabilities	5,064	2,997
Due to Société en commandite Stationnement de Montréal	—	(33,029)
Net increase (decrease) in cash	<b>19,914</b>	(49,968)
Cash, beginning of year	<b>7,153</b>	57,121
<b>Cash, end of year</b>	<b>27,067</b>	7,153

The accompanying notes are an integral part of these financial statements.

## **Accesum Inc.**

### **Notes to the financial statements**

December 31, 2014

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#### **1. Description of the business**

Accesum Inc. (the "Company"), incorporated on June 30, 1993, under the *Business Corporations Act* (Quebec), is the general partner of Société en commandite Stationnement de Montréal.

The Board of Trade of Metropolitan Montreal owns a \$100 interest in the Company, which is presented as a financial liability in the statement of financial position.

#### **2. Accounting policies**

The financial statements have been prepared in accordance with Canadian public sector accounting standards and reflect the following significant accounting policies:

##### *Revenue recognition*

The Company recognizes its revenue, which comprises indemnities from Société en commandite Stationnement de Montréal, as related expenses are incurred.

##### *Investment*

The investment is accounted for at cost.

##### *Non-financial assets*

The Company accounts for prepaid expenses as non-financial assets, because they can be used to provide services in future periods. Normally, these assets do not provide resources attributable to the settlement of liabilities, unless they are sold.

##### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

#### **3. Investment**

	<b>2014</b>	<b>2013</b>
	\$	\$
Investment in Société en commandite Stationnement de Montréal (one unit at \$1)	1	1

#### **4. Presentation of the budget of the Company**

The Canadian public sector accounting standards requires that the Company presents its budget in the statement of operations and in the statement of changes in net debt. Since the Company has not prepared a budget for the year ended December 31, 2014, no budget is presented in the financial statements.

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# Financial statements of Société en commandite Stationnement de Montréal

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December 31, 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Limited Partners of  
Société en commandite Stationnement de Montréal

I have audited the accompanying financial statements of Société en commandite Stationnement de Montréal, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, change in net debt and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of Société en commandite Stationnement de Montréal as at December 31, 2014 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



*Emphasis of Matter*

Without modifying my opinion, I draw attention that Société en commandite Stationnement de Montréal includes in its financial statements certain financial informations which are not required under Canadian public sector accounting standards. This information is presented in Note 7 and focuses on the allocation and use of the accumulated surplus.

Auditor General of the Ville de Montréal,

Jacques Bergeron, CPA auditor, CA

Montréal, March 27, 2015

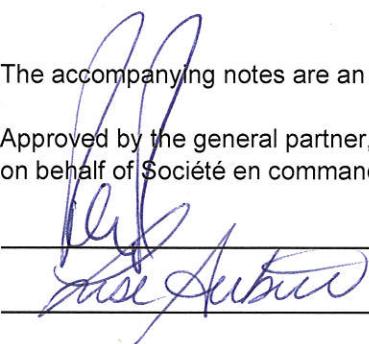
**Société en commandite Stationnement de Montréal****Statement of financial position**

As at December 31, 2014

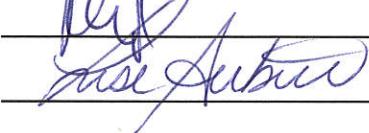
	Notes	<b>2014</b>	<b>2013</b>
		\$	\$
<b>Financial assets</b>			
Cash		<b>37,821,994</b>	35,547,078
Accounts receivable	3	<b>1,003,973</b>	117,667
		<b>38,825,967</b>	35,664,745
<b>Liabilities</b>			
Accounts payable and accrued liabilities		<b>3,452,538</b>	3,076,814
Due to Economic Development Fund		<b>300,000</b>	300,000
Due to Ville de Montréal		<b>49,953,678</b>	47,993,062
Due to Accesum Inc.		<b>8,330</b>	23,181
Due to Board of Trade of Metropolitan Montreal		<b>500,000</b>	500,000
Long-term debt	5	<b>13,333,333</b>	16,666,667
		<b>67,547,879</b>	68,559,724
<b>Net debt</b>		<b>28,721,912</b>	32,894,979
<b>Non-financial assets</b>			
Property and equipment	6	<b>10,291,212</b>	12,547,637
Deferred charges		<b>20,000,000</b>	22,000,000
Prepaid expenses		<b>219,216</b>	130,291
		<b>30,510,428</b>	34,677,928
<b>Accumulated surplus</b>	7	<b>1,788,516</b>	1,782,949
Commitments	10		

The accompanying notes are an integral part of these financial statements.

