

# 2019 FINANCIAL REPORT

ACCESUM INC.

AND

SOCIÉTÉ EN COMMANDITE

STATIONNEMENT DE MONTRÉAL



**ACCESUM INC.****AS GENERAL PARTNER FOR SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL****Rémi Racine**

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

**Lise Aubin <sup>2</sup>**

Company Administrator

**Benoît Bessette <sup>3</sup>**

Vice-President, Marketing, Communication and Strategies  
Sollio Agriculture

**Me André Goyer <sup>1,3</sup>**

Company Administrator

**Catherine Morency <sup>1,3</sup>**

Full Professor – Mobilité Chair  
Polytechnique Montréal

**Renée Piette <sup>2</sup>, CPA, CA, ASC**

Company Administrator

**Sherazad Adib <sup>1,2</sup>**

Senior Director, Catalyst Inc., Québec

**CITY OF MONTRÉAL-APPOINTED OBSERVERS****Raoul Cyr <sup>2</sup>**

Director, Accounting and Financial Information  
City of Montréal

**Luc Gagnon <sup>1,3</sup>**

Director, Urban Planning and Mobility  
City of Montréal

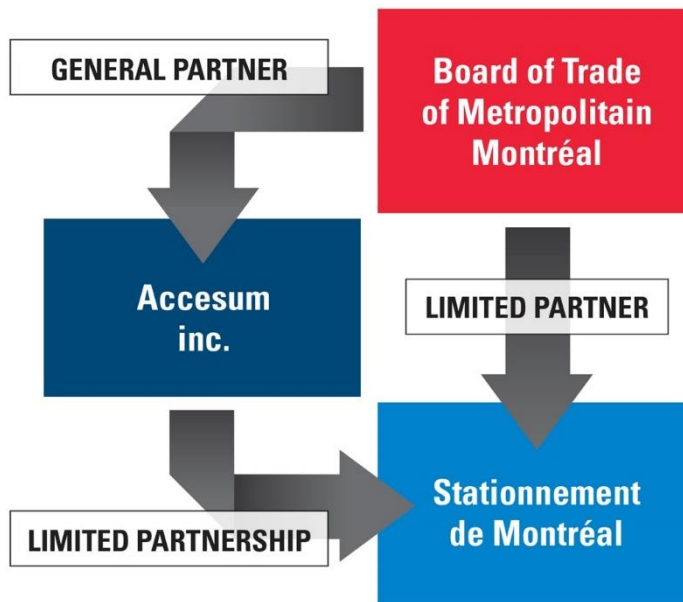
1. Governance and Human Resources Committee
2. Finance and Audit Committee
3. Communications Committee

## OUR MISSION

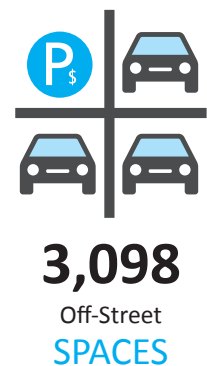
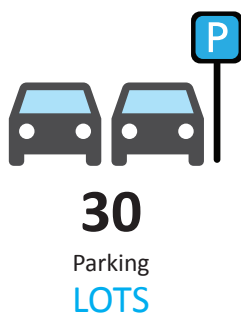
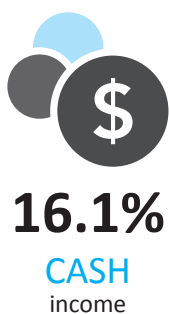
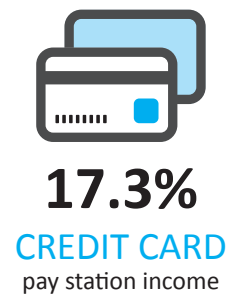
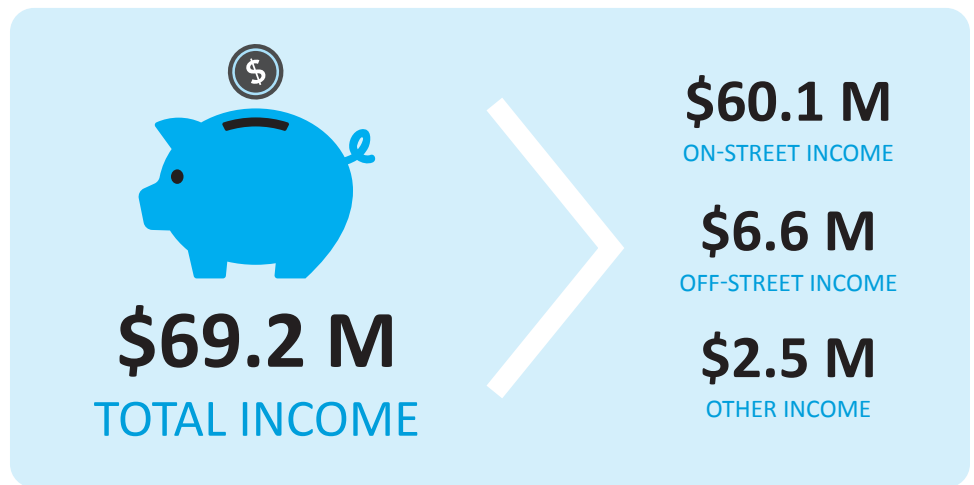
Since its creation in 1995, the Société en commandite Stationnement de Montréal (the “Société”) has been a major player in the development of operational solutions for urban travel. Originally founded to ensure the optimal management of municipal paid on-street and off-street parking, the Société was 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.?

