

## FINANCIAL REPORT 2015

ACCESUM INC.

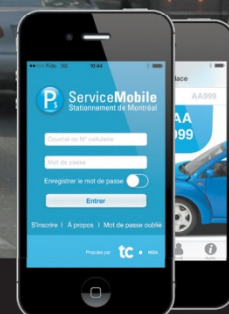
AND

SOCIÉTÉ EN COMMANDITE

STATIONNEMENT DE MONTRÉAL



EN ROUTE VERS  
LE STATIONNEMENT  
INTELLIGENT



## Board of Directors

### **ACCESUM INC.**

AS GENERAL PARTNER FOR SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

#### **Rémi Racine**

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

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

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

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

Senior Vice-President, General Manager  
K-72

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

Company Director

#### **Me André Goyer <sup>1</sup>**

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

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

Director, Accounting and Financial Information  
City of Montréal

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

Director and head volunteer  
Fondation Montréal inc.

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

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

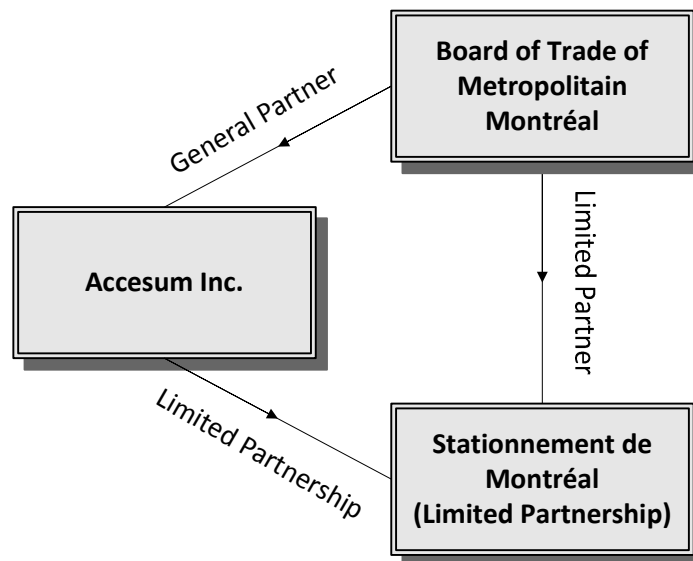
1. Governance and Human Resources Committee
2. Finance and Audit Committee
3. Communications Committee

## Our mission

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



# 2015 Highlights

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

**25,845,000** on-street and off-street transactions made during the year;

The *P\$ Mobile Service* app accounted for **35.5%** of all payment transactions during the year. At the pay station level, **33%** were made by credit card and **31.5%** with cash;

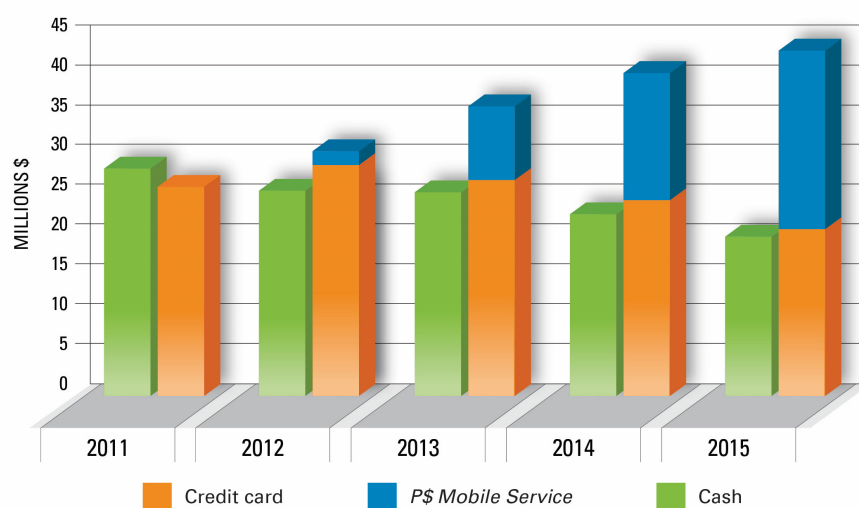
**584,392** users registered to the *P\$ Mobile Service* app;

