



FINANCIAL REPORT 2011

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^{1,3}

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

Lise Aubin^{2,4}

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

Claude Carette^{3,4}

Director, Transportation Department
Ville de Montréal

Marie-Claude Gévy^{2,3}

Partner – Strategic Counsel Group
Raymond Chabot Grant Thornton

M^e André Goyer^{1,3,4}

Executive Vice-President and Chief Legal Officer
GFI Solutions Group Inc.

Robert Lamontagne²

Senior Director and Treasurer, Finance Department
City of Montréal

Pierre LeBlanc¹

Director and head volunteer
Fondation du maire : le Montréal inc. de demain

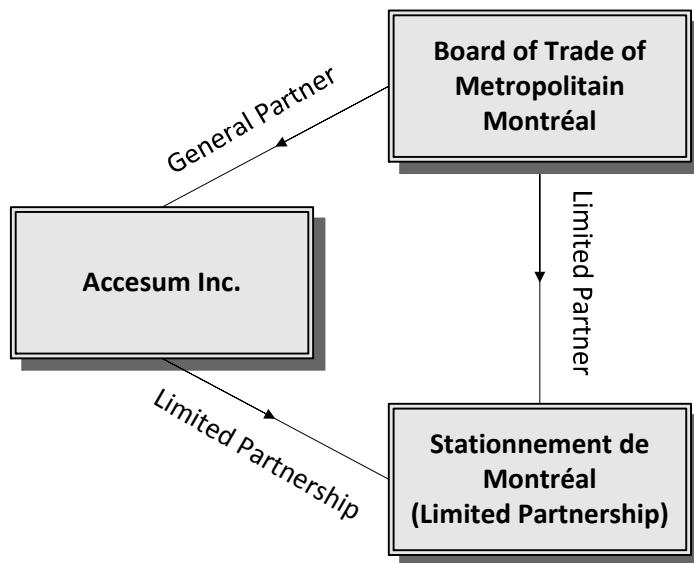
1. Human Resources Committee
2. Audit Committee
3. Strategy and Sustainable Committee
4. Governance Committee

Our mission

Created in 1995, the *Société en commandite Stationnement de Montréal's* (the "Company") initial purpose was to ensure optimal management of the city's on-street and off-street paid parking facilities. The Company's renown quickly grew through its innovation, cutting-edge tech applications and design skills in harmoniously integrating its equipment within the urban landscape.

Do you know Accesum Inc.?

Stationnement de Montréal is a limited partnership created by the Board of Trade of Metropolitan Montreal. By its very nature, the Company does not have a Board of Directors. Accesum Inc., its partner, acts on behalf of the Company. The Board of Trade of Metropolitan Montreal acts as *Stationnement de Montréal's* sponsor and Accesum Inc.'s sole shareholder.



Highlights

17,628 paid on-street parking spaces

3,432 spaces in **37** parking lots

1,501 on-street and off-street pay stations

29,759 parking permits issued (half-monthly, monthly and quarterly)

Addition of **350** bike racks on parking sign poles for a total of **5,198**

1,922,125 transactions per month, including over **662,530** by credit card

26 pay stations were installed in the Villeray—Saint-Michel—Parc Extension and Mercier—Hochelaga-Maisonneuve boroughs, replacing **200** mechanical parking meters

CHAIRMAN'S MESSAGE

It has now been just over a year that the members of the Board of Directors of Accesum Inc. ("Accesum") and I have been in place, along with most of the officers. In 2011, we focused on strengthening the foundations of the Société en commandite Stationnement de Montréal (the "Company").

We clearly indicated that our priorities would be, on the one hand, to provide the Company with governance conforming to prevailing standards in the area and, on the other, to normalize the situation regarding financing of the BIXI self-service bicycle sharing program. I am pleased to confirm that we have successfully achieved these objectives.

In addition, the consolidation of the Company's foundations allowed us to successfully complete our various mandates and also plan our future well. We considered it unavoidable to devote our efforts to defining a strategic plan that lays the foundations of our vision for the years 2012 to 2015.

In the process, the Company is preparing to offer users a leading-edge service for paying for a parking space. Users will soon be able to pay parking fees using their smartphone and on the web. We believe that this new payment method will improve user satisfaction. We also think that it will promote business activity since the user will be able to pay for his or her parking space remotely without having to move.