Approved by the general partner, Accesum Inc.,  
on behalf of Société en commandite Stationnement de Montréal



, Chairperson



, Director

**Société en commandite Stationnement de Montréal****Statement of changes in net debt**

Year ended December 31, 2014

	Budget 2014	2014	2013
	\$	\$	\$
<b>Annual surplus (deficit)</b>	<b>(158,126)</b>	<b>5,567</b>	<b>(128,126)</b>
Change in property and equipment			
Acquisitions	(1,042,000)	(263,355)	(310,562)
Amortization	2,641,126	2,519,780	2,551,856
	<u>1,441,000</u>	<u>2,261,992</u>	<u>2,113,168</u>
Amortization of deferred charges	2,000,000	2,000,000	2,000,000
Change in prepaid expenses	—	(88,925)	3,659
Change in net debt for the year	<u>3,441,000</u>	<u>4,173,067</u>	<u>4,116,827</u>
Net debt, beginning of year	(32,894,979)	(32,894,979)	(37,011,806)
<b>Net debt, end of year</b>	<b>(29,453,979)</b>	<b>(28,721,912)</b>	<b>(32,894,979)</b>

The accompanying notes are an integral part of these financial statements.

**Société en commandite Stationnement de Montréal**

**Statement of operations**

Year ended December 31, 2014

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Notes	<b>Budget</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Revenue</b>		
Paid on-street parking	<b>61,600,000</b>	<b>62,895,452</b>
Parking lots	<b>4,260,354</b>	<b>4,646,009</b>
Other operating revenues	<b>2,656,046</b>	<b>2,799,143</b>
Interest revenue	<b>214,000</b>	<b>284,019</b>
	<b>68,730,400</b>	<b>70,624,623</b>
		68,633,060
<b>Expenses</b>		
Paid on-street parking	<b>16,114,175</b>	<b>14,319,126</b>
Parking lots	<b>4,586,283</b>	<b>5,046,667</b>
Other operating expenses	<b>634,412</b>	<b>586,198</b>
Interest on long-term debt	<b>296,667</b>	<b>323,218</b>
Other interest and financial expenses	<b>250</b>	<b>2,727</b>
Fee for claim's resolution	—	100,000
	<b>21 631 787</b>	<b>20,277,936</b>
		20,183,674
8 <b>Earnings before compensations, royalties and amortization of property and equipment purchased from reserve fund</b>		
	<b>47,098,613</b>	<b>50,346,687</b>
		48,449,386
Compensation for contribution from Board of Trade of Metropolitan Montreal	(400,000)	(400,000)
Compensation and royalties - Ville de Montréal	(45,798,613)	(49,046,687)
Royalties - Economic Development Fund	(600,000)	(600,000)
	<b>(46,798,613)</b>	<b>(50,046,687)</b>
		(48,149,386)
<b>Earnings before amortization of property and equipment purchased from reserve fund</b>		
	<b>300,000</b>	<b>300,000</b>
		300,000
Amortization of property and equipment purchased from reserved fund	(458,126)	(294,433)
<b>Annual surplus (deficit)</b>	<b>(158,126)</b>	<b>5,567</b>
		(128,126)
Accumulated surplus, beginning of year	<b>1,782,949</b>	<b>1,782,949</b>
<b>Accumulated surplus, end of year</b>	<b>1,624,823</b>	<b>1,788,516</b>
		1,782,949

The accompanying notes are an integral part of these financial statements.

