Financial Report 2007

ACCESUM INC. AND SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

BOARD OF DIRECTORS

ACCESUM INC.
ACTING FOR SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Roger Plamondon
President
Société en commandite Stationnement de Montréal
Chairman of the Board
Accesum inc.

Marc Blanchet [1]
Directeur transport – planification et grands projets
Service des infrastructures, transport et environnement
Ville de Montréal

Ed Goral [2]
Administrator

Danielle Melanson [1]
Partner
Melanson Roy & associés inc.

Éric Meunier
Vice-president, Administration
Board of Trade of Metropolitan Montreal

Pierre Ouellet [4]
Administrator

Robert Racine [4]
Partner
Kenniff & Racine, Executive search

Pierre Reid [3]
Directeur principal – Capital humain
Ville de Montréal

[1] Comité des ressources humaines
[2] Human Resources Committee and Audit Committee
[3] Audit Committee
[4] Social responsibility committee

COMMENTS OF THE CHAIRMAN OF THE BOARD

FINANCIAL RESULTS OF SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL AND ACCESUM INC. FOR THE YEAR ENDED DECEMBER 31, 2007

2007, AN OUTSTANDING YEAR

Stationnement de Montréal develops new fields of activity

For Société en commandite Stationnement de Montréal (the Company), 2007 was an outstanding year in every respect; in particular, it saw the development of new fields of activity and the awarding of new mandates.

Responding to the needs of the City of Montréal and the Ville-Marie borough, the Company installed 1,052 bicycle rings designed specifically to be affixed to parking sign posts. These innovative bicycle rings are large enough for two bikes and will be installed in boroughs throughout the City. The Company's rings were an instant success and were welcomed enthusiastically by both the public and Vélo-Québec.

The Company was also mandated to implement and operate a public bicycle rental system. The Company will thus support the City of Montréal by implementing one of the measures of its transportation plan, enabling users to pick up bicycles from one station and drop them off at another station closer to their destination for a modest fee. This project highlights the Company's major strengths, including its ability to handle wireless transactions, efficiently maintain equipment, and manage logistics. Interested in questions of urban design, the Company entrusted the mandate for designing the bicycles and stations to Michel Dallaire, a renowned industrial designer who has won prestigious awards, including one for designing the furniture in the Bibliothèque nationale du Québec.

The Company participated in the Parco-don project run by L'Itinéraire, an organization devoted to helping the homeless – many of whom have drug and alcohol problems - by helping them re-integrate society. The Company donated sixty-two retired parking meters to be used in the Ville-Marie borough and collaborated on an awareness campaign targeting Montrealers. The initiative was a great success, enabling L'Itinéraire to collect over $10,000 in its first six months of operation.

The Company was also mandated to carry out a feasibility study with a view to implementing a dynamic parking guidance system that would inform drivers about the parking supply (available spaces) by zone and parking lot and the direction to take to find them. Completed in early 2008, the study was in line with the City's commitment to optimizing traffic flow and relieving traffic congestion in Old Montréal.

To continually improve the cost effectiveness of its equipment, the Company carried out a pilot project to study the advertising potential of the back of the receipt issued by parking terminals. If the results are positive, the Company could exploit this new media in the service of companies.

The Company wishes to gradually place its expertise and operational capability at the service of Montreal's new boroughs. In 2007, the boroughs of Lachine, Saint-Laurent, and Outremont entrusted the management of their paid parking operations to the Company.

The deployment of terminals continues

The Company continued to deploy parking terminals in Montréal with the installation of 389 parking terminals, bringing the total number of terminals in the City to 1,105.

This new equipment now handles the vast majority of parking payment transactions in Montréal, with 1,100,000 wireless transactions each month, almost 300,000 of which are done by credit card. All of these transactions are handled in real time. After two years of operation, the Pay & Go concept, designed by the Company and developed by Greater Montréal firms, continues to demonstrate its reliability, versatility and innovativeness on a daily basis.

In May, this last quality was recognized by the International Parking Institute, a prestigious organization in the parking industry, which presented the Company with an award for its innovations in parking operations.

Comments on the financial statements

The number of on-street parking spaces increased slightly in 2007. In all, there were 16,235 paid parking spaces. This number takes into account the 215 additional spaces in the borough of Ville-Marie, the 410 additional places managed by the Company in the new boroughs, and the removal of 260 spaces due to the creation of the bicycle path on De Maisonneuve Boulevard. The Company also manages 4,345 spaces in 49 parking lots.