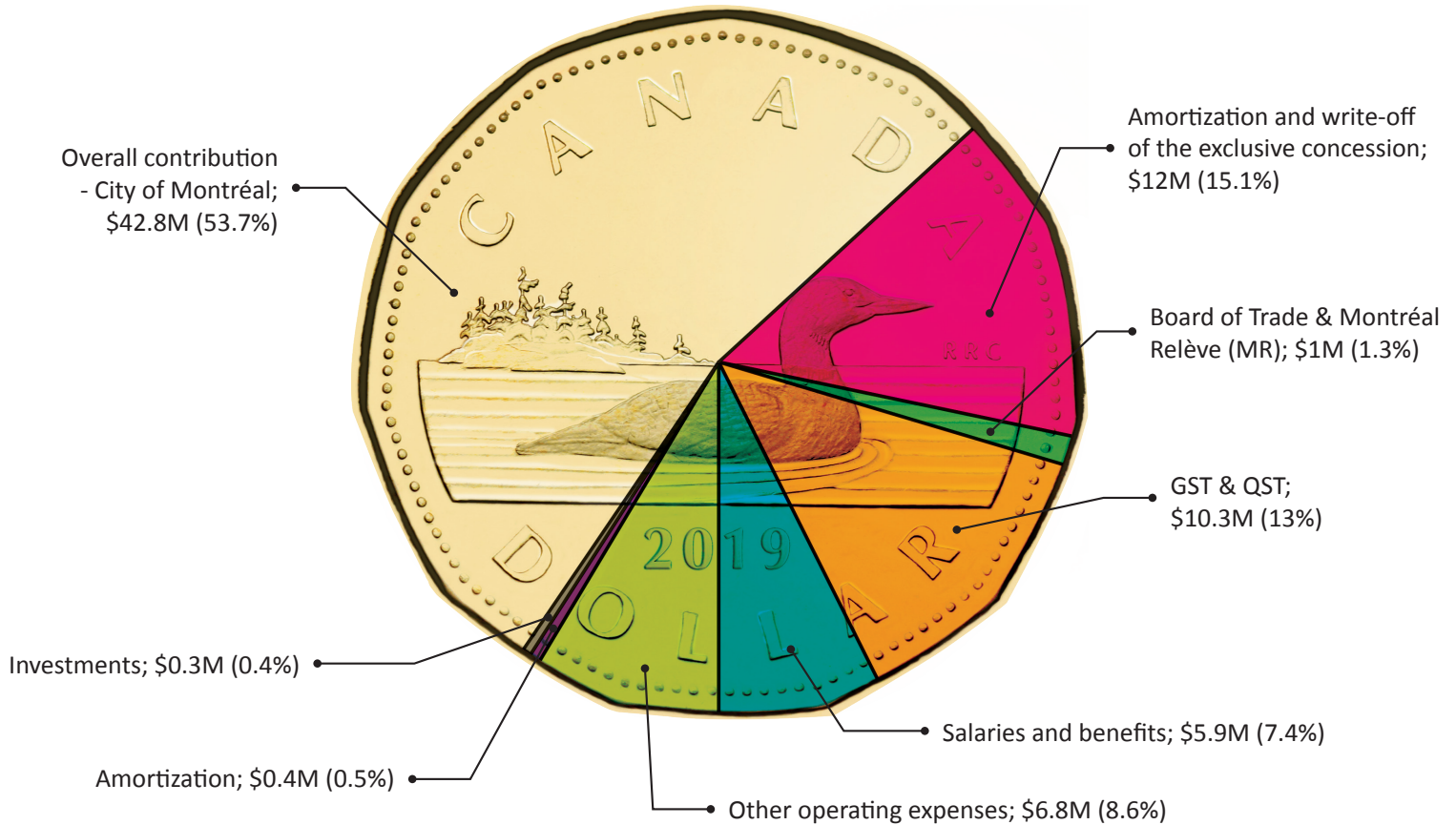
Stationnement de Montréal is a subsidiary of the Board of Trade of Metropolitan Montréal. By its very nature, the Société has no board of directors. Accesum Inc., its general partner, acts on behalf of Stationnement de Montréal. The Board of Trade of Metropolitan Montréal is the limited partner of Accesum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