The year 2011 was also marked by the move of our offices, which were divided in two to separate our administrative and operating activities. The move into new spaces will let us carry an even larger inventory of urban furniture in addition to maintaining a high level of service quality. In doing so, we will reduce our rent by 10% over the next ten years.

Aside from these projects that will help make the Company known on the metropolitan scene, I would like to share some highlights concerning our financial statements.

In 2011, the Company contributed a total of \$43.5 million to the City of Montréal in the form of taxes, rent, permits, debenture interest, compensation and royalties. Since it was created in 1995, the Company has contributed a cumulative amount of \$365.2 million to the City of Montréal in addition to the initial payment of \$56.8 million, for a total amount of \$422 million.

In accordance with the concession agreement granted to it in 1995, the Company has remitted an annual amount of \$400,000 as agreed to the Board of Trade of Metropolitan Montréal.

Since the Company's creation, we have given considerable attention to the social value of staying in school. In addition to welcoming young interns every summer under the Student Business program of MR3 Montréal Relève, the Company contributes \$600,000 annually to the organization, an amount that is invested directly in the upcoming generation of Montrealers.

MR3 Montréal Relève uses its resources to implement the Business Class project, a Montréal-based career exploration program that targets academic perseverance. It offers Secondary 3 and 4 students the opportunity to do an internship to discover different occupations and professions.

Since its founding, the Company has worked to fulfill its mission to ensure optimal management of paid municipal parking on street and off street. Along this line, we continue to collaborate with our different partners such as the City of Montréal and the Board of Trade of Metropolitan Montréal and to lend a hand to the boroughs in parking matters.

In conclusion, I would like to emphasize the invaluable support of members of the Board of Directors who devoted considerable effort to the strategic planning of the Company and its governance. On behalf of administrators of the Company and its board members, I would like to thank all the employees who, by their skill and determination, enabled the organization to carry out all these projects in line with its mission. I am confident that the years to come will give rise to innovative projects.

A handwritten signature in black ink, appearing to read 'Rémi Racine', with a stylized, cursive script.

Rémi Racine,
Chairman of the Board of Directors
Accesum Inc.

Accesum inc.

Financial Statements
December 31, 2011 and 2010

Accesum inc.

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March 22, 2012

Independent Auditor's Report

**To the Limited Partner of
Accesum inc.**

We have audited the accompanying financial statements of Accesum inc., which comprise the statements of financial position as at December 31, 2011 and 2010 and January 1, 2010 and the statements of changes in net financial debt and operations for the years ended December 31, 2011 and 2010, and the related notes, which comprise 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits 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.

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We believe that the audit evidence we have obtained in our audits 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, 2011 and 2010 and January 1, 2010 and the results of its operations and changes in its net financial debt for the years ended December 31, 2011 and 2010 in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP¹

¹ Chartered accountant auditor permit No. 14707

Accesum inc.

Statements of Financial Position

	Note	As at December 31, 2011 \$	As at December 31, 2010 \$	As at January 1, 2010 \$
Financial Assets				
Cash and cash equivalents		17,374	22,870	15,067
Accounts receivable		433	1,377	3,602
Due from Société en commandite Stationnement de Montréal		16,735	16,551	-
Investment	3	<u>1</u>	<u>1</u>	<u>1</u>
		<u>34,543</u>	<u>40,799</u>	<u>18,670</u>
Liabilities				
Accounts payable and accrued liabilities		34,443	40,699	24,828
Due to Board of Trade of Metropolitan Montreal		100	100	100
Due to Société en commandite Stationnement de Montréal		<u>-</u>	<u>-</u>	<u>4,187</u>
		<u>34,543</u>	<u>40,799</u>	<u>29,115</u>
Net financial debt		<u>-</u>	<u>-</u>	<u>10,445</u>
Non-financial assets				
Prepaid expenses		<u>-</u>	<u>-</u>	<u>10,445</u>
		<u>-</u>	<u>-</u>	<u>-</u>

Approved by the Board of Directors



Chairperson



Director

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

Accesum inc.**Statements of Changes in Net Financial Debt
For the years ended December 31, 2011 and 2010**

	Budget 2011 \$ (unaudited)	2011 \$	2010 \$
Annual surplus	-	-	-
Change in tangible assets	-	-	-
Change in other net assets	-	-	10,445
Change in net financial debt	-	-	10,445
Net financial debt – Beginning of year	-	-	(10,445)
Net financial debt – End of year	-	-	-

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

Accesum inc.