**18,941** paid on-street parking spaces;

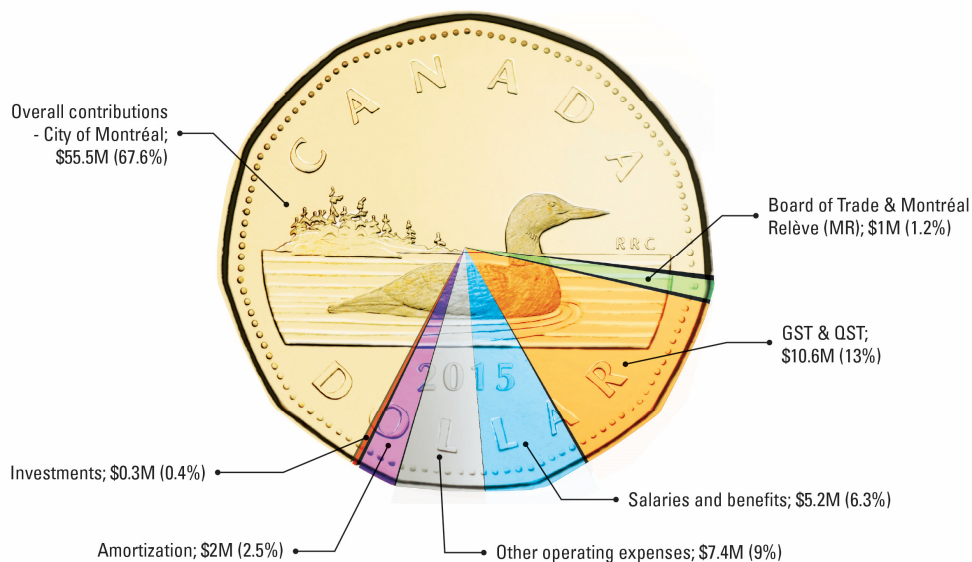
**26,559** bi-weekly, monthly and quarterly parking permits issued for **34** parking lots comprised of a total of **3,273** spaces;

**1,515** on-street and off-street pay stations.

Evolution of on-street revenues by payment method



2015 breakdown of each dollar spent on parking facilities



## A WORD FROM MANAGEMENT

### Building tomorrow's parking landscape

Société en commandite Stationnement de Montréal (the “Société”) has been the exclusive planner and manager of the City of Montréal’s municipal parking since 1995. For over 20 years, the organization has leveraged its unique expertise to play a key role with the City.

Over the past year, the City of Montréal has conducted a major strategic analysis of parking management, development and governance throughout its territory. On December 16, 2015, it introduced a preliminary project aiming to adopt an official parking policy, which seeks to better coordinate measures through the creation of a municipal parking management agency, among other objectives. This new organization’s mission would consist in aligning municipal authorities’ various objectives, so that parking operations could add to public transportation development efforts and help address growing issues pertaining to the Montréal street network’s flow and mobility.

This citizen-focused policy fostering a global vision for parking planning represents an extraordinary opportunity to improve Montrealers’ quality of life, while addressing core urban layout and transportation issues going forward. The Société wholeheartedly supports this vision.

Moreover, the Société collaborated fully with municipal authorities as part of the policy’s development process, contributing its knowledge of Montréal’s territory and expertise with international best practices pertaining to municipal parking management and operations.

As part of this initiative, the Société tabled a study on Montréal’s parking situation for consideration by municipal authorities, and collaborated with them to produce a diagnostic report on parking. Consistently seeking to innovate, the Société also leverages emerging technologies in smart parking, and draws inspiration from international best practices. It helps position Montréal within the smart cities community by making parking management a truly exceptional tech showcase.

Here are a few of the Société’s activities during the past year as part of its strategic plan.