**Société en commandite Stationnement de Montréal****Statement of cash flows**

Year ended December 31, 2014

	Notes	2014	2013
		\$	\$
<b>Operating activities</b>			
Annual deficit		<b>5,567</b>	(128,126)
Items not affecting cash			
Amortization of property and equipment		<b>2,519,780</b>	2,551,856
Amortization of deferred charges		<b>2,000,000</b>	2,000,000
		<b>4,525,347</b>	4,423,730
Net changes in non-cash working capital items	9	<b>1,346,258</b>	6,982,006
		<b>5,871,605</b>	11,405,736
<b>Investing activities</b>			
Acquisition of property and equipment		<b>(263,355)</b>	(310,562)
<b>Financing activities</b>			
Repayment of long-term debt		<b>(3,333,334)</b>	(3,333,333)
Net increase in cash		<b>2,274,916</b>	7,761,841
Cash, beginning of year		<b>35,547,078</b>	27,785,237
<b>Cash, end of year</b>		<b>37,821,994</b>	35,547,078

The accompanying notes are an integral part of these financial statements.

# Société en commandite Stationnement de Montréal

## Notes to the financial statements

December 31, 2014

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### 1. Status and nature of activities

Société en commandite Stationnement de Montréal (the "Limited Partnership") was formed under a limited partnership agreement entered into on May 10, 1994. The general partner is Accessum Inc., and the Board of Trade of Metropolitan Montreal (the "Board of Trade") is the sole limited partner. The Board of Trade invested \$500,000 on inception of the Limited Partnership, and Accessum Inc. invested \$1. Those investments, which are recorded in liabilities, are repayable at the termination date of the agreement between the Limited Partnership and Ville de Montréal.

On January 1, 1995, the Limited Partnership signed an agreement with Ville de Montréal to use the public domain for the purposes of paid parking. Since then, the Limited Partnership has conducted and managed paid parking operations pursuant to an agreement entered into with Ville de Montréal, which can be renegotiated by mutual agreement or even terminated under certain conditions.

These financial statements disclose only the assets, liabilities, revenues and expenses of the Limited Partnership and do not include other assets, liabilities, revenues or expenses of the limited partner. As the Limited Partnership is not a corporation, no income taxes or capital tax have been recorded in the financial statements as such taxes are the responsibility of the limited partner.

### 2. Accounting policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards and reflect the following significant accounting policies:

#### *Revenue recognition*

The Limited Partnership recognizes its revenues, which consist of revenues from parking in Montréal, when there is clear evidence that an agreement is reached, the services are rendered, the selling price is fixed and determinable, and recovery is considered probable.

#### *Property and equipment*

Property and equipment are recorded at cost. Amortization is calculated using the straight-line method over the following useful lives:

Leasehold improvements	Lease term
Parking lot improvements	5 years
Office equipment	3 and 5 years
Pay stations	10 years
Automotive equipment	5 years
Machinery and equipment	5 years

#### *Deferred charges*

Deferred charges represent the amount of prepaid expenses regarding a concession that represents the right to use paid parking spaces for a period of 30 years. An amortization of \$2,000,000 is registered annually as a charge for using these spaces.

#### *Non-financial assets*

The Limited Partnership accounts for property and equipment, deferred charges and prepaid expenses as non-financial assets because they can be used to provide services in future periods. Normally, these assets do not provide resources attributable to the settlement of liabilities, unless they are sold.

# Société en commandite Stationnement de Montréal

## Notes to the financial statements

December 31, 2014

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### 2. Accounting policies (continued)

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for public sector requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

### 3. Accounts receivable

	<b>2014</b>	<b>2013</b>
	\$	\$
Accounts receivable	1,003,973	117,765
Allowance for doubtful accounts	—	(98)
	<b>1,003,973</b>	<b>117,667</b>

### 4. Bank loans

The Limited Partnership has a revolving term credit facility for a maximum amount equal to the lesser of \$16,000,000 or the net book value of property and equipment as at December 31, 2013, which represents \$12,547,637. This credit facility can be used in the form of bankers' acceptances that bear interest at variable rate. As at December 31, 2014, the credit facility, maturing on June 30, 2015, is unused (unused as at December 31, 2013). This facility is secured by a first mortgage on all assets of the Limited Partnership.

The Limited Partnership also has an authorized line of credit for a maximum amount of \$250,000 bearing interest at a variable rate. As at December 31, 2014, the line of credit, maturing on June 30, 2015, is unused (unused as at December 31, 2013).