Statements of Operations

For the years ended December 31, 2011 and 2010

	Budget 2011 \$ (unaudited)	2011 \$	2010 \$
Revenue			
Management fees received from Société en commandite Stationnement de Montréal	<u>129,206</u>	<u>127,862</u>	<u>129,206</u>
Expenses			
Administrative services	112,640	113,295	112,640
Insurance	11,354	10,441	11,354
Other	<u>5,212</u>	<u>4,126</u>	<u>5,212</u>
	<u>129,206</u>	<u>127,862</u>	<u>129,206</u>
Annual surplus	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated surplus – Beginning and end of year	<u>-</u>	<u>-</u>	<u>-</u>

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

Accesum inc.

Notes to Financial Statements

December 31, 2011 and 2010

1 Description of business

Accesum inc. (the “Limited Partnership”), incorporated on June 30, 1993 under Part IA of the Companies 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 Limited Partnership, which is presented as a financial liability in the statements of financial position.

2 Significant accounting policies

Basis of presentation

Effective January 1, 2011, the Limited Partnership elected to adopt Canadian public sector accounting standards (“CPSAS”). The accounting standards of this reporting framework have been applied retroactively. The date of transition is January 1, 2010.

The \$100 interest in the Limited Partnership held by the Board of Trade of Metropolitan Montreal, which was previously presented in shareholder’s equity, is now presented as a liability.

Use of estimates

The preparation of financial statements in conformity with CPSAS 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Limited Partnership recognizes its revenue, which comprise compensation from Société en commandite Stationnement de Montréal, as related expenses are incurred.

Cash and cash equivalents

Cash consists of cash on hand and bank balances.

Investment

The investment is accounted for at cost.

Accesum inc.

Notes to Financial Statements

December 31, 2011 and 2010

3 Investment

	2011 \$	2010 \$
Investment in Société en commandite Stationnement de Montréal (\$1 per share)	<u>1</u>	<u>1</u>

4 Statement of cash flows

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

5 Statement of expense by item

A statement of expense by item has not been presented as it would not provide any additional meaningful information.

6 Comparative figures

Certain comparative figures from the previous year were reclassified in order to conform to the basis of presentation adopted in the current year.

Société en commandite
Stationnement de Montréal

Financial Statements
December 31, 2011 and 2010

Société en commandite Stationnement de Montréal

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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, 2011, 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.

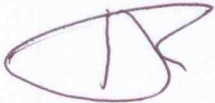
Opinion

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, 2011 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.

Comparative information

Without modifying my opinion, I draw attention to Note 2 of the financial statements, which states that Société en commandite Stationnement de Montréal adopted Canadian public sector accounting standards as at January 1, 2011 and that the date of transition is January 1, 2010. Those standards have been applied retrospectively by management to the comparative information of these financial statements, including the statements of financial position as at December 31, 2010 and January 1, 2010, and the statements of operations, change in net debt and cash flow for the year ended December 31, 2010, and related disclosures. I was not engaged to report on the restated comparative information. Accordingly, that information is unaudited.

Auditor General of Montréal,



Jacques Bergeron, CA auditor

Montréal, March 22, 2012



March 22, 2012

Independent Auditor's Report

To the Limited Partner of Société en commandite Stationnement de Montréal

We have audited the accompanying financial statements of Société en commandite Stationnement de Montréal, which comprise the statements of financial position at December 31, 2011 and 2010 and January 1, 2010 and the statements of changes in net financial debt, operations and cash flows and the expenses by item for the years ended December 31, 2011 and 2010, and the related notes, which comprise 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 audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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We believe that the audit evidence we have obtained in our audits 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 Société en commandite Stationnement de Montréal as at December 31, 2011 and 2010 and January 1, 2010 and the results of its operations, changes in its net debt, its cash flows and its expenses by item for the years ended December 31, 2011 and 2010 in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP¹