Revenues

At the end of the last fiscal year, the Company posted revenues of $57.6 million, up from $38.4 million in 2006.

Expenses

Expenses totalled $18.1 million, compared with $16.7 million in 2006. This increase was linked, in particular, to the higher rent charged for the various parking lots, the depreciation of equipment, and the adjustments made by the Company to adapt to changes resulting from the increased parking rates.

Earnings before compensation and royalties

Earnings before compensation and royalties increased to $39.5 million, compared with $21.8 million in 2006.

Earnings before royalties

In 2007, earnings before royalties were $19 million. They were distributed as follows:

- ***City of Montréal***

  $18.1 million was paid to the City of Montréal. In all, in 2007, the Company paid the City of Montréal a total of $43.3 million in the form of taxes, rent, permits, interest on the debenture, compensation, and royalties. Since its founding in 1995, the Company has paid the City of Montréal a total of $195.2 million in addition to the initial payment of $56.8 million, for a grand total of $252 million.

- ***Economic Development Fund (Fonds Ville-Marie)***

  For the year ended December 31, 2007, the Economic Development Fund, known as the Fonds Ville-Marie, was paid royalties of $0.6 million. Since 1995, the Company has paid $6.2 million to the Fonds Ville-Marie, which devotes its resources to implement the *Classes Affaires* project. The *Classes Affaires* project works to encourage young people to stay in school.

- ***Investment Fund***

  For the year ended December 31, 2007, the sum of $0.3 million was paid into the Company's Investment Fund for the replacement of parking equipment.

Accesum Inc.

In 2007, the board of directors mandated the firm Ernst & Young to review the available information concerning the Company's governance principles and practices and express a compliance opinion.

Following their review and analyses, the firm's consultants formulated the following conclusion:

> "*Our review of the corporate governance principles of SCSM allows us to say that the Company has already implemented very adequate corporate governance measures that contribute to the success of its business operations, the sound management of its activities, the safeguarding of the interests of its shareholders, and the protection of its administrators, managers, and employees.*"

While satisfied with these conclusions, the board of directors plans to follow up on the report of Ernst & Young to continually improve the governance of the Company.

Moreover, the board of directors has formed a new social responsibility committee, which will be mandated to define the Company's policies in terms of respect for the environment, sustainable development, and the greening of infrastructures. The Company's first action in this regard, apart from its legal obligations, is the distribution of this report by electronic means.

Prospects for 2008

In 2008, the Company will continue to install parking terminals while at the same time carrying out its new projects, including the public bicycle rental system pilot project. The Company will also undertake a review of its communication policies, including the updating of its Web site. As a pilot project, the social responsibility committee will undertake the greening of a parking lot. For the benefit of Montrealers, the Company wishes to develop its versatility in the sectors that constitute its areas of strength, i.e., operations management, technology, and innovation.

In the interest of transparency, the financial statements of Accesum Inc., general partner of the Company, are released at the same time as those of the Company.

I would like to thank all of the Company's employees for their excellent work this year. Their collective efforts made it possible to successfully carry out new mandates while continuing to manage our day-to-day operations efficiently and cost-effectively.

In conclusion, I would like to thank all board members for their presence, their ideas, and their energy devoted to the Company's activities.

Roger Plamondon
Chairman of the Board
Accesum inc.

Financial Statements

December 31, 2007

ACCESUM INC.

Accesum Inc.

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PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
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March 11, 2008

Auditors' Report

To the Directors of
Accesum Inc.

We have audited the balance sheet of **Accesum Inc.** as at December 31, 2007 and the statement of earnings and retained earnings for the year then ended. These financial statements are the responsibility of the management of Accesum Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Accesum Inc. as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Accesum Inc.

Balance Sheet

As at December 31, 2007

	2007 $	2006 $
Assets		
Current assets		
Cash	-	13,172
Due from Société en commandite Stationnement de Montréal	44,997	-
Prepaid expenses	5,450	7,199
	50,447	20,371
Long-term investment (note 2)	1	1
	50,448	20,372
Liabilities		
Current liabilities		
Bank overdraft	2,433	-
Accounts payable and accrued liabilities	47,915	15,399
Due to Société en commandite Stationnement de Montréal	-	4,873
	50,348	20,272
Shareholder's Equity		
Share capital (note 3)	100	100
	50,448	20,372

Approved by the Board of Directors

____________________ Chairperson ____________________ Director

Accesum Inc.