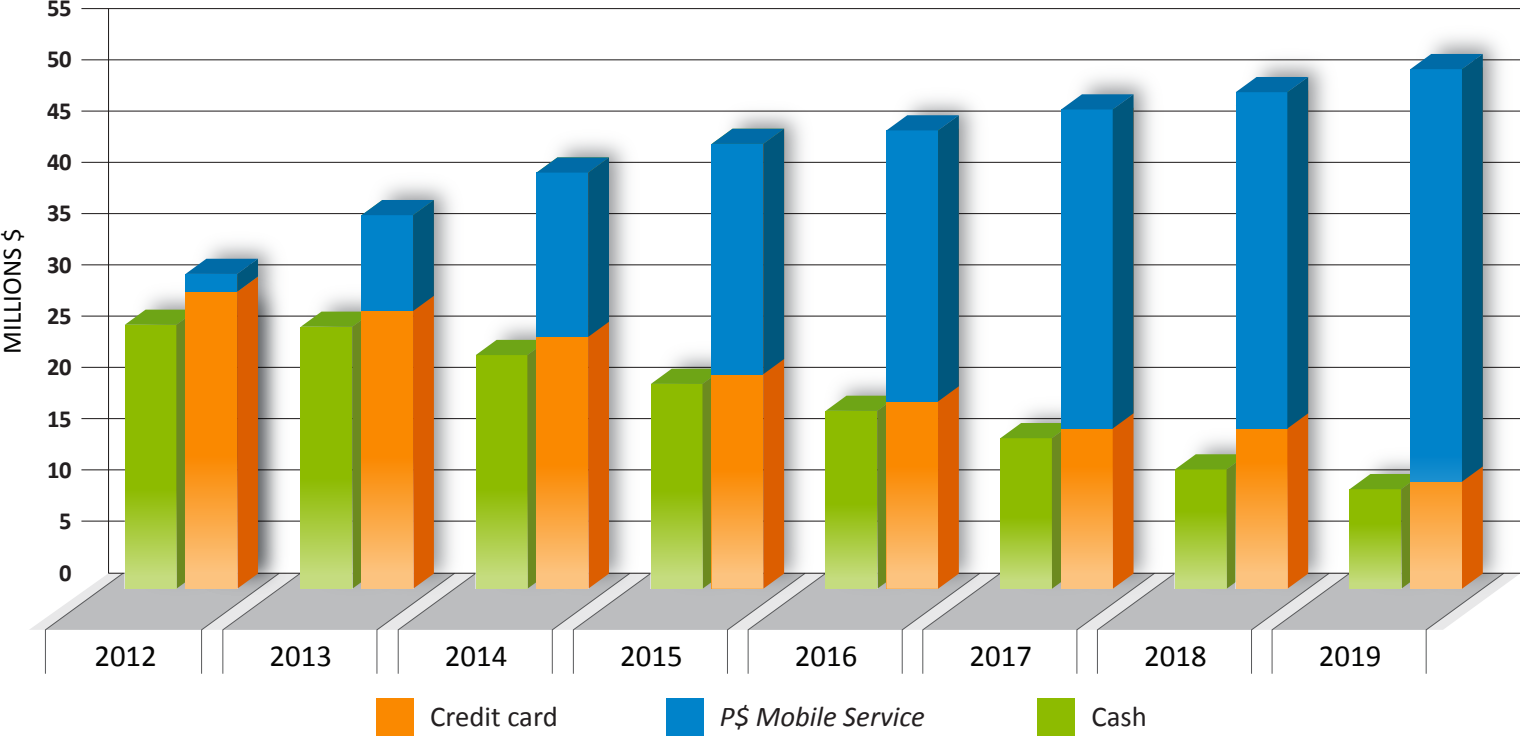
# 2019 HIGHLIGHTS



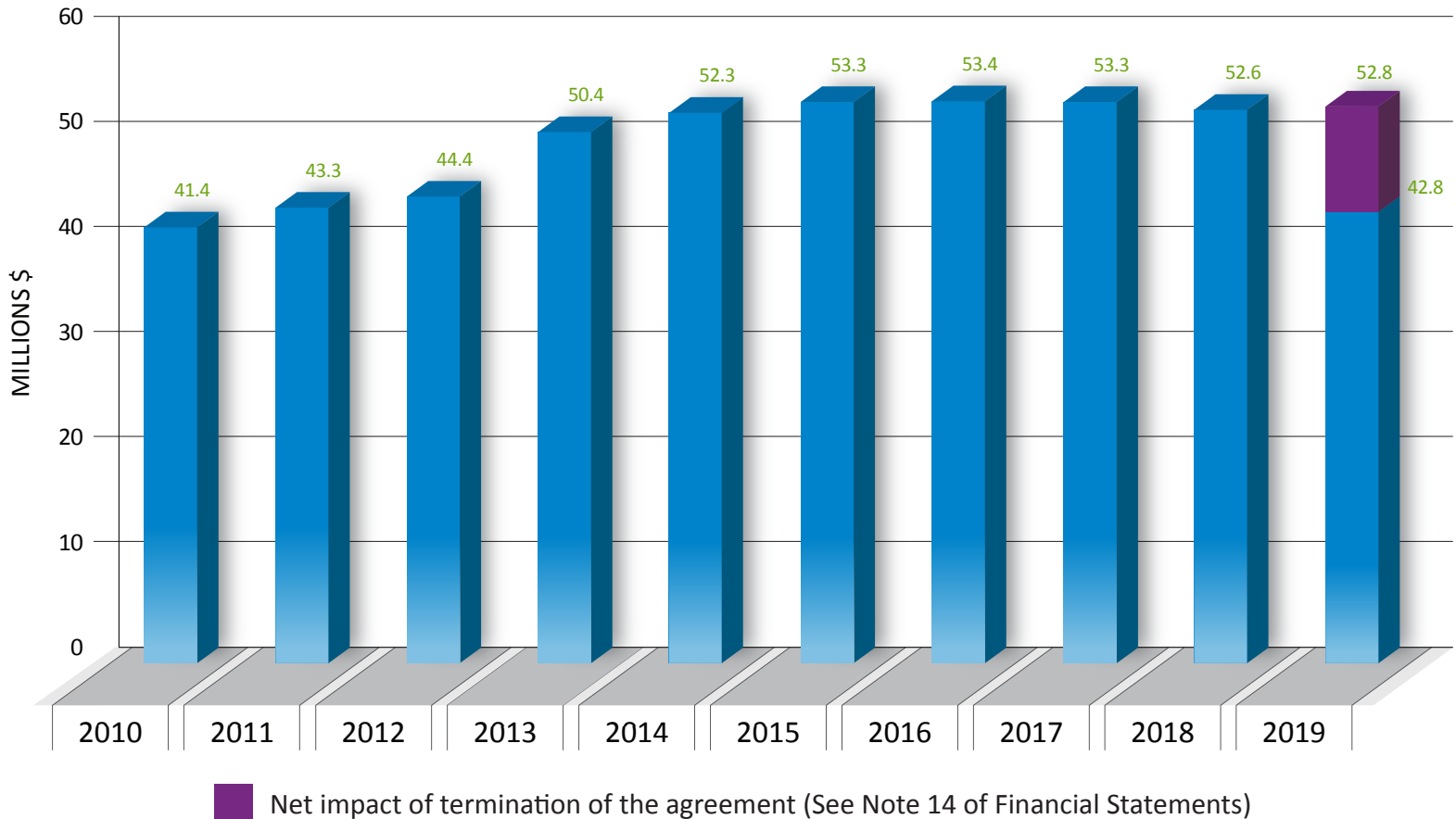
## 2019 breakdown of each dollar spent on parking



# Evolution of on-street revenues by payment method



## Evolution of contributions to the City from 2010 to 2019



Fiscal 2019 expenses include the write-off of the exclusive concession, with a balance of \$10,000,000, following the termination of the agreement between the Society and Ville de Montréal for the use of the public domain for the purpose of paid parking.

## MESSAGE FOM THE CHAIRMAN OF THE BOARD

Société en commandite Stationnement de Montréal (the « Société ») shares a positive review of 2019; its last official year of operation before the transition of its activities to the Agence de mobilité durable (the "Agency"), a new paramunicipal organization that was announced in August 2018, also following the adoption of the 2016 Parking Policy.