### 5. Long-term debt

	<b>2014</b>	<b>2013</b>
	\$	\$
Bridge loan, bearing interest at a floating rate, in the form of a banker's acceptance, repayable in annual principal instalments of \$1,333,333, guaranteed by Ville de Montréal up to a maximum of \$40,000,000, maturing on April 30, 2015	13,333,333	14,666,667
Debenture payable at Ville de Montréal, bearing interest at an annual rate of 9%, reimbursed during the year	—	2,000,000
	<b>13,333,333</b>	<b>16,666,667</b>

Principal instalments for fiscal year 2015 are \$13,333,333.

**Société en commandite Stationnement de Montréal**

**Notes to the financial statements**

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**6. Property and equipment**

	Balance as at December 31, 2013	Acquisitions/ increases	Disposals/ write-offs	Balance as at December 31, 2014
	\$	\$	\$	\$
<b>Cost</b>				
Parking lots	5,318,669	—	—	5,318,669
Leasehold improvements	301,175	—	—	301,175
Parking lot improvements	695,335	—	(608,329)	87,006
Office equipment	1,253,517	199,380	(539,070)	913,827
Pay stations	22,102,315	—	—	22,102,315
Automotive equipment	525,219	57,860	—	583,079
Machinery and equipment	403,579	6,115	(20,844)	388,850
	30,599,809	263,355	(1,168,243)	29,694,921
<b>Accumulated amortization</b>				
Parking lots	—	—	—	—
Leasehold improvements	48,847	23,191	—	72,038
Parking lot improvements	669,073	10,901	(608,329)	71,645
Office equipment	878,297	215,775	(539,070)	555,002
Pay stations	15,715,193	2,186,881	—	17,902,074
Automotive equipment	370,676	64,846	(20,844)	414,678
Machinery and equipment	370,086	18,186	—	388,272
	18,052,172	2,519,780	(1,168,243)	19,403,709
	12,547,637			10,291,212

**Société en commandite Stationnement de Montréal****Notes to the financial statements**

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**7. Accumulated surplus**

	<b>2014</b>	<b>2013</b>
	\$	\$
Net investment from reserve fund for investments in property and equipment	697,223	991,656
Reserve fund for investments in property and equipment	<b>1,091,293</b>	791,293
	<b>1,788,516</b>	1,782,949

Pursuant to section No. XI, paragraph B of an agreement signed in 1995, the Limited Partnership has a "reserve fund for the exclusive purchase of equipment or other property related to paid parking in Montréal". Under an agreement, it is anticipated that this fund will increase by \$300,000 annually.

From 2004 to 2014, the Limited Partnership has used a reserve fund in the amount of \$3,639,971 as at December 31, 2014 (\$3,639,971 as at December 31, 2013). Net investment from the reserve fund committed to investment in property and equipment is the net book value of property and equipment. The reserve fund for investment represents amounts reserved but not yet used.

	<b>2014</b>	<b>2013</b>
	\$	\$
Investment from reserve fund, beginning of year	3,639,971	3,639,971
Amount invested during the year	—	—
Investment from reserve fund, end of year	<b>3,639,971</b>	3,639,971
Accumulated amortization of related property and equipment, beginning of year	2,648,315	2,220,189
Amortization of the year	<b>294,433</b>	428,126
Accumulated amortization of related property and equipment, end of year	<b>2,942,748</b>	2,648,315
Net balance of investment from reserve fund	<b>697,223</b>	991,656