Statement of Earnings and Retained Earnings

For the year ended December 31, 2007

	2007 $	2006 $
Revenue		
Management fees received from Société en commandite Stationnement de Montréal	109,164	63,194
Expenses		
Administrative services	50,475	41,475
Insurance	12,649	14,461
Other (note 4)	46,040	7,258
	109,164	63,194
Net earnings for the year and retained earnings – End of year	-	-

1 Description of business

Accesum Inc., incorporated on June 30, 1993 under Part IA of the Companies Act (Quebec), is the general partner of Société en commandite Stationnement de Montréal.

2 Long-term investment

	2007 **$**	**2006** **$**
Investment in Société en commandite Stationnement de Montréal (1 share at $1)	1	1

3 Share capital

Authorized – An unlimited number without par value
Class A shares, voting
Class B shares, non-voting, annual non-cumulative dividend of 5% on the redemption value, ranking prior to dividends paid on Class A shares, redeemable at the amount paid

Issued

	2007 **$**	**2006** **$**
100 Class A shares	100	100

4 Other expenses

Other expenses of an amount of $46,040 include professional fees of $36,600 related to the review of the corporate governance principles of Société en commandite Stationnement de Montréal in order to obtain a notice of compliance.

5 Statement of cash flows

A statement of cash flows has not been presented as it would not provide any additional meaningful information.

Financial Statements

December 31, 2007

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Société en commandite Stationnement de Montréal

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March 11, 2008

Auditors' Report

To the Limited Partner of
Société en commandite Stationnement de Montréal

We have audited the balance sheet of **Société en commandite Stationnement de Montréal** (the "Limited Partnership") as at December 31, 2007 and the statements of earnings and balance of Operating Fund, balance of Investment Fund and cash flows for the year then ended. These financial statements are the responsibility of the Limited Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Limited Partnership as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Société en commandite Stationnement de Montréal

Balance Sheet

As at December 31, 2007

	2007 $	2006 $
Assets		
Current assets		
Cash and cash equivalents	5,528,931	6,090,608
Short-term investments (note 4)	14,500,000	4,000,000
Accounts receivable	1,286,122	960,606
Prepaid expenses	159,573	240,228
Deferred charges	19,209	458,665
	21,493,835	11,750,107
Property and equipment (note 5)	22,939,906	14,732,304
Deferred charges (note 6)	1,555,000	1,570,494
Intangible assets (note 7)	34,283,050	36,299,700
	80,271,791	64,352,605
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	3,441,167	1,754,682
Due to Economic Development Fund	569,768	569,768
Due to Ville de Montréal	39,094,188	21,490,171
Due to Board of Trade of Metropolitan Montréal	-	37,983
Current portion of long-term debt (note 8)	3,333,333	3,333,333
	46,438,456	27,185,937
Long-term debt (note 8)	33,333,334	36,666,667
	79,771,790	63,852,604
Partner's Equity		
Capital	500,001	500,001
	80,271,791	64,352,605

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 Earnings and Balance of Operating Fund

For the year ended December 31, 2007

	2007 $	2006 $
Revenue		
Curbside parking meters	49,791,617	32,788,159
Parking lots		
Short-term	3,136,484	2,742,379
Long-term	1,547,741	1,490,877
Indemnity for parking space occupancy	2,231,511	913,515
Other	916,737	483,905
	57,624,090	38,418,835
Expenses		
Operating expenses (refer to schedule)	8,197,668	7,170,825
Rent – Parking lots (note 11)	1,717,373	1,504,076
Rent – Buildings	250,117	252,534
Taxes and permits	1,677,955	1,772,105
Amortization of property and equipment	1,705,233	1,167,754
Amortization of deferred charges	97,252	87,855
Amortization of concession	2,000,000	2,000,000
Amortization of other intangible asset	16,650	16,650
Interest and financial expenses	2,480,181	2,683,025
Loss (gain) on disposal of property and equipment	(64,290)	12,979
	18,078,139	16,667,803
Earnings before compensation and royalties	39,545,951	21,751,032
Compensation to Ville de Montréal (note 9)	(20,129,340)	(11,387,092)
Compensation for contribution from Board of Trade of Metropolitan Montréal under the terms of the agreement	(400,000)	(400,000)
Earnings before royalties	19,016,611	9,963,940
Royalties – Ville de Montréal	(18,116,611)	(9,063,940)
Royalties – Economic Development Fund	(600,000)	(600,000)
Net earnings for the year	300,000	300,000
Transfer to Investment Fund	(300,000)	(300,000)
Balance of Operating Fund	-	-