On December 16, 2019, the City of Montreal's Municipal Council passed a resolution to approve the proposed framework agreement between the Agency and the City of Montréal. Hence, as of January 1, 2020, the activities of the Société, as well as those of the *Service d'application réglementaire de stationnement (SARS)*, previously under the *Service de police de la Ville de Montréal*, are officially transferred to the new entity. No other activity is planned in the Society and its dissolution is expected during the financial year 2021.

A new era of parking management and urban mobility is on the horizon!

### **A Pivotal Year**

This last year of the Société's activity was marked by an active participation in the transition and constitution of the new organization, in collaboration with the City of Montréal and its department of urban planning and mobility, and in defining the scope of the new mission. Indeed, in addition to continuing the management, regulatory enforcement and innovative development of paid on-street and off-street parking throughout the city of Montreal, the Agency's expanded mission also includes improving customer experience, street sharing and public domain occupation by supporting actions that promote urban mobility.

This process also included planning for the integration of the SARS workforce, and its parking agents and towing attendants, within the Agency.

To support this transition, the Société also worked to establish a new organizational structure that is connected to the vision and will support the implementation of the Agency. This includes recruiting senior executives to meet existing and future needs. It has also made the necessary efforts to update certain management and engagement practices and has implemented an internal change management process to support its employees.

Overall, 2019 was dedicated to this transition in order to carry out the transfer of all of the Société's assets and activities to the Agency.

This has been successfully achieved!

While these activities have been at the heart of the year's priorities, it goes without saying that the Société has continued to carry out its mandate and day-to-day operations.



As a result, managing the project to implement the pay station modernization plan continued and required the active involvement of the Société's entire team. Following a public bidding process, the contract was awarded to J.J. MacKay Canada Limited and, as of today, the modernization is completed at 99%, including the restoration and modernization of the CALE-type stations, meeting the objective of further developing our perception and monitoring systems and technologies. As this equipment had reached the end of its useful life, the restoration has allowed the original casings to be preserved all the while modernizing these pay stations, with sustainability in mind.

In addition, the success of the *P\$ Mobile Service* app is once again corroborated this year: 66.6% of parking revenues were collected through the mobile app; up from 2018 (58.9%) which confirms the app as the preferred payment method for on-street and off-street parking in Montreal. Its number of users, around 500,000 in 2019, is still growing.

As a leader in municipal parking management and operations, the Société has also continued to network with key players and in key innovation areas of its industry, including through its exchanges with the International Parking Mobility Institute and the Canadian Parking Association, and by participating in the Movin'On Summit on Sustainable Mobility.

Always committed to continuously improving its management practices, discovering the latest technological advances, and strengthening ties with seasoned peers, the Société continues to ensure a strong presence and participation in the ecosystem, working toward the ultimate goal of optimizing urban mobility.

### **Maintaining Strong Results**

In 2019, the Société contributed a total of \$42.8 million to the City of Montréal in the form of taxes, rents, permits, compensation, and royalties. Since its creation in 1995, the Société has contributed a cumulative total of \$844.4 million to the City of Montréal, including the initial payment of \$56.8 million and debenture repayment.

In accordance with the concession agreement granted it in 1995 by the City of Montréal, the Société has remitted \$400,000 to the Chamber of Commerce of Metropolitan Montréal, as well as an annual contribution of \$600,000 to *Montréal Relève*.

The pay station modernization project, executed during the year, generated an increase in capital assets of \$5.7 million. Fiscal 2019 expenses also include the write-off of the exclusive concession, with a balance of \$10,000,000, following the termination of the agreement between the Society and Ville de Montréal for the use of the public domain for the purpose of paid parking.

The Société is proud of its achievements and to officially conclude its mandate, after 25 years of activity, thanks to its employees who have perfectly combined professionalism and agility in the company's transformational process. Their commitment has been fundamental to ensuring ongoing adaptation and a smooth transition, successfully managing to stay the course on regular operations and maintaining the quality of services.

As Chairman of the Board of Directors, I would also like to personally thank all the directors who have ensured the sound governance of the Société throughout the years and who have played a fundamental role in 2019, through their expertise and ongoing contributions, in the transition activities.

We could not conclude this 2019 year without highlighting Charles Auger's undeniable contribution to the Société in recent years.

Thanks to his valuable collaboration in the transition to the Agency, and after nearly ten years as Stationnement de Montréal's General Manager, we would like to acknowledge the significant achievements that came to fruition under his leadership and have enabled the Société to take root, expand its reputation and make it thrive.

Whether referring to the launch of *P\$ Mobile Service*, which is now an essential tool in the daily lives of hundreds of thousands of Montrealers, the positive results year after year, the contribution to the City's parking policy, the multiple studies and pilot projects carried out, or the major project to modernize the pay stations, the results of the last 10 years are more than positive.

Thank you for all these years of collaboration, professionalism and commitment that today provide a solid foundation for the new chapter that is about to begin!

In closing, we wish to extend our best wishes for success to the new Agence de mobilité durable. At the crossroads between transportation and urban planning, parking and mobility, the challenges will certainly be manifold, but we remain convinced that it will be able to carve out a place of choice in the Montréal ecosystem and become a key player in urban mobility.

*Rémi Racine*

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**Rémi Racine**  
Chairman of the Board  
Accesum Inc.

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Financial statements of  
**Accesum Inc.**

December 31, 2019

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## Independent Auditor's Report

To the Board of Directors of  
Accesum Inc.