¹ Chartered accountant auditor permit No. 14707

Société en commandite Stationnement de Montréal

Statements of Financial Position

	Note	As at December 31, 2011 \$	As at December 31, 2010 \$	As at January 1, 2010 \$
Financial assets				
Cash and cash equivalents		26,667,041	5,358,666	6,384,545
Advances to related entities	4, 10	72,896	33,919,287	31,829,601
Accounts receivable	5	113,240	591,480	3,138,717
		<u>26,853,177</u>	<u>39,869,433</u>	<u>41,352,863</u>
Liabilities				
Bank loans	6	-	20,000,000	25,750,000
Accounts payable and accrued liabilities		2,733,188	2,824,749	1,782,108
Due to Economic Development Fund		300,000	300,000	569,768
Due to Ville de Montréal		41,137,208	37,579,184	37,603,353
Due to Accesum inc.	1	16,736	16,552	7,849
Due to Board of Trade of Metropolitan Montreal	1	500,000	500,000	500,000
Long-term debt	7	23,333,333	26,666,668	30,000,001
		<u>68,020,465</u>	<u>87,887,153</u>	<u>96,213,079</u>
Net financial debt		<u>(41,167,288)</u>	<u>(48,017,720)</u>	<u>(54,860,216)</u>
Non-financial assets				
Property and equipment	8	16,980,866	21,909,475	26,711,549
Deferred charges		26,000,000	28,000,000	30,000,000
Prepaid expenses		157,365	147,314	225,862
		<u>43,138,231</u>	<u>50,056,789</u>	<u>56,937,411</u>
Accumulated surplus	9	<u>1,970,943</u>	<u>2,039,069</u>	<u>2,077,195</u>

Approved by the General Partner, Accesum inc.,
on behalf of Société en commandite Stationnement de Montréal



Chairperson



Director

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

Société en commandite Stationnement de Montréal

Statements of Changes in Net Financial Debt

For the years ended December 31, 2011 and 2010

	Budget 2011 (unaudited) \$	2011 \$	2010 \$
Annual deficit	(23,000)	(68,126)	(38,126)
Change in property and equipment			
Acquisitions	(1,694,000)	(628,982)	(1,029,050)
Proceeds on disposal	2,995,834	2,995,834	3,943
Gain on disposal	-	-	(3,943)
Amortization	3,358,000	2,561,757	3,298,074
Provision for impairment	-	-	2,533,050
	4,636,834	4,860,483	4,763,948
Change in deferred charges	2,000,000	2,000,000	2,000,000
Change in prepaid expenses	(10,051)	(10,051)	78,548
Decrease in net financial debt for the year	6,626,783	6,850,432	6,842,496
Net financial debt – Beginning of year	(48,017,720)	(48,017,720)	(54,860,216)
Net financial debt – End of year	(41,390,937)	(41,167,288)	(48,017,720)

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

Société en commandite Stationnement de Montréal

Statements of Operations

For the years ended December 31, 2011 and 2010

	Note	Budget 2011 (unaudited) \$	2011 \$	2010 \$
Revenue				
Curbside parking meters		55,582,000	54,793,492	53,889,783
Parking lots		4,830,000	4,413,224	4,495,866
Indemnity for parking space occupancy		1,400,000	685,090	1,334,829
Other operating revenues		1,345,000	1,003,475	1,205,645
Interest revenue	10	46,000	1,053,128	2,166,904
		<u>63,203,000</u>	<u>61,948,409</u>	<u>63,093,027</u>
Expenses				
Curbside parking meters		13,962,000	12,523,152	12,274,099
Parking lots		4,983,000	4,938,274	4,857,817
Indemnity for parking space occupancy		324,000	156,591	305,046
Other operating expenses		1,177,000	513,365	1,088,854
Interest and financial expenses		1,306,000	1,673,827	3,485,672
Loss due to collection of advance to PBSC	10	-	1,044,476	-
Provision for impairment of property and equipment	10	-	-	2,533,050
Gain on disposal of property and equipment		-	-	(3,943)
		<u>21,752,000</u>	<u>20,849,685</u>	<u>24,540,595</u>
Earnings before compensation, royalties and amortization of property and equipment purchased with reserve fund		<u>41,451,000</u>	<u>41,098,724</u>	<u>38,552,432</u>
Compensation for contribution from Board of Trade of Metropolitan Montreal		(400,000)	(400,000)	(400,000)
Compensation and royalties – Ville de Montréal		(40,151,000)	(39,798,724)	(37,522,200)
Royalties – Economic Development Fund		(600,000)	(600,000)	(330,232)
		<u>(41,151,000)</u>	<u>(40,798,724)</u>	<u>(38,252,432)</u>
Earnings before amortization of property and equipment purchased with reserve fund		300,000	300,000	300,000
Amortization of property and equipment purchased with reserve fund	9	(323,000)	(368,126)	(338,126)
Annual deficit		(23,000)	(68,126)	(38,126)
Accumulated surplus – Beginning of year		<u>2,039,069</u>	<u>2,039,069</u>	<u>2,077,195</u>
Accumulated surplus – End of year		<u>2,016,069</u>	<u>1,970,943</u>	<u>2,039,069</u>