#### On the cutting edge of emerging technologies

Always striving to analyse the parking sector’s best practices, the Société has invested \$250,000 in tech solution development. Among these initiatives, smart sensor prototypes equipped with magnetometers that detect the presence of vehicles have been field tested since 2013 to collect accurate, real-time data on parking space usage.

In 2015, we pushed this concept further by installing 200 more sensors equipped with different technology, namely radar. These tests will enable the Société to determine which technology is best suited to winter conditions, analyze the system’s accuracy and guide drivers to available parking spaces through our app.

#### Verdun’s switch from mechanical parking meters to smart pay stations

Following the City of Montréal’s borough financing reform, effective January 1, 2015, the Société was charged with managing on-street paid parking in Verdun. Our extensive expertise has enabled us to guide the borough throughout the entire project, which ultimately proved to be a resounding success. Since fall 2015, mechanical parking meters were replaced with parking signage and pay stations. From then on, users had the option to pay for their parking using either cash, their credit card or the *P\$ Mobile Service* app. Indeed, payment results for credit cards (17.1%) and the *P\$ Mobile Service* app (20.4%) for 2016’s opening quarter are clear markers of this project’s success.

## Open data

Following the City of Montréal's adoption of its Open Data Policy, Stationnement de Montréal has confirmed its compliance by publishing its first data set on urban furniture location (pay stations, signage), regulations, parking rates, and paid periods for on-street parking. As a result, Stationnement de Montréal is the first organization within the City's reporting entity to open its data to the public through its [website](#) and the City of Montréal's [open data portal](#).

## P\$ Service mobile

Usage of our remote payment app, *P\$ Mobile Service*, has grown considerably, with the new payment method representing over 40% of total income during the year's closing weeks.

Moreover, as part of a survey on user satisfaction, over 86% of respondents said they were "very satisfied" with the app and would recommend it to a friend. We are very proud of these compelling results, since we're making things easier for users who choose our app when they meet friends, go shopping or catch their favourite shows.

In order to further contribute to user satisfaction, and as anticipated when we launched *P\$ Mobile Service mobile* in 2012, we have once again reduced the service fees pertaining to on-street parking space payments, this time from \$0.30 to \$0.20, as of June 1.

## An exceptional performance

In 2015, the Société contributed a total of \$53.5 million to the City of Montréal in the form of taxes, rents, permits, debenture interest, compensation and royalties, representing a \$1.2 million (2%) increase over 2014. Since its creation in 1995, the Société has contributed a cumulative total of \$642.7 million to the City of Montréal, including the initial payment of \$56.8 million and debenture repayment. We were also able to refund the entirety of our initial long-term debt of \$40 million through a final instalment of \$12 million in January 2016.

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

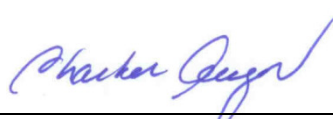
In conclusion, we would like to reiterate our trust in the Société's managers and employees, who doubled their efforts to conduct studies and implemented projects that position us as a key player in the parking management sector, both today and going forward. We would also like to take this opportunity to thank the members of the Board of Directors for their excellent work in seeing to the Société's proper management.

Everyone's commitment will be even more important in 2016, as we will be transferring our operations to the newly created municipal parking management agency. As a result, we will keep working with our city partners over the upcoming months and maintain our efforts to improve Montréal's parking services and meet user needs. The Société, a key player in Montréal's parking management sector for the past 20 years, will work with the City of Montréal in implementing measures stemming from its parking policy.



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Rémi Racine  
Chairman of the Board of Directors  
Accesum Inc.



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

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# Financial statements of Accesum Inc.

December 31, 2015

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## Independent Auditor's Report

To the Directors of  
Accesum Inc.