### Opinion

We have audited the financial statements of Accesum Inc., which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Accesum Inc. as at December 31, 2019, and the results of its operations and accumulated surplus, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Accesum Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Significant uncertainty related to going concern

We draw attention to note 1 to the financial statements, which indicates the existence of significant uncertainty likely to cast significant doubt on the ability of Accesum Inc. to continue operating in its current legal form. Our opinion remains unchanged on this issue.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing Accesum Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Accesum Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Accesum Inc.'s financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Accesum Inc.'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Accesum Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Accesum Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

March 26, 2020

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

**Accesum Inc.****Statement of operations and accumulated surplus**

Year ended December 31, 2019

	<b>2019</b>	2018
	\$	\$
<b>Revenue</b>		
Indemnity from Société en commandite		
Stationnement de Montréal	<b>142,531</b>	100,701
Interest	<b>929</b>	405
	<b>143,460</b>	101,106
<b>Expenses</b>		
Administrative services	<b>126,268</b>	84,348
Insurance	<b>10,236</b>	10,016
Other	<b>6,956</b>	6,742
	<b>143,460</b>	101,106
<b>Surplus for the year</b>	—	—
<b>Accumulated surplus, beginning and end of year</b>	—	—



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

**Accesum Inc.**  
**Statement of financial position**  
As at December 31, 2019

	Notes	2019	2018
		\$	\$
<b>Financial assets</b>			
Cash		<b>63,753</b>	83,810
Receivable from Société en commandite Stationnement de Montréal		<b>34,960</b>	—
Taxes receivable		<b>69</b>	8,885
Investment	4	<b>1</b>	1
		<b>98,783</b>	92,696
<b>Liabilities</b>			
Accounts payable and accrued liabilities		<b>98,683</b>	34,245
Due to Société en commandite Stationnement de Montréal		—	68,179
Due to Board of Trade of Metropolitan Montreal		<b>100</b>	100
		<b>98,783</b>	102,524
<b>Net debt</b>		—	9,828
<b>Non-financial assets</b>			
Prepaid expenses		—	9,828
<b>Accumulated surplus</b>		—	—

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

Approved by the Board of Directors

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\_\_\_\_\_, Chairman of the Board  
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\_\_\_\_\_, Director  
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**Accesum Inc.****Statement of changes in net debt**

Year ended December 31, 2019

	<b>2019</b>	2018
	<b>\$</b>	\$
Surplus for the year	—	—
Change in prepaid expenses	<b>(9,828)</b>	239
Change in net debt during the year	<b>(9,828)</b>	239
Net debt, beginning of year	<b>9,828</b>	9,589
Net debt, end of year	—	9,828

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

**Accesum Inc.****Statement of cash flows**

Year ended December 31, 2019

	<b>2019</b>	2018
	\$	\$
<b>Operating activities</b>		
Surplus for the year	—	—
Changes in non-cash working capital items		
Taxes receivable	<b>8,816</b>	(1,200)
Accounts payable and accrued liabilities	<b>64,438</b>	6,751
Due to Société en commandite Stationnement de Montréal	<b>(103,139)</b>	9,212
Prepaid expenses	<b>9,828</b>	(239)
Net (decrease) increase in cash	<b>(20,057)</b>	14,524
Cash, beginning of year	<b>83,810</b>	69,286
<b>Cash, end of year</b>	<b>63,753</b>	83,810

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

**Accesum Inc.**  
**Notes to the financial statements**  
December 31, 2019

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**1. Description of the business**

Accesum Inc. (the "Company"), incorporated on June 30, 1993, under the *Business Corporations Act* (Québec), 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.

The effects of the elements mentioned in note 6 will have repercussions on the activities of the Company. No other activity is planned in the Company and its dissolution is expected during the financial year 2021.

**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.

**Accesum Inc.**  
**Notes to the financial statements**  
 December 31, 2019

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**3. Changes in accounting policies**

On January 1, 2019, the Company prospectively applied the following new accounting standard: SP 3430 Restructuring operations.

This new standard defines what a restructuring operation is and establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

Restructuring activities include, but are not limited to:

- a) Amalgamation of entities or operations within the government reporting entity;
- b) Amalgamation of local governments;
- c) Annexation or boundary alteration between neighbouring local governments;
- d) Transfers of operations or programs from one entity to another; and
- e) Shared service arrangements entered into by local governments in a region.

Restructurings can be initiated by the entities involved or imposed by a higher level of government through legislation or by the controlling government.

The adoption of this standard had no impact on the Company's earnings or financial position.

**4. Investment**

	<b>2019</b>	2018
	\$	\$
Investment in Société en commandite Stationnement de Montréal (one unit at \$1)	<b>1</b>	1

**5. Presentation of the budget of the Company**

The Canadian public sector accounting standards require that the Company present 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, 2019, no budget is presented in the financial statements.

**6. Subsequent event**

On December 31, 2019, Ville de Montréal terminated the agreement entered between Ville de Montreal and Société en commandite Stationnement de Montréal, of which the Company is the general partner, for the use of the public domain for the purposes of paid parking.

On January 1, 2020, Société en commandite Stationnement de Montréal concluded a transfer deed with Ville de Montreal concerning the transfer of its property, plant and equipment and trademarks, both without monetary consideration.

Société en commandite Stationnement de Montréal has also transferred its activities to the Agence de mobilité durable and assigned all of its service agreements as well as its operating and contractual agreements on January 1, 2020.

Financial Statements of

**SOCIÉTÉ EN COMMANDITE  
STATIONNEMENT DE MONTRÉAL**

Year ended December 31, 2019

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

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## Independent Auditor's Report

To the Board of Directors of  
Société en commandite Stationnement de Montréal

### Opinion

We have audited the financial statements of Société en commandite Stationnement de Montréal (the "Society"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2019, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Significant uncertainty related to going concern

We draw attention to Note 14 to the financial statements which indicates that the Society has concluded a transfer deed with Ville de Montréal, effective January 1, 2020, concerning the transfer of its property, plant and equipment. On the same date, the Society transferred its activities to the Agence de mobilité durable and assigned all of its service agreements as well as its operating and contractual agreements. We draw attention to Note 1, which indicates that no other activity is planned in the Society and its dissolution is expected during the financial year 2021. Consequently, these elements indicate to us the existence of a significant uncertainty that may cast significant doubt on the Society's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Canadian PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Montreal,  
March 26, 2020