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

Société en commandite Stationnement de Montréal

Statements of Cash Flows

For the years ended December 31, 2011 and 2010

	Note	2011 \$	2010 \$
Cash flows from			
Operating activities			
Annual deficit		(68,126)	(38,126)
Items relating to property and equipment without affect on cash			
Gain on disposal		-	(3,943)
Amortization	8	2,561,757	3,298,074
Provision for impairment		-	2,533,050
		<u>2,561,757</u>	<u>5,827,181</u>
Changes in non-cash operating working capital items	11	<u>5,934,836</u>	<u>5,383,192</u>
		<u>8,428,467</u>	<u>11,172,247</u>
Capital transactions related to property and equipment			
Acquisitions		(628,982)	(1,029,050)
Proceeds on disposals	10	<u>2,995,834</u>	<u>3,943</u>
		<u>2,366,852</u>	<u>(1,025,107)</u>
Investing transactions			
Decrease (increase) in advances to related entities	4, 10	<u>33,846,391</u>	<u>(2,089,686)</u>
Financing transactions			
Decrease in bank loans		(20,000,000)	(5,750,000)
Repayment of long-term debt		<u>(3,333,335)</u>	<u>(3,333,333)</u>
		<u>(23,333,335)</u>	<u>(9,083,333)</u>
Net change in cash and cash equivalents during the year		21,308,375	(1,025,879)
Cash and cash equivalents – Beginning of year		<u>5,358,666</u>	<u>6,384,545</u>
Cash and cash equivalents – End of year		<u>26,667,041</u>	<u>5,358,666</u>

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

Société en commandite Stationnement de Montréal

Expenses by Item

For the years ended December 31, 2011 and 2010

	Note	Budget 2011 (unaudited) \$	2011 \$	2010 \$
Compensation and payroll taxes		5,295,000	5,323,521	5,180,909
Repair and maintenance of parking lots		1,600,000	1,390,238	1,254,245
Advertising, transport and communication		931,000	582,310	543,997
Utilities		344,000	334,192	301,701
Bank, credit card and money handling fees		1,029,000	1,170,778	1,022,090
Professional services		1,156,000	703,651	1,095,524
Project development fees		444,000	405,890	163,564
Other administrative fees		300,000	372,899	253,358
Rent – Parking lots	12(b)	3,548,000	2,845,148	3,166,398
Rent – Building		589,000	369,200	362,650
Management fees – Accesum inc.	10	135,000	127,862	129,206
Taxes and permits		2,040,000	2,312,062	2,092,226
Expenses before the following items		17,411,000	15,937,751	15,565,868
Amortization of property and equipment		3,358,000	2,561,757	3,298,074
Amortization of property and equipment purchased with reserve fund	9	(323,000)	(368,126)	(338,126)
Interest and financial expenses		1,306,000	1,673,827	3,485,672
Provision for impairment of property and equipment	10	-	-	2,533,050
Gain on disposal of property and equipment		-	-	(3,943)
Loss due to collection of advance to PBSC	10	-	1,044,476	-
		<u>21,752,000</u>	<u>20,849,685</u>	<u>24,540,595</u>

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

Société en commandite Stationnement de Montréal

Notes to Financial Statements

December 31, 2011 and 2010

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 Montreal is the sole limited partner. The Board of Trade of Metropolitan Montreal invested \$500,000 on inception of the Limited Partnership, and Accesum inc. invested \$1. Those investments, which are recorded in liabilities, are repayable at the termination date of the agreement signed with 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 First-time adoption of Canadian public sector accounting standards

Basis of presentation

In December 2009, the Canadian Institute of Chartered Accountants amended its Introduction to Public Sector Accounting Standards, eliminating the concept of business-type organism. Under the new Introduction, the Limited Partnership now qualifies as a public sector body and must implement the reporting framework of its choice, whether public sector accounting standards or accounting standards for publicly accountable enterprises, corresponding to International Financial Reporting Standards for the preparation of its financial statements covering periods beginning on or after January 1, 2011. As at January 1, 2011, the Limited Partnership adopted this accounting change and the Canadian public sector accounting standards (“CPSAS”) that meet the consolidation needs of Ville de Montréal. The financial statements for the prior year, which were prepared in accordance with Canadian generally accepted accounting principles, have been restated to reflect the differences in the new accounting standards.