We have audited the accompanying financial statements of Accesum Inc., which comprise the statement of financial position as at December 31, 2015, and the statements of changes in net debt, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditor's Responsibility*

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

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

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

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Accesum Inc. as at December 31, 2015, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Debitte LLP<sup>1</sup>

March 24, 2016

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

**Accesum Inc.**  
**Statement of financial position**  
As at December 31, 2015

	Notes	2015	2014
		\$	\$
<b>Financial assets</b>			
Cash		5,984	27,067
Due from Société en commandite Stationnement de Montréal		17,707	8,330
Investment	3	1	1
		<b>23,692</b>	<b>35,398</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		33,181	44,887
Due to Board of Trade of Metropolitan Montreal		100	100
		<b>33,281</b>	<b>44,987</b>
<b>Net debt</b>		<b>(9,589)</b>	<b>(9,589)</b>
<b>Non-financial assets</b>			
Prepaid expenses		9,589	9,589
<b>Accumulated excess</b>		<b>—</b>	<b>—</b>

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

Approved by the Board of Directors

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

\_\_\_\_\_, Director

**Accesum Inc.****Statement of changes in net debt**Year ended December 31, 2015

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	2015	2014
	\$	\$
Excess for the year	—	—
Change in prepaid expenses	—	—
Change in net debt during the year	—	—
Net debt, beginning of year	9,589	9,589
Net debt, end of year	9,589	9,589

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

**Accesum Inc.**  
**Statement of operations**  
Year ended December 31, 2015

	2015	2014
	\$	\$
<b>Revenue</b>		
Indemnity from Société en commandite		
Stationnement de Montréal	128,157	121,514
<b>Expenses</b>		
Administrative services	96,963	104,069
Insurance	10,006	10,006
Other	21,188	7,439
	128,157	121,514
<b>Excess for the year</b>	—	—
<b>Accumulated excess, beginning and end of year</b>	—	—

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

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

Year ended December 31, 2015

	2015	2014
	\$	\$
<b>Operating activities</b>		
Excess for the year	—	—
Changes in non-cash working capital items		
Due from Société en commandite Stationnement de Montréal	(9,377)	14,850
Accounts payable and accrued liabilities	(11,706)	5,064
Net (decrease) increase in cash	(21,083)	19,914
Cash, beginning of year	27,067	7,153
<b>Cash, end of year</b>	<b>5,984</b>	<b>27,067</b>

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

**Accesum Inc.**  
**Notes to the financial statements**  
December 31, 2015

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**1. Description of the business**

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

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

**2. Accounting policies**

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

*Revenue recognition*

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

*Investment*

The investment is accounted for at cost.

*Non-financial assets*

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

*Use of estimates*

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

**3. Investment**

Investment in Société en commandite Stationnement de  
Montréal (one unit at \$1)

2015	2014
\$	\$
1	1

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

The Canadian public sector accounting standards require that the Company presents its budget in the statement of operations and in the statement of changes in net debt. Since the Company has not prepared a budget for the year ended December 31, 2015, no budget is presented in the financial statements.

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Financial statements of  
**Société en commandite**  
**Stationnement de Montréal**

December 31, 2015

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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, 2015, and the statements of operations, changes 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, 2015 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Emphasis of Matter*

Without qualifying my opinion, I draw attention to Note 1 in the financial statements which indicates that during the year ended December 31, 2015, Société en commandite Stationnement de Montréal was informed that the planning and operation of parking throughout Ville de Montréal will be entrusted by a new organization. This situation indicates the existence of an uncertainty as to the assumption that the Société en commandite Stationnement de Montréal is a going concern.

Auditor General of the Ville de Montréal,



Jacques Bergeron, CPA auditor, CA

Montréal, March 24, 2016

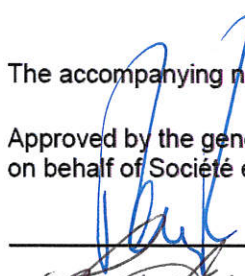
**Société en commandite Stationnement de Montréal****Statement of financial position**