*Deloitte LLP*

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

*Michèle Galipeau, CPA auditeur, CA*

Michèle Galipeau, CPA auditor, CA  
Auditor General of Ville de Montréal



# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2019

	Budget 2019	2019	2018
<b>Revenue</b>			
Paid on-street parkings	\$ 64,318,536	\$ 60,058,146	\$ 59,812,217
Parking lots	6,531,250	6,647,046	6,602,013
Other operating revenue	1,829,043	2,009,502	1,858,067
Interest revenue	300,000	513,487	406,018
	<u>72,978,829</u>	<u>69,228,181</u>	<u>68,678,315</u>
<b>Expenses (Note 8)</b>			
Paid on-street parkings	15,900,060	13,200,248	12,884,647
Parking lots	5,975,491	6,309,961	6,359,292
Other operating expenses	437,324	438,077	396,513
Interest on long-term debt	28,000	15,745	27,353
Other interest and financial expenses	3,000	790	–
	<u>22,343,875</u>	<u>19,964,821</u>	<u>19,667,805</u>
Surplus before compensations, royalties and net impact of termination of the agreement	<u>50,634,954</u>	<u>49,263,360</u>	<u>49,010,510</u>
Compensation for contribution from Board of Trade of Metropolitan Montreal	(400,000)	(400,000)	(400,000)
Compensation and royalties – Ville de Montréal	(49,390,825)	(38,040,825)	(47,796,381)
Royalties – Economic Development Fund	(600,000)	(600,000)	(600,000)
Net impact of termination of the agreement (Note 14)	–	(10,000,000)	–
	<u>(50,390,825)</u>	<u>(49,040,825)</u>	<u>(48,796,381)</u>
Annual surplus	244,129	222,535	214,129
Accumulated surplus, beginning of year	2,378,469	2,378,469	2,164,340
Accumulated surplus, end of year	<u>\$ 2,622,598</u>	<u>\$ 2,601,004</u>	<u>\$ 2,378,469</u>

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

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

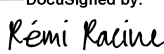
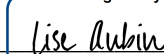
Statement of Financial Position

As at December 31, 2019

	2019	2018
<b>Assets</b>		
Cash	\$ 33,441,915	\$ 34,506,911
Accounts receivable	472,813	96,921
Receivable from Accesum Inc., general partner, non-interest bearing and without repayment terms	-	68,179
	<u>33,914,728</u>	<u>34,672,011</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	5,694,183	1,714,391
Due to Accesum Inc., general partner, non-interest bearing and without repayment terms	34,960	-
Due to Economic Development Fund, non-interest bearing and without repayment terms	-	300,000
Due to Ville de Montréal, non-interest bearing and without repayment terms	38,203,936	48,244,163
Due to Board of Trade of Metropolitan Montreal, non-interest bearing and without repayment terms	500	500,000
	<u>43,933,579</u>	<u>50,758,554</u>
<b>Net debt</b>	<u>10,018,851</u>	<u>16,086,543</u>
<b>Non-financial assets</b>		
Property, plant and equipment (Note 5)	12,422,913	6,274,938
Exclusive concession (Note 14)	-	12,000,000
Prepaid expenses	196,942	190,074
	<u>12,619,855</u>	<u>18,465,012</u>
Contractual rights (Note 10)		
Commitments (Note 11)		
Subsequent event (Note 14)		
<b>Accumulated surplus</b> (Note 7)	<u>\$ 2,601,004</u>	<u>\$ 2,378,469</u>

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

On behalf of the Board:

DocuSigned by:  
  
 Rémi Racine, Director  
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 Lise Rubin, Director  
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# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

## Statement of Changes in Net Debt

Year ended December 31, 2019

	Budget 2019	2019	2018
Annual surplus	\$ 244,129	\$ 222,535	\$ 214,129
Change in property, plant and equipment			
Acquisitions	(6,834,468)	(6,949,226)	(17,813)
Dispositions	-	320,249	-
Amortization	667,894	481,002	511,373
	(5,922,445)	(5,925,440)	707,689
Amortization of exclusive concession	2,000,000	2,000,000	2,000,000
Write-off of exclusive concession	-	10,000,000	-
Change in prepaid expenses	-	(6,868)	(45,587)
Change in net debt	(3,922,445)	6,067,692	2,662,102
Net debt, beginning of year	(16,086,543)	(16,086,543)	(18,748,645)
Net debt, end of year	\$ (20,008,988)	\$ (10,018,851)	\$ (16,086,543)

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

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

## Statement of Cash Flows

Year ended December 31, 2019

	2019	2018
Operating activities:		
Annual surplus	\$ 222,535	\$ 214,129
Items not involving cash:		
Amortization of property, plant and equipment	481,002	511,373
Gain on disposal of property, plant and equipment	(10,456)	-
Amortization of exclusive concession	2,000,000	2,000,000
Write-off of exclusive concession	10,000,000	-
	12,693,081	2,725,502
Net change in non-cash items (Note 9)	(10,309,110)	(901,685)
	2,383,971	1,823,817
Investing activities:		
Acquisition of property, plant and equipment	(3,280,172)	(17,813)
Proceeds on disposal of property, plant and equipment	330,705	-
	(2,949,467)	(17,813)
Financing activities		
Due to Board of Trade of Metropolitan Montreal	(499,500)	-
Net (decrease) increase in cash	(1,064,996)	1,806,004
Cash, beginning of year	34,506,911	32,700,907
Cash, end of year	\$ 33,441,915	\$ 34,506,911

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

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements

Year ended December 31, 2019

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## 1. Status and nature of activities

Société en commandite Stationnement de Montréal (the "Society") was formed under a limited partnership agreement entered into on May 10, 1994. The general partner is Accesum 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 Society, and Accesum Inc. invested \$1. Those investments, which are recorded in liabilities, are repayable at the termination date of the agreement between the Society and Ville de Montréal in 2025.

These financial statements disclose only the assets, liabilities, revenue and expenses of the Society and do not include other assets, liabilities, revenue 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 and as such, taxes are the responsibility of the limited partner.

On January 1, 1995, the Society signed an agreement with Ville de Montréal to use the public domain for the purposes of paid parking. Since then, the Society 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. On December 31, 2019, this agreement was terminated by the Ville de Montréal. The effects of this transaction are presented in Note 14.