Société en commandite Stationnement de Montréal

Statement of Balance of Investment Fund

For the year ended December 31, 2007

	2007 $	2006 $
Investment Fund balance – Beginning of year	-	-
Transfer from Operating Fund	300,000	300,000
	300,000	300,000
Use of Investment Fund (note 5a))	(300,000)	(300,000)
Investment Fund balance – End of year	-	-

Société en commandite Stationnement de Montréal

Statement of Cash Flows

For the year ended December 31, 2007

	2007 $	2006 $
Cash flows from		
Operating activities		
Net earnings from Operating Fund	300,000	300,000
Adjustments for		
Amortization of property and equipment	1,705,233	1,167,754
Amortization of deferred charges	97,252	87,855
Amortization of concession	2,000,000	2,000,000
Amortization of other intangible asset	16,650	16,650
Loss (gain) on disposal of property and equipment	(64,290)	12,979
	4,054,845	3,585,238
Changes in non-cash operating working capital items (note 10)	17,898,311	9,239,122
	21,953,156	12,824,360
Financing activities		
Repayment of long-term debt	(3,333,333)	(3,333,334)
Investing activities		
Purchase of short-term investments	(14,500,000)	(4,000,000)
Sale of short-term investments	4,000,000	-
Acquisition of property and equipment	(8,959,629)	(2,315,614)
Proceeds on disposal of property and equipment	325,897	330,321
Increase in deferred charges	(47,768)	(12,210)
	(19,181,500)	(5,997,503)
Net change in cash and cash equivalents during the year	(561,677)	3,493,523
Cash and cash equivalents – Beginning of year	6,090,608	2,597,085
Cash and cash equivalents – End of year	5,528,931	6,090,608

Cash and cash equivalents consist of cash and short-term investments maturing within the next three months.

1 Description of business

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 Accesum Inc. and the Board of Trade of Metropolitan Montréal is the sole limited partner.

On January 1, 1995, the Limited Partnership acquired an exclusive concession from 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 and expenses of the sole 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 Significant accounting policies

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

Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Property and equipment

Property and equipment are stated 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
Parking meters and distributors	7 and 10 years
Pay stations	5 and 10 years
Automotive equipment	5 years
Machinery and equipment	5 years

Deferred charges

Short-term deferred charges, which consist of financial costs, are amortized over the period of the related debt.

Long-term deferred charges, which consist of start-up costs of various projects, are amortized on a straight-line basis over periods of 3 to 30 years, and written off when it is determined that they can no longer be recovered.

Intangible assets

The intangible assets, stated at cost, are amortized on a straight-line basis over a period of 30 years, which corresponds to the contract term between the Limited Partnership and Ville de Montréal.

3 Changes in accounting policies

a) 2007

On January 1, 2007, the Limited Partnership adopted the following recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook:

Section 1506: Accounting Changes

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

b) Future Accounting Changes

On April 1, 2005, the CICA issued two accounting standards: Section 3855, *Financial Instruments – Recognition and Measurement*, and Section 1530, *Comprehensive Income*. These new standards will be effective for the Limited Partnership on January 1, 2008.

Section 3855: Financial Instruments – Recognition and Measurement

This Section is effective for fiscal years beginning on or after October 1, 2007. It describes the standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives.

This Section requires that:

i) all financial assets be measured at fair value, with some exceptions such as loans and investments that are classified as held to maturity;

ii) all financial liabilities be measured at fair value if they are derivatives or classified as held-for-trading purposes. Other financial liabilities are measured at their carrying value;

iii) all derivative financial instruments be measured at fair value, even when they are part of a hedging relationship.

The Limited Partnership has evaluated that the adoption of this new standard will have no material impact on its financial statements.