These financial statements are the first financial statements of the Limited Partnership prepared in accordance with new accounting standards. The date of transition to CPSAS is January 1, 2010.

The accounting policies described in note 3 and arising from the application of CPSAS were used for the preparation of financial statements for the years ended December 31, 2011 and 2010 and the statement of financial position as at the transition date.

Société en commandite Stationnement de Montréal

Notes to Financial Statements

December 31, 2011 and 2010

Impact of transition

- a) The interest of the sole limited partner, the Board of Trade of Metropolitan Montreal, in the amount of \$500,000, and the interest of the general partner, Accesum inc., in the amount of \$1, have been reclassified as liabilities in the statement of financial position. These interests were classified as equity.
- b) In accordance with the CPSAS adopted, the Limited Partnership may no longer present as a reduction of property and equipment the amounts purchased with the reserve fund committed to investment in property and equipment (note 9). The net investment from the reserve fund committed to investment in property and equipment, as well as the balance of the reserve fund committed to investment in property and equipment, have been reclassified to accumulated surplus as at January 1, 2010; as a result, amortization of property and equipment for 2010 has been adjusted.

	As at January 1, 2010		
	Initial balance \$	Adjustment \$	Balance after adjustment \$
Property and equipment	24,634,354	2,077,195	26,711,549
Due to Accesum inc.	7,848	1	7,849
Due to Board of Trade of Metropolitan Montreal	-	500,000	500,000
Accumulated surplus/Shareholder's equity	500,001	1,577,194	2,077,195

	For the year ended December 31, 2010		
	Initial balance \$	Adjustment \$	Balance after adjustment \$
Amortization of property and equipment	2,959,948	338,126	3,298,074

3 Significant accounting policies

Basis of presentation

These financial statements are prepared in accordance with CPSAS and reflect the following significant accounting policies.

Société en commandite Stationnement de Montréal

Notes to Financial Statements

December 31, 2011 and 2010

Management estimates

The preparation of financial statements in conformity with CPSAS 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.

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 significant risks and benefits associated with ownership are transferred, the selling price is fixed and determinable, and recovery is considered probable.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank balances and short-term securities with a maturity of three months or less.

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 years
Pay stations	5 and 10 years
Automotive equipment	5 years
Machinery and equipment	5 and 10 years

Deferred charges

Deferred charges represent the amount of prepaid expenses or payable to Ville de Montréal regarding a concession that represents the right to use paid parking spaces for a period of 30 years. An amount 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 Financial Statements

December 31, 2011 and 2010

4 Advances to related entities

	2011 \$	2010 \$
Public Bike System Company ("PBSC")	-	33,846,391
Société de Jalonnement dynamique de Montréal, managed entity	72,896	72,896
	<u>72,896</u>	<u>33,919,287</u>

The advance to Société de Jalonnement dynamique de Montréal ("SJDM") bears no interest and is not subject to any repayment terms.

5 Accounts receivable

	2011 \$	2010 \$
Accounts receivable	302,727	947,971
Allowance for doubtful accounts	(189,487)	(356,491)
	<u>113,240</u>	<u>591,480</u>

6 Bank loans

The Limited Partnership has a revolving term credit facility for an amount equal to the lesser of \$16,000,000 or the net book value of property and equipment, which represents \$24,625,812 as at September 7, 2009. This credit facility is in the form of bankers' acceptances that bear interest at variable rates. As at December 31, 2011, the credit facility, maturing on May 31, 2012, is unused (2010 – \$16,000,000). This facility is secured by a first mortgage on all assets of the Limited Partnership.