On December 16, 2019, the City council of the Ville de Montréal adopted a resolution to approve the draft master services agreement to be entered into between the Agence de mobilité durable and the Ville de Montréal for a period of five years starting January 1, 2020.

On January 1, 2020, the Society transferred its activities to the Agence de mobilité durable. (Note 14).

No other activity is planned in the Society and its dissolution is expected during the financial year 2021.

## 2. Significant accounting policies

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

### (a) Use of estimates

The preparation of financial statements 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. Key estimates include the useful lives of property, plant and equipment.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

## 2. Significant accounting policies (continued)

### (b) Revenue recognition

The Society recognizes its revenue, which consist of revenue 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.

Interest income is recognized when it is earned and collection is reasonably assured.

### (c) Expenses presentation

The Society discloses the expenses based on the revenues disclosed in the statement of operations and accumulated surplus. The allocation of the expenses between different categories in the statement of operations and accumulated surplus is based on a pro rata of revenues from the same category divided by the total of revenues of the year ended, except the expenses which are directly attributable to a specific category.

### (d) Property, plant and equipment

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

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

### (e) Depreciation of non-financial assets

When conditions indicate that a property, plant and equipment no longer contributes to the Society's ability to provide goods and services, or that the value of future economic benefits associated with the property, plant and equipment is less than its net book value, the cost of the property, plant and equipment is reduced to reflect the decline in the asset's value. Any write-down of property, plant and equipment is accounted for as an expense in the statement of operations and accumulated surplus, and no write-down can be subsequently reversed.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

---

## 2. Significant accounting policies (continued)

### (f) Exclusive concession

Exclusive concession represents the amount of prepaid expenses regarding a concession that represents the right to use paid parking spaces for a period of 30 years. Linear amortization over the duration of the right of use is recorded annually as an expense in the statement of income and accumulated surplus for using these spaces.

### (g) Budgetary figures

The statement of operations and accumulated surplus and the statement of changes in net debt include a comparison with the budgetary figures submitted on the basis of Canadian public sector accounting standards, which have been approved by the Society's board of directors.

### (h) Non-financial assets

The Society accounts for property, plant and equipment, exclusive concession 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.

### (i) Financial assets and liabilities

#### *Initial measurement*

The Society recognizes a financial asset or a financial liability in the statement of financial position if, and when, it becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured at cost, unless indicated otherwise.

#### *Subsequent measurement*

The Society's financial assets and liabilities are measured at amortized cost (including any impairment of financial assets) at each closing date.

The Society determines whether an objective indication of impairment of financial assets exists. Any impairment of financial assets is recognized in the statement of operations and accumulated surplus.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

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### 3. Changes in accounting policies

On January 1, 2019, the Society prospectively applied the following new accounting standard: PS 3430 *Restructuring transactions*.

This new standard defines what a restructuring transaction is and establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

Restructuring activities include, but are not limited to:

- a) Amalgamation of entities or operations within the government reporting entity;
- b) Amalgamation of local governments;
- c) Annexation or boundary alteration between neighbouring local governments;
- d) Transfers of operations or programs from one entity to another; and
- e) Shared service arrangements entered into by local governments in a region.

Restructurings can be initiated by the entities involved or imposed by a higher level of government through legislation or by the controlling government.

The adoption of this standard had an impact on the Society's operations and financial position as well as on the information presented in the additional notes.

### 4. Credit Facility

On November 21, 2019, the Society received a complete discharge from its creditor on its credit facility.



# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

## 5. Property, plant and equipment

	Beginning balance	Acquisitions/ increases	Disposals/ write-offs	Ending balance
<b>Cost</b>				
Parking lots	\$ 5,318,669	\$ -	\$ (320,249)	\$ 4,998,420
Leasehold improvements	312,040	-	-	312,040
Parking lots improvements	351,914	1,194,008	-	1,545,922
Office equipment	974,834	-	-	974,834
Pay stations	22,102,315	5,714,424	(6,092,265)	21,724,474
Automotive equipment	582,564	40,794	(32,085)	591,273
Machinery and equipment	422,650	-	-	422,650
	30,064,986	6,949,226	(6,444,599)	30,569,613
<b>Accumulated amortization</b>				
Leasehold improvements	199,731	33,199	-	232,930
Parking lots improvements	206,157	70,467	-	276,624
Office equipment	465,092	213,277	-	678,369
Pay stations	22,002,279	110,035	(6,092,265)	16,020,049
Automotive equipment	506,105	46,652	(32,085)	520,672
Machinery and equipment	410,684	7,372	-	418,056
	23,790,048	481,002	(6,124,350)	18,146,700
Net book value	\$ 6,274,938	\$ 6,468,224	\$ (320,249)	\$ 12,422,913

## 6. Accounts payable and accrued liabilities

	2019	2018
Accounts payable	\$ 5,402,294	\$ 1,001,549
Sales taxes payable	268,707	664,991
Revenues collected for other boroughs	18,777	34,472
Deposits	4,405	13,379
	\$ 5,694,183	\$ 1,714,391

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

## 7. Accumulated surplus

	2019	2018
Net investment from reserve fund for investments in property, plant and equipment	\$ 2,601,004	\$ 87,176
Reserve fund for investments in property, plant and equipment	-	2,291,293
	<u>\$ 2,601,004</u>	<u>\$ 2,378,469</u>

Pursuant to section No. XI, paragraph B of the agreement signed on January 1, 1995, the Society has a "reserve fund for investment in property, plant and equipment for the exclusive purchase of equipment or other property related to paid parking in the territory of Ville de Montréal". Under an agreement, it is anticipated that this fund will increase by \$300,000 annually.

The Society has used the reserve fund in the amount of \$6,231,264 as at December 31, 2019 (\$3,639,971 as at December 31, 2018). Net investment from the reserve fund committed to investment in property, plant and equipment is the net book value of property, plant and equipment. The reserve fund for investment represents amounts reserved but not yet used.