Section 1530: Comprehensive Income

This Section is effective for fiscal years beginning on or after October 1, 2007. It describes how to report and disclose comprehensive income and its components. Comprehensive income is the change in a Limited Partnership's net assets that results from transactions, events or circumstances from sources other than the Limited Partnership's shareholders. It includes items that would not normally be included in net earnings, such as:

- changes in the currency translation adjustment relating to self-sustaining foreign operations;
- unrealized gains or losses on available-for-sale investments.

The Limited Partnership has evaluated that the adoption of this new standard will have no material impact on its financial statements.

In April 2005, the CICA also made changes to Handbook Section 3250, *Surplus*, and reissued it as Section 3251, *Equity*. This Section is also effective for fiscal years beginning on or after October 1, 2007. The changes in how to report and disclose equity and changes in equity are consistent with the new requirements of Section 1530.

Adopting these sections will require the Limited Partnership to start reporting the following items in the financial statements:

- comprehensive income and its components;
- accumulated other comprehensive income and its components.

The Limited Partnership has evaluated that the adoption of this new standard will have no material impact on its financial statements.

In December 2006 and January 2007, the CICA issued the following three accounting standards:

- Section 1535: *Capital Disclosures*;
- Section 3862: *Financial Instruments – Disclosures*;
- Section 3863: *Financial Instruments-Presentation.*

These new standards will be effective for the Limited Partnership on January 1, 2008.

Section 1535: Capital Disclosures

This new standard established disclosure requirements concerning capital such as: qualitative information about its objectives, policies and processes for managing capital; quantitative data about what it regards as capital; whether it has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance.

The Limited Partnership is currently evaluating the impact of this new standard.

Section 3862: Financial Instruments – Disclosures and *Section 3863: Financial Instruments – Presentation*

These new standards replace Section 3861, *Financial Instruments – Disclosure and Presentation*, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements.

The Limited Partnership has evaluated that the adoption of this new standard will have no material impact on its financial statements.

4 Short-term investments

Short-term investments are stated at the lower of cost and fair market value. As at December 31, 2007, those investments bear interest at rates varying from 4.63% to 4.84% and mature between March 14, 2008 and April 25, 2008.

5 Property and equipment

	2007				2006
	Cost $	Accumulated amortization $	Accumulated Investment Fund $	Net book value $	Net book value $
Parking lots	6,494,270	-	-	6,494,270	6,755,876
Leasehold improvements	1,089,371	1,070,494	-	18,877	14,934
Parking lot improvements	965,936	950,976	-	14,960	42,221
Office equipment	1,109,689	993,397	-	116,292	54,562
Parking meters and distributors	4,604,468	3,938,755	-	665,713	942,564
Pay stations	20,255,017	2,296,652	2,631,264	15,327,101	6,626,127
Automotive equipment	777,087	592,770	-	184,317	208,924
Machinery and equipment	1,228,402	1,110,026	-	118,376	87,096
	36,524,240	10,953,070	2,631,264	22,939,906	14,732,304

a) Between 2004 and 2007, the Limited Partnership proceeded with the renewal of certain paid-parking collection equipment and used, in accordance with Article No. XI, paragraph B of the Agreement signed in 1995, “le fonds de réserve pour investissement à des fins exclusives d’achat d’équipement ou d’autres biens meubles en matière de stationnement tarifé dans le territoire de la Ville de Montréal”.

b) During the year, equipment was acquired at an aggregate cost of $10,174,442 (2006 – $1,969,648). Cash payments of $8,659,629 (2006 – $2,315,614) were made in 2007 for equipment purchases.

6 Deferred charges

	2007			2006
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Start-up costs	2,686,724	1,131,724	1,555,000	1,570,494

7 Intangible assets

	2007			2006
	Cost $	Accumulated amortization $	Net book value $	Net book value $
Concession	60,000,000	26,000,000	34,000,000	36,000,000
Other intangible asset	499,500	216,450	283,050	299,700
	60,499,500	26,216,450	34,283,050	36,299,700

The other intangible asset was accounted for at the time of the signing of an agreement between the Limited Partnership and Ville de Montréal for a 30-year term. This intangible asset represents the contribution of the Board of Trade of Metropolitan Montréal to the creation of the Limited Partnership as well as to the Board’s expertise.