**Société en commandite Stationnement de Montréal**

**Notes to the financial statements**

December 31, 2014

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**8. Expenses by item**

	Budget 2014	2014	2013
	\$	\$	\$
Salaries and benefits	<b>5,730,626</b>	<b>5,118,264</b>	5,421,596
Rent, maintenance of equipment and maintenance of parking lots	<b>1,913,564</b>	<b>1,382,777</b>	1,478,942
Advertising, transport and communication	<b>538,200</b>	<b>327,965</b>	413,121
Supplies	<b>469,253</b>	<b>452,167</b>	464,363
Bank, credit card, transactions and money handling fees	<b>2,494,894</b>	<b>2,951,411</b>	2,382,383
Professional services fees	<b>576,600</b>	<b>476,222</b>	538,168
Project development fees	<b>914,000</b>	<b>368,195</b>	176,715
Operational services	<b>502,946</b>	<b>534,196</b>	555,779
Other fees	<b>385,273</b>	<b>263,110</b>	295,912
Rent – parking lots	<b>2,385,551</b>	<b>2,467,314</b>	2,545,375
Rent – buildings	<b>236,177</b>	<b>290,363</b>	262,043
Management fees – Accesum Inc.	<b>155,000</b>	<b>121,514</b>	127,913
Taxes and permits	<b>2,849,786</b>	<b>2,973,146</b>	2,752,469
	<b>19,151,870</b>	<b>17,726,644</b>	17,414,779
Amortization of property and equipment	<b>2,641,126</b>	<b>2,519,780</b>	2,551,856
Amortization of property and equipment purchased from reserve fund	<b>(458,126)</b>	<b>(294,433)</b>	(428,126)
Interest on long-term debt	<b>296,667</b>	<b>323,218</b>	538,339
Other interest and financial expenses	<b>250</b>	<b>2,727</b>	6,826
Fee for claim's resolution	<b>—</b>	<b>—</b>	100,000
	<b>21,631,787</b>	<b>20,277,936</b>	20,183,674

**9. Changes in non-cash working capital items**

	2014	2013
	\$	\$
Accounts receivable	<b>(886,306)</b>	28,144
Advances to Accesum Inc.	<b>—</b>	33,030
Accounts payable and accrued liabilities	<b>375,724</b>	1,060,305
Due to Ville de Montréal	<b>1,960,616</b>	5,833,688
Due to Accesum Inc.	<b>(14,851)</b>	23,180
Prepaid expenses	<b>(88,925)</b>	3,659
	<b>1,346,258</b>	6,982,006

## **Société en commandite Stationnement de Montréal**

### **Notes to the financial statements**

December 31, 2014

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#### **10. Commitments**

- (a) The Limited Partnership is committed under a rental proposal of office and industrial space for 10 years ending in 2022. The minimum balance owing under this proposal during the next five years, including taxes and estimated operating expenses, amounts to \$4,101,901 and is detailed as follows:

\$
2015                               524,448
2016                               541,017
2017                               569,067
2018                               584,884
2019                               584,884

- (b) The Limited Partnership is required to pay to Ville de Montréal 70% of revenue, less property taxes, as rent for the parking lots leased from Ville de Montréal.
- (c) The Limited Partnership has entered into maintenance agreements for a total amount of \$155,821. These agreements expire up to April 2015.
- (d) The Limited Partnership is committed under a service contract for an integrated system management for pay stations for a period of three years ending in September 2016. The minimum balance owing under this contract during the next two years amounts to \$376,367 and is detailed as follows:

\$
2015                               215,124
2016                               161,243

#### **11. Managed entity**

Under his management mandate, the Limited Partnership provides management services to Société de Jalonnement dynamique de Montréal (SJDM) and appoints the majority of the members of its board of directors as provided by the constitutional bylaws of the entity. The management contract ended on January 27, 2014, and have not been renewed by the organization. SJDM is a not-for-profit organization whose mandate is to offer and operate systems for dynamic traffic management with the objective of facilitating the localization of urban parking lots.

The Limited Partnership has provided, during the year 2014, project administration and management services, without compensation, to SJDM.

During the fiscal year 2014, SJDM ceased all commercial operations, repaid its debt and transferred its commercial operations to Ville de Montréal.

For information purposes, the audited financial statements of SJDM for the year ended December 31, 2014 are as follows:

**Société en commandite Stationnement de Montréal****Notes to the financial statements**

December 31, 2014

**11. Managed entity (continued)**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Statement of financial position</b>		
Financial assets	—	24,428
Liabilities	—	66,589
Net debt and accumulated deficit	<u>—</u>	<u>(42,161)</u>
<b>Statement of operations</b>		
Total revenue	<b>54,292</b>	34,331
Total expenses	<b>12,131</b>	29,933
Excess of revenue over expenses	<b>42,161</b>	4,398
<b>Cash flows</b>		
Net decrease in cash	<b>(18,264)</b>	(85,791)

To obtain additional copies of this financial report, please call us at 514 868-3731.

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