	2019	2018
Investments from reserve fund committed to investment in property, plant and equipment, beginning of year	\$ 3,639,971	\$ 3,639,971
Amounts invested during the year	2,591,293	-
Investments from reserve fund committed to investment in property, plant and equipment, end of year	<u>6,231,264</u>	<u>3,639,971</u>
Accumulated amortization of related property, plant and equipment, beginning of year	3,552,795	3,466,924
Amortization of the year	77,465	85,871
Accumulated amortization of related property, plant and equipment, end of year	<u>3,630,260</u>	<u>3,552,795</u>
Net balance of investments from reserve fund committed to investment in property, plant and equipment	<u>\$ 2,601,004</u>	<u>\$ 87,176</u>

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

## 8. Expenses by item

	Budget 2019	2019	2018
Salaries and benefits	\$ 6,466,506	\$ 5,927,620	\$ 5,796,052
Rent, maintenance of equipment and maintenance of parking lots	1,780,328	1,312,378	1,588,638
Advertising	402,000	59,039	212,814
Telecommunication	339,251	275,950	270,460
Supplies	455,686	427,017	398,219
Bank, credit card, transactions and money handling fees	2,415,987	2,403,499	2,213,084
Professional services fees	953,000	739,725	505,471
Project development fees	510,000	391,381	169,875
Operational services	590,990	493,253	436,802
Rent of parking lots	3,214,577	3,298,639	2,978,799
Rent of buildings	376,306	330,854	392,220
Management fees of Accesum Inc.	175,000	142,531	100,701
Taxes and permits	3,580,699	3,441,637	3,816,880
Other fees	328,780	223,761	249,064
	21,589,110	19,467,284	19,129,079
Amortization of property, plant and equipment	723,765	481,002	511,373
Interest on long-term debt	28,000	15,745	27,353
Other interest and financial expenses	3,000	790	—
	\$ 22,343,875	\$ 19,964,821	\$ 19,667,805

## 9. Net change in non-cash items

	2019	2018
Accounts receivable	\$ (375,892)	\$ 115,017
Receivable from Accesum Inc.	68,179	(9,212)
Accounts payable and accrued liabilities	310,738	(84,563)
Due to Accesum Inc.	34,960	—
Due to Economic Development Fund	(300,000)	—
Due to Ville de Montréal	(10,040,227)	(877,340)
Prepaid expenses	(6,868)	(45,587)
	\$ (10,309,110)	\$ (901,685)

The cost of unpaid property, plant and equipment at December 31, 2019, established at \$3,669,054 is deducted from accounts payable and accrued liabilities as well as acquisitions since it has no impact on cash flows.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

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## 10. Contractual rights

Under service agreements, the Society is committed to providing toll parking services on the territory of certain boroughs of the Ville de Montréal.

On January 1, 2020, the Society transferred its activities and assigned all of its service agreements to the Agence de mobilité durable (Note 14).

## 11. Commitments

The Society was committed under a rental proposal of office and industrial space for 10 years ending in 2022 (\$1,333,470), maintenance agreements expire up to April 2021 (\$331,151) and support in connection with its pay stations until 2023 (\$1,950,600).

However, on January 1, 2020, the Society transferred these commitments when it assigned all of its operating and contractual agreements to the Agence de mobilité durable (Note 14).

## 12. Collective Registered Retirement Savings Plan

During the year, the Society has contributed to a Collective Registered Retirement Savings Plan ("Collective RRSP") only for the employees of the Society. This contribution is based on a percentage of the base remuneration and no other obligation is assumed by the employer at the moment of the retirement. The contribution for the year ended December 31, 2019, amounts to \$44,094 (\$57,457 in 2018) and has been recorded in expenses in the statement of operations and accumulated surplus.

## 13. Related party transactions

The related parties include entities that fall within Ville de Montréal's consolidation group as well as the key management personnel of these entities and their spouses and dependants. They also include entities in which the key management personnel, their spouses, and their dependants have the power to determine the financial and operating decisions. The key management personnel includes the members of the board of directors, general management and their equivalents in the other entities included in Ville de Montréal's consolidation group.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

## 13. Related party transactions (continued)

During the year, the Society generated the following revenues and incurred the following expenses from Ville de Montréal recognized at exchange amount:

	2019	2018
Service revenue	\$ 681,870	\$ 593,467
Municipal taxes	3,198,315	3,549,088
Rent of parking lots	1,298,639	978,799
Expenses related to employees' loans	3,020,298	3,070,634

Furthermore, the Society and Ville de Montréal engage in various transactions or enter into special arrangements, the results of which are disclosed in the notes to the financial statements.

## 14. Restructuring transaction

### *Impacts of the restructuring transaction in the current financial year*

The restructuring transaction began on December 31, 2019, when the agreement, between the Society and Ville de Montréal to use the public domain for the purposes of paid parking dated January 1, 1995, ended.

The net impact of the termination of the agreement totaling \$10,000,000, was presented as a separate item in the statement of operations and accumulated surplus. The impact of the transaction on the current year's operations was a write-off of the residual amount of \$10,000,000 from the exclusive concession. In addition, in accordance with the agreement dated January 1, 1995, the Society received from Ville de Montréal a termination penalty of \$416,650 which the Society paid to the limited partner.

The Society also reimbursed \$499,500 of the amount owed to its sole limited partner, the Board of Trade of Metropolitan Montreal.

# SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to the Financial Statements (continued)

Year ended December 31, 2019

---

## 14. Restructuring transaction (continued)

### *Impacts of the restructuring transaction after the date of financial statements*

As part of this restructuring, the Society concluded a transfer deed with Ville de Montréal whereby the Society transfer to Ville de Montréal its property, plant and equipment and another transfer deed for trademarks, both without monetary consideration, as of January 1, 2020.

The Society finally transferred its activities to the Agence de mobilité durable and assigned all of its service agreements (Note 10) as well as its operating and contractual agreements (Note 11) on January 1, 2020.

## 15. Comparative figures

Certain figures from the previous year have been reclassified to comply with the current year's presentation.

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