8 Long-term debt

a) The long-term debt is comprised as follows:

	2007 $	2006 $
Bridge loan, bearing interest at a floating rate, used in the form of a banker's acceptance, due on May 1, 2010 (note 8c)), repayable in annual principal instalments of $1,333,333, guaranteed by Ville de Montréal to a maximum of $40,000,000	22,666,667	24,000,000
Debenture, maturing in 2014, bearing interest at an annual rate of 9%, repayable in annual principal instalments of $2,000,000	14,000,000	16,000,000
	36,666,667	40,000,000
Less: Current portion	3,333,333	3,333,333
	33,333,334	36,666,667

b) The Limited Partnership has a revolving term credit authorized for a maximum amount equal to the lesser of $10,000,000 and the net book value of the property and equipment of $22,939,906 as at December 31, 2007, used in the form of a banker's acceptance or a bank overdraft, due on April 30, 2008, secured by a first rank hypothec on all of the Limited Partnership's assets. As at December 31, 2007, the revolving term credit was not used.

c) The amount of payments for the next five years, taking into consideration that the bridge loan will be renewed in May 2010 under the current financial terms, is as follows:

	$
2008	3,333,333
2009	3,333,333
2010	3,333,333
2011	3,333,333
2012	3,333,333

9 Compensation to Ville de Montréal

	2007 $	2006 $
Basic amount	18,613,928	14,032,416
Plus: Effect on earnings from relinquished parking lots	(4,193)	13,302
Plus: Adjustment of basic amount following increase in revenue	9,302,854	4,568,210
	27,912,589	18,613,928
Less: Amounts paid to Ville de Montréal for taxes, rents, permits, interest and surplus on no-charge parking granted to Ville de Montréal	5,008,796	4,693,442
Less: Interest avoided by Ville de Montréal	2,774,453	2,533,394
	7,783,249	7,226,836
	20,129,340	11,387,092

10 Changes in non-cash operating working capital items

	2007 $	2006 $
Accounts receivable	(325,516)	(122,248)
Prepaid expenses	80,655	(135,879)
Deferred charges	439,456	(373,611)
Accounts payable and accrued liabilities	137,682	109,967
Due to Economic Development Fund	-	2,120
Due to Ville de Montréal	17,604,017	9,759,131
Due to Board of Trade of Metropolitan Montréal	(37,983)	(358)
	17,898,311	9,239,122

11 Commitments

a) The Limited Partnership is committed under leases which expire in 2010 and 2011. The balance owing under those leases, including estimated operating expenses, amounts to $1,365,178. Minimum payments required in each of the next years are as follows:

	$
2008	457,278
2009	455,097
2010	394,080
2011	58,723

b) The Limited Partnership is required to pay 70% of revenues, less property taxes, as rent for the parking lots leased from Ville de Montréal.

12 Financial instruments

Fair value

The following information shows the fair value of the Limited Partnership's financial instruments where the fair value differs from the carrying value:

	Carrying value $	Fair value $
Financial liability – Debenture	14,000,000	16,382,800

The methods and assumptions used to estimate the fair value of each class of financial instrument are as follows:

- For financial instruments such as cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued liabilities, the carrying values are equivalent to their fair values because of the short-term maturities of these financial instruments.

- The carrying value of the bridge loan, used in the form of a banker's acceptance, is equivalent to its fair value due to the floating interest rate on the debt.

- The fair value of the debenture is obtained from the financial institution of the Limited Partnership for identical or similar instruments.

Société en commandite Stationnement de Montréal

Schedule of Operating Expenses

For the year ended December 31, 2007

	2007 $	2006 $
Salaries[1]	3,702,691	3,421,417
Payroll taxes[1]	929,255	843,183
External services	493,020	412,145
Leasing/maintenance of equipment and parking lots	1,136,068	1,204,069
Advertising, transportation and communications	463,162	418,453
Supplies	358,135	215,839
Administrative expenses of Ville de Montréal	127,357	114,941
Management fees of Accesum Inc.	109,164	63,194
Bank, money handling and credit card charges	735,154	359,606
Insurance	75,262	86,853
Other	68,400	31,125
	8,197,668	7,170,825

[1] Salaries and payroll taxes include amounts paid to Ville de Montréal in respect of the obligation under the concession contract to lease the services of Ville de Montréal employees whose duties relate directly to the management of parking, under conditions provided for in the collective agreement with Ville de Montréal.

RECIPIENT OF "2007 AWARD OF MERIT" DISCERNED BY THE *INTERNATIONAL PARKING INSTITUTE* FOR INNOVATIONS IN PARKING OPERATIONS.

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