Société en commandite Stationnement de Montréal

Notes to Financial Statements

December 31, 2011 and 2010

7 Long-term debt

- a) Long-term debt consists of the following:

	2011 \$	2010 \$
Bridge loan, bearing interest at a floating rate, in the form of a banker's acceptance, due on April 30, 2015, repayable in annual principal instalments of \$1,333,333, guaranteed by Ville de Montréal up to a maximum of \$40,000,000	17,333,333	18,666,668
Debenture, maturing in 2014, bearing interest at an annual rate of 9%, repayable in annual principal instalments of \$2,000,000	<u>6,000,000</u>	<u>8,000,000</u>
	<u>23,333,333</u>	<u>26,666,668</u>

- b) Principal instalments over the next four years are as follows:

	\$
2012	3,333,333
2013	3,333,333
2014	3,333,333
2015	<u>13,333,334</u>
	<u>23,333,333</u>

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Notes to Financial Statements

December 31, 2011 and 2010

8 Property and equipment

	Balance as at December 31, 2010 \$	Acquisitions/ increases \$	Disposals/ writeoffs \$	Provision for impairment \$	Balance as at December 31, 2011 \$
Cost					
Parking lots*	5,318,669	-	-	-	5,318,669
Leasehold improvements	378,000	108,472	378,000	-	108,472
Parking lot improvements	673,390	-	-	-	673,390
Office equipment	1,640,323	340,742	1,087,915	-	893,150
Parking meters and distributors	4,114,918	-	3,335,666	-	779,252
Pay stations	28,497,519	108,707	6,503,911	-	22,102,315
Automotive equipment	792,309	35,512	394,761	-	433,060
Machinery and equipment	1,473,515	35,549	1,111,286	-	397,778
	<u>42,888,643</u>	<u>628,982</u>	<u>12,811,539</u>	<u>-</u>	<u>30,706,086</u>
Accumulated amortization					
Leasehold improvements	378,000	904	378,000	-	904
Parking lot improvements	627,846	13,008	-	-	640,854
Office equipment	1,356,260	181,497	1,087,915	-	449,842
Parking meters and distributors	4,097,061	17,857	3,335,666	-	779,252
Pay stations	12,604,461	2,204,796	3,508,077	-	11,301,180
Automotive equipment	608,104	72,201	394,761	-	285,544
Machinery and equipment	1,307,436	71,494	1,111,286	-	267,644
	<u>20,979,168</u>	<u>2,561,757</u>	<u>9,815,705</u>	<u>-</u>	<u>13,725,220</u>
	<u>21,909,475</u>				<u>16,980,866</u>

* The value of the parking lots amounts to \$7,469,700 according to the most recent land valuation.

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Notes to Financial Statements

December 31, 2011 and 2010

	Balance as at January 1, 2010 \$	Acquisitions/ increases \$	Disposals/ writeoffs \$	Provision for impairment \$	Balance as at December 31, 2010 \$
Cost					
Parking lots	5,318,669	-	-	-	5,318,669
Leasehold improvements	378,000	-	-	-	378,000
Parking lot improvements	673,390	-	-	-	673,390
Office equipment	1,435,780	204,543	-	-	1,640,323
Parking meters and distributors	4,114,918	-	-	-	4,114,918
Pay stations	27,757,755	739,764	-	-	28,497,519
Automotive equipment	802,427	70,102	80,220	-	792,309
Machinery and equipment	1,458,874	14,641	-	-	1,473,515
	41,939,813	1,029,050	80,220	-	42,888,643
Accumulated amortization					
Leasehold improvements	355,131	22,869	-	-	378,000
Parking lot improvements	614,834	13,012	-	-	627,846
Office equipment	1,205,006	151,254	-	-	1,356,260
Parking meters and distributors	3,979,743	117,318	-	-	4,097,061
Pay stations	7,216,575	2,854,836	-	2,533,050	12,604,461
Automotive equipment	618,753	69,571	80,220	-	608,104
Machinery and equipment	1,238,222	69,214	-	-	1,307,436
	15,228,264	3,298,074	80,220	2,533,050	20,979,168
	26,711,549				21,909,475

9 Accumulated surplus

	2011 \$	2010 \$
Net investment from reserve fund for investments in property and equipment	1,779,650	2,039,069
Reserve fund for investments in property and equipment	191,293	-
Accumulated surplus	1,970,943	2,039,069

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.

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Notes to Financial Statements

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The Limited Partnership has been using the reserve fund from 2004 to 2011 and has used an amount of \$3,639,971 as at December 31, 2011 (2010 – \$3,531,264). 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 represents amounts reserved but not yet used.

