

FINANCIAL REPORT 2017
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

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

Lise Aubin ²

Special Consultant
Board of Trade of Metropolitan Montréal

Benoît Bessette ³

Vice-President, Marketing, Communication and Strategies
La Coop fédérée

Marie-Claude Gévry ^{2, 3}

Company Administrator

Me André Goyer ¹

Company Administrator

Raoul Cyr ^{2, 4}

Director, Accounting and Financial Information
City of Montréal

Pierre LeBlanc ¹

Director and head volunteer
Fondation Montréal inc.

Aref Salem ^{1, 3, 4}

Municipal councillor in charge
City of Montréal

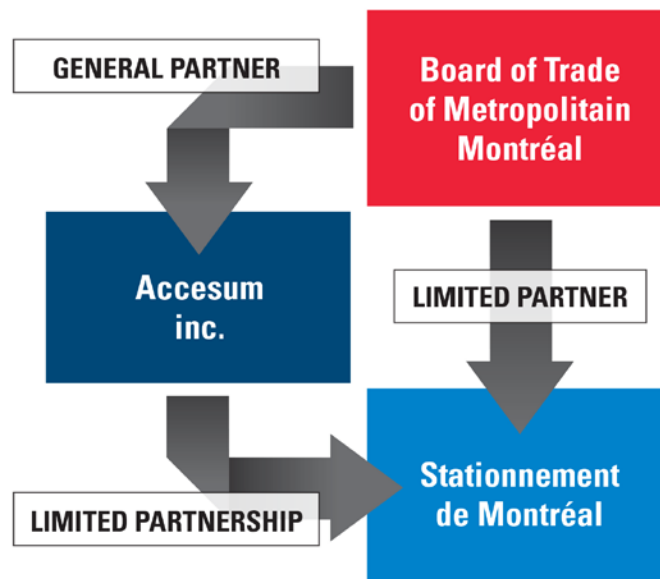
1. Governance and Human Resources Committee
2. Finance and Audit Committee
3. Communications Committee
4. Administrator appointed by the City, then observer since June 15, 2016

Our mission

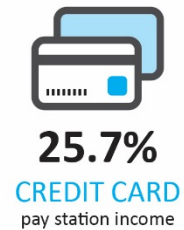
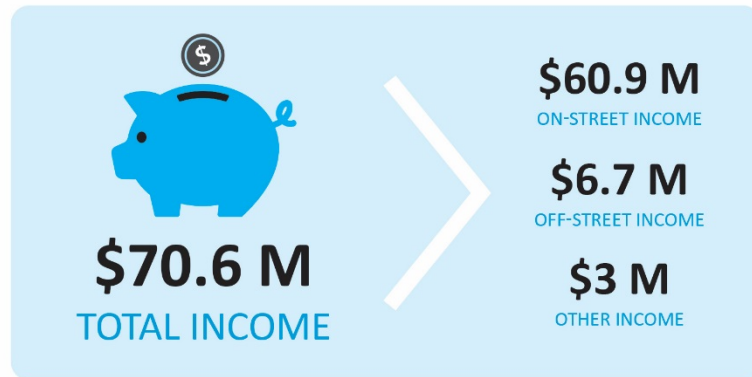
Since its creation in 1995, the Société en commandite Stationnement de Montréal (the “Société”) has been a major player in the development of operational solutions for urban travel. Originally founded to ensure the optimal management of municipal paid on-street and off-street parking, the Société was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

Do you know Accesum Inc.?

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

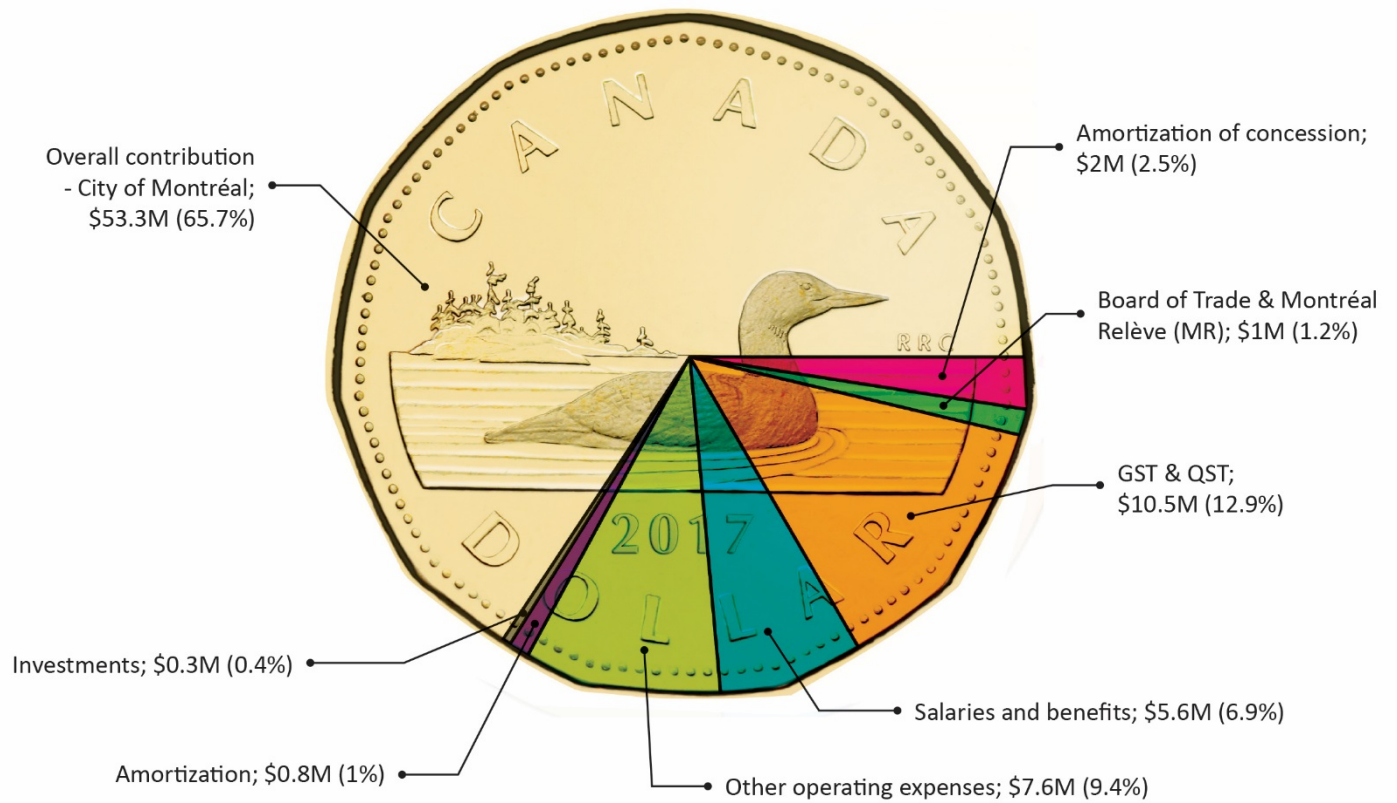


2017 HIGHLIGHTS

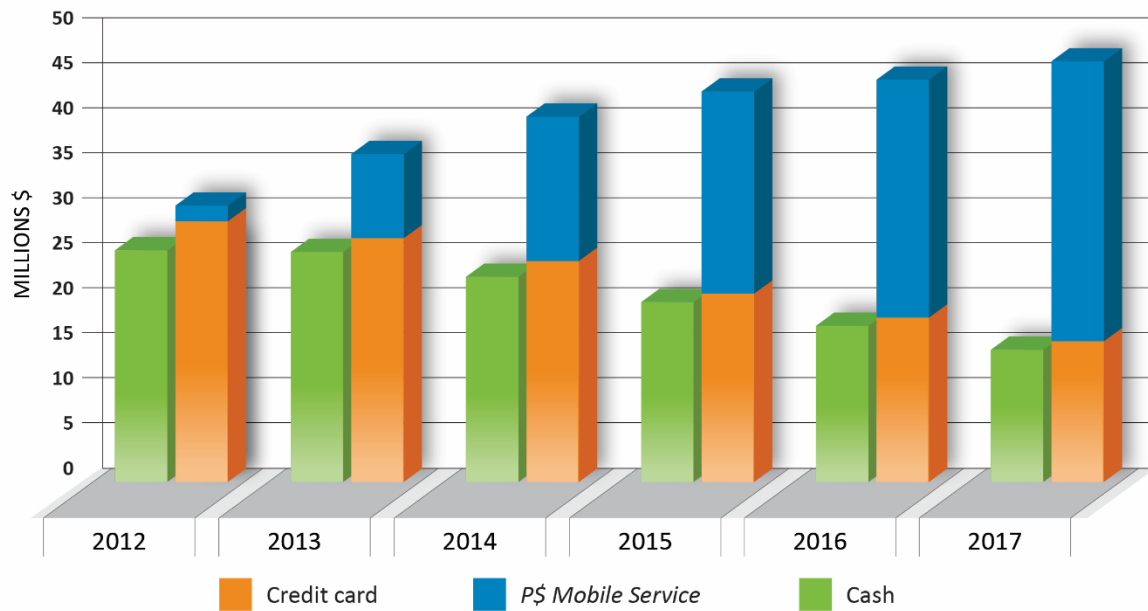


Financials Highlights 2017

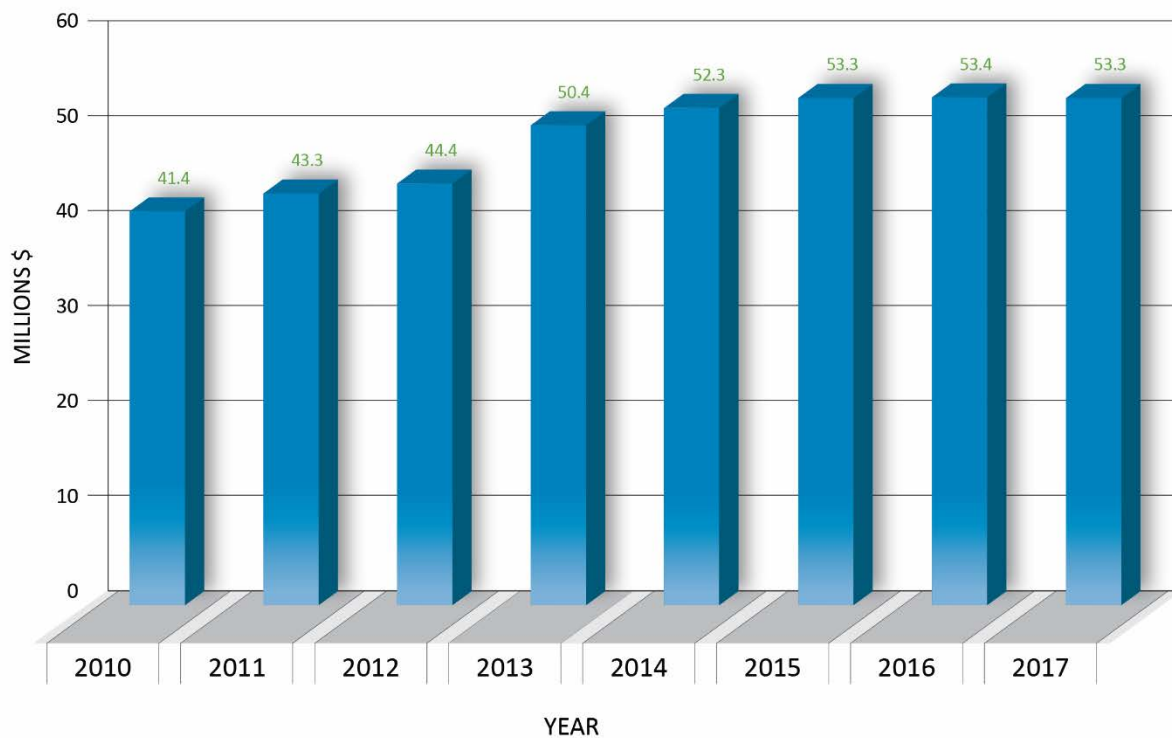
2017 breakdown of each dollar spent on parking



Evolution of on-street revenues by payment method



Contributions to the City – 2010 to 2017



A WORD FROM MANAGEMENT

The Société en commandite Stationnement de Montréal (the “Société”) is thrilled to report 2017 has been a very positive year, with practical achievements benefitting clients and sustained financial returns.

Early in the year, the Société launched an updated version of its *P\$ Mobile Service* app, managed by newly commissioned Passeport Inc. In addition to cutting service fees by more than half, the user experience was enhanced, which led to an overall subscriber satisfaction rate of **88%**. The app became the preferred on-street parking payment method, representing 60% of payments by the end of 2017.

The Société implemented other initiatives to enhance the client experience, such as the introduction of payment flexibility. To this end, nine parking lots were converted into a **Pay and Go** format. Users can now pay for their parking space through the app by entering the number indicated on the sign.

In a sustained effort to further connect with and listen to its clientele, the Société has established a social media presence. Its posts concern current events pertaining to the company, miscellaneous information on parking, traffic conditions affecting parking, its team’s work and much more.

As its operations are driven by technological breakthroughs, the Société has taken steps to modernize the pay stations that have been part of Montréal’s landscape for the past 15 years.

Throughout the year, the Société continued to provide expert advice and guidance to the City of Montréal during studies and proposals pertaining to its parking infrastructure and the governance of the new municipal parking management organization.

Year after year, the implementation of best practices in the parking industry remains one of the Société’s core objectives. To this end, it takes part in various international conferences, including those held by the International Parking Institute and the Canadian Parking Association. These events enable the Société to stay on top of the latest management practices, strengthen its relationships with seasoned suppliers and establish new contacts with the representatives of North American cities.

An exceptional performance

In 2017, the Société contributed a total of \$53.3 million to the City of Montréal in the form of taxes, rents, permits, compensation and royalties. Since its creation in 1995, the Société has contributed a cumulative total of \$749 million to the City of Montréal, including the initial payment of \$56.8 million and debenture repayment. The Société has also refunded the entirety of its initial long-term debt of \$40 million. In accordance with the concession agreement the City of Montréal granted 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”.

The Société is proud of its achievements, which were all made possible thanks to the professionalism of a team dedicated to growing a business focused on providing quality services. 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.

Lastly, we would like to underscore the commitment of three members who left the Board during the year, namely Ms. Marie-Claude Gévry, Mr. Pierre Leblanc and Mr. Aref Salem.



Rémi Racine
Chairman of the Board
Accesum Inc.



Charles Auger, FCPA, FCMA, ASC
General Manager
Stationnement de Montréal

Financial Statements of

ACCESUM INC.

Year ended December 31, 2017

ACCESUM INC.

Table of Contents

	Page
Independent Auditors' Report	
Balance Sheet	1
Statement of Earnings	2
Statement of Changes in Net Debt	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 6



KPMG LLP
600 de Maisonneuve Blvd. West
Suite 1500, Tour KPMG
Montréal (Québec) H3A 0A3
Canada

Telephone (514) 840-2100
Fax (514) 840-2187
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Accesum Inc.

We have audited the accompanying financial statements of Accesum Inc., which comprise