As at December 31, 2015

	Notes	2015 \$	2014 \$
<b>Financial assets</b>			
Cash		42,212,462	37,821,994
Accounts receivable		225,226	1,003,973
		<b>42,437,688</b>	<b>38,825,967</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		3,001,217	3,452,538
Temporary loan at a rate of 0.88% maturing on January 8, 2016		12,000,000	—
Due to Economic Development Fund		300,000	300,000
Due to Ville de Montréal		51,167,166	49,953,678
Due to Accesum Inc.		17,707	8,330
Due to Board of Trade of Metropolitan Montreal		500,000	500,000
Long-term debt	4	—	13,333,333
		<b>66,986,090</b>	<b>67,547,879</b>
<b>Net debt</b>		<b>24,548,402</b>	<b>28,721,912</b>
<b>Non-financial assets</b>			
Property and equipment	5	8,241,638	10,291,212
Deferred charges		18,000,000	20,000,000
Prepaid expenses		132,845	219,216
		<b>26,374,483</b>	<b>30,510,428</b>
<b>Accumulated surplus</b>	6	<b>1,826,081</b>	<b>1,788,516</b>
Commitments	9		

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

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

 , Chairperson

 , Director

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

Year ended December 31, 2015

	<b>Budget 2015</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Annual surplus</b>	<b>—</b>	<b>37,565</b>	<b>5,567</b>
Change in property and equipment			
Acquisitions	<b>(2,912,000)</b>	<b>(242,505)</b>	<b>(263,355)</b>
Amortization	<b>2,100,000</b>	<b>2,292,079</b>	<b>2,519,780</b>
	<b>(812,000)</b>	<b>2,087,139</b>	<b>2,261,992</b>
Amortization of deferred charges	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>
Change in prepaid expenses	<b>—</b>	<b>86,371</b>	<b>(88,925)</b>
Change in net debt for the year	<b>1,188,000</b>	<b>4,173,510</b>	<b>4,173,067</b>
Net debt, beginning of year	<b>(28,721,912)</b>	<b>(28,721,912)</b>	<b>(32,894,979)</b>
Net debt, end of year	<b>(27,533,912)</b>	<b>(24,548,402)</b>	<b>(28,721,912)</b>

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

# Société en commandite Stationnement de Montréal

## Statement of operations

Year ended December 31, 2015

	Notes	Budget 2015	2015	2014
		\$	\$	\$
<b>Revenue</b>				
Paid on-street parkings		64,850,000	62,905,309	62,895,452
Parking lots		4,416,000	5,426,178	4,646,009
Other operating revenues		2,983,000	2,756,925	2,799,143
Interest revenue		250,000	287,391	284,019
		<u>72,499,000</u>	<u>71,375,803</u>	<u>70,624,623</u>
<b>Expenses</b>				
Paid on-street parkings		16,652,344	14,166,533	14,603,232
Parking lots		4,851,504	5,606,508	5,056,994
Other operating expenses		729,144	577,427	586,198
Interest on long-term debt		270,000	251,420	323,218
Other interest and financial expenses		6,000	430	2,727
	7	<u>22,508,992</u>	<u>20,602,318</u>	<u>20,572,369</u>
<b>Earnings before compensations and royalties</b>		<u>49,990,008</u>	<u>50,773,485</u>	<u>50,052,254</u>
Compensation for contribution from Board of Trade of Metropolitan Montreal		(400,000)	(400,000)	(400,000)
Compensation and royalties – Ville de Montréal		(48,990,008)	(49,735,920)	(49,046,687)
Royalties – Economic Development Fund		(600,000)	(600,000)	(600,000)
		<u>(49,990,008)</u>	<u>(50,735,920)</u>	<u>(50,046,687)</u>
<b>Annual surplus</b>		<u>—</u>	<u>37,565</u>	<u>5,567</u>
Accumulated surplus, beginning of year		1,788,516	1,788,516	1,782,949
<b>Accumulated surplus, end of year</b>		<u>1,788,516</u>	<u>1,826,081</u>	<u>1,788,516</u>

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, 2015

	Notes	2015 \$	2014 \$
<b>Operating activities</b>			
Annual surplus		37,565	5,567
Items not affecting cash			
Amortization of property and equipment		2,292,079	2,519,780
Amortization of deferred charges		2,000,000	2,000,000
		<u>4,329,644</u>	<u>4,525,347</u>
Net changes in non-cash working capital items	8	<u>1,636,662</u>	<u>1,346,258</u>
		<u>5,966,306</u>	<u>5,871,605</u>
<b>Investing activities</b>			
Acquisition of property and equipment		<u>(242,505)</u>	<u>(263,355)</u>
<b>Financing activities</b>			
Repayment of long-term debt		(13,333,333)	(3,333,334)
Increase of temporary loan		12,000,000	—
		<u>(1,333,333)</u>	<u>(3,333,334)</u>
Net increase in cash		4,390,468	2,274,916
Cash, beginning of year		37,821,994	35,547,078
Cash, end of year		<u>42,212,462</u>	<u>37,821,994</u>

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

## Société en commandite Stationnement de Montréal

### Notes to the financial statements

December 31, 2015

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#### 1. Status and nature of activities

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

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

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

On December 10, 2015, the Limited Partnership was informed on the outline of the Ville de Montréal's new parking policy. The planning and operation of parking lots for the entire Ville de Montréal will be entrusted to a new organization whose mission will be broader than the mission of the Limited Partnership. A transition committee will be set up by the Ville de Montréal to ensure the orderly transfer of the Limited Partnership's assets to this new organization.

The Limited Partnership's financial statements do not include any asset and liability adjustments that might be required if the going concern assumption was inappropriate. If the Limited Partnership is unable to continue as a going concern, it may be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those indicated in the financial statements.

#### 2. Accounting policies

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

##### *Revenue recognition*

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

##### *Property and equipment*

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

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



## Société en commandite Stationnement de Montréal

### Notes to the financial statements

December 31, 2015

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#### 2. Accounting policies (continued)

##### *Deferred charges*

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

##### *Non-financial assets*

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

##### *Use of estimates*

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

#### 3. Credit facility

The Limited Partnership has a revolving term credit facility for a maximum amount equal to the lesser of \$16,000,000 or the net book value of property and equipment as at December 31, 2014, which represents \$10,291,212. This credit facility can be used in the form of bankers' acceptances that bear interest at variable rate of 0.88% as at December 31, 2015 (1.32% as at December 31, 2014). As at December 31, 2015, the credit facility, maturing on June 30, 2016, is unused (unused as at December 31, 2014). This facility is secured by a first mortgage on all assets of the Limited Partnership.

#### 4. Long-term debt

	2015	2014
	\$	\$
Bridge loan, bearing interest at a floating rate, in the form of a banker's acceptance, repayable in annual principal instalments of \$1,333,333, guaranteed by Ville de Montréal up to a maximum of \$40,000,000, reimbursed on December 1, 2015	—	13,333,333

# Société en commandite Stationnement de Montréal

## Notes to the financial statements

December 31, 2015

### 5. Property and equipment

	Balance as at December 31, 2014	Acquisitions/ increases	Disposals/ write-offs	Balance as at December 31, 2015
	\$	\$	\$	\$
<b>Cost</b>				
Parking lots	5,318,669	—	—	5,318,669
Leasehold improvements	301,175	—	—	301,175
Parking lots improvements	87,006	—	—	87,006
Office equipment	913,827	76,592	—	990,419
Pay stations	22,102,315	—	—	22,102,315
Automotive equipment	583,079	141,238	—	724,317
Machinery and equipment	388,850	24,675	—	413,525
	<u>29,694,921</u>	<u>242,505</u>	<u>—</u>	<u>29,937,426</u>
<b>Accumulated amortization</b>				
Leasehold improvements	72,038	30,118	—	102,156
Parking lots improvements	71,645	4,389	—	76,034
Office equipment	555,002	219,930	—	774,932
Pay stations	17,902,074	1,958,253	—	19,860,327
Automotive equipment	414,678	65,081	—	479,759
Machinery and equipment	388,272	14,308	—	402,580
	<u>19,403,709</u>	<u>2,292,079</u>	<u>—</u>	<u>21,695,788</u>
	<u>10,291,212</u>			<u>8,241,638</u>

### 6. Accumulated surplus

	2015	2014
	\$	\$
Net investment from reserve fund for investments in property and equipment	434,788	697,223
Reserve fund for investments in property and equipment	1,391,293	1,091,293
	<u>1,826,081</u>	<u>1,788,516</u>

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

# Société en commandite Stationnement de Montréal

## Notes to the financial statements

December 31, 2015

### 6. Accumulated surplus (continued)

The Limited Partnership has used the reserve fund in the amount of \$ 3,639,971 as at December 31, 2015 (\$3,639,971 as at December 31, 2014). Net investment from the reserve fund committed to investment in property and equipment is the net book value of property and equipment. The reserve fund for investment represents amounts reserved but not yet used.

	2015	2014
	\$	\$
Investment from reserve fund, beginning of year	3,639,971	3,639,971
Amount invested during the year	—	—
Investment from reserve fund, end of year	3,639,971	3,639,971
Accumulated amortization of related property and equipment, beginning of year	2,942,748	2,648,315
Amortization of the year	262,435	294,433
Accumulated amortization of related property and equipment, end of year	3,205,183	2,942,748
Net balance of investment from reserve fund	434,788	697,223

### 7. Expenses by item

	Budget 2015	2015	2014
	\$	\$	\$
Salaries and benefits	5,529,997	5,180,686	5,118,264
Rent, maintenance of equipment and maintenance of parking lots	2,210,998	1,546,296	1,382,777
Advertising and communication	773,000	474,728	327,965
Supplies	483,000	412,596	452,167
Bank, credit card, transactions and money handling fees	3,017,000	2,585,850	2,951,411
Professional services fees	721,000	646,416	476,222
Project development fees	722,998	328,094	368,195
Operational services	585,000	472,750	534,196
Other fees	418,000	264,266	263,110
Rent – parking lots	2,254,999	2,798,312	2,467,314
Rent – buildings	294,000	301,947	290,363
Management fees – Accesum Inc.	160,000	128,156	121,514
Taxes and permits	2,963,000	2,918,292	2,973,146
	20,132,992	18,058,389	17,726,644
Amortization of property and equipment	2,100,000	2,292,079	2,519,780
Interest on long-term debt	270,000	251,420	323,218
Other interest and financial expenses	6,000	430	2,727
	22,508,992	20,602,318	20,572,369



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

December 31, 2015

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

	2015	2014
	\$	\$
Accounts receivable	778,747	(886,306)
Accounts payable and accrued liabilities	(451,321)	375,724
Due to Ville de Montréal	1,213,488	1,960,616
Due to Accesum Inc.	9,377	(14,851)
Prepaid expenses	86,371	(88,925)
	<u>1,636,662</u>	<u>1,346,258</u>

**9. Commitments**

- (a) The Limited Partnership is committed under a rental proposal of office and industrial space for 10 years ending in 2022. The minimum balance owing under this proposal during the next five years, including taxes and estimated operating expenses, amounts to \$3,176,455 and is detailed as follows:

	\$
2016	461,852
2017	488,268
2018	506,242
2019	506,242
2020	506,242

- (b) The Limited Partnership is required to pay to Ville de Montréal 70% of revenue, less property taxes, as rent for the parking lots leased from Ville de Montréal.
- (c) The Limited Partnership has entered into maintenance agreements for a total amount of \$264,053. These agreements expire up to October 2016.
- (d) The Limited Partnership is committed under a service contract for an integrated system management for pay stations for a period of three years ending in September 2016. The minimum balance owing under this contract for the next year amounts to \$174,173.

**10. Managed entity**

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

During the fiscal year 2014, SJDM ceased all commercial operations, repaid its debt and transferred its commercial operations to Ville de Montréal. On November 25, 2015, SJDM was dissolved.

**11. Comparative figures**

Certain figures for the previous year have been reclassified to conform with the presentation adopted in the current year.

**Accesum Inc. and Société en commandite Stationnement de Montréal**

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