	2011 \$	2010 \$
Investment from reserve fund – Beginning of year	3,531,264	3,231,264
Amounts used during the year	<u>108,707</u>	<u>300,000</u>
Investment from reserve fund – End of year	<u>3,639,971</u>	<u>3,531,264</u>
Accumulated amortization of related property and equipment – Beginning of year	1,492,195	1,154,069
Amortization of property and equipment purchased with reserve fund	<u>368,126</u>	<u>338,126</u>
Accumulated amortization of related property and equipment – End of year	<u>1,860,321</u>	<u>1,492,195</u>
Net balance of investment from reserve fund	<u>1,779,650</u>	<u>2,039,069</u>

During the year ended December 31, 2011, the Limited Partnership did not invest the entire amount reserved annually for the investment fund, which is \$300,000.

10 Related entity transactions

The main transactions between related entities of the Limited Partnership during the year are as follows:

	2011 \$	2010 \$
Revenues		
Interest revenue – PBSC	965,370	2,135,348
Wage and benefit chargebacks – PBSC	-	405,174
Rental of dual-mode pay stations – PBSC	-	259,566
Telecommunications chargebacks – PBSC	-	24,268
Expenses		
Management fees – Accesum inc.	127,862	129,206
Loss due to collection of advance to PBSC	1,044,476	-

These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

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Notes to Financial Statements

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The Limited Partnership has provided project administration and management services, without compensation, to a related entity (note 13).

During the fiscal year, the Limited Partnership sold bimodal pay stations to Public Bike System Company ("PBSC") for an amount of \$2,995,834. Those pay stations, which had been amortized for an amount of \$2,533,050 in 2010, were sold for an amount corresponding to the net book value.

11 Changes in non-cash operating working capital items

	2011 \$	2010 \$
Decrease (increase) in		
Accounts receivable	478,240	2,547,237
Deferred charges	2,000,000	2,000,000
Prepaid expenses	(10,051)	78,548
Increase (decrease) in		
Accounts payable and accrued liabilities	(91,561)	1,042,641
Due to Economic Development Fund	-	(269,768)
Due to Ville de Montréal	3,558,024	(24,169)
Due to Accesum inc.	184	8,703
	<u>5,934,836</u>	<u>5,383,192</u>

12 Commitments

- a) The Limited Partnership is committed under a rental proposal for 10 years. The minimum balance owing under this proposal during the next five years, including estimated operating expenses, amounts to \$2,107,420 and is detailed as follows:

	\$
2012	399,858
2013	399,858
2014	421,484
2015	443,110
2016	443,110

- 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.

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Notes to Financial Statements

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- c) The Limited Partnership has entered into maintenance agreements for a total amount of \$701,730. These agreements expire up to April 2013.

13 Managed entity

The Limited Partnership provides management services to SJDM and appoints the majority of the members of its board of directors as provided by the constitutional bylaws of the entity.

SJDM is a not-for-profit organization whose mandate is to offer and/or operate systems for dynamic traffic management with the objective of facilitating the localization of urban parking lots. For information purposes, the unaudited condensed financial statements of SJPM for the fiscal years ended December 31 are as follows:

	2011 \$	2010 \$
Balance sheets		
Total assets	<u>165,539</u>	<u>124,863</u>
Total liabilities	230,854	214,118
Total deficit	<u>(65,315)</u>	<u>(89,255)</u>
	<u>165,539</u>	<u>124,863</u>
Statements of earnings (loss)		
Total revenues	38,769	35,046
Total expenses	<u>14,829</u>	<u>119,501</u>
Excess revenues over expenses (expenses over revenues)	<u>23,940</u>	<u>(84,455)</u>
Cash flows		
Operating activities	<u>14,037</u>	<u>(107,351)</u>
Net increase (decrease) in cash and cash equivalents	<u>14,037</u>	<u>(107,351)</u>

Société en commandite Stationnement de Montréal

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December 31, 2011 and 2010

14 Contingencies

Claims for damages

An entity is claiming damages in the amount of \$528,076 from the Limited Partnership for expenses incurred and profits lost as a result of a real estate transaction that has not been completed. Management believes that the claim is without merit, and to its knowledge it is unlikely that the outcome will be unfavourable to the Limited Partnership. Consequently, no provision has been recorded for this claim in the Limited Partnership's statement of operations for the year ended December 31, 2011.

15 Comparative figures

Certain comparative figures have been reclassified to conform to the basis of presentation adopted in the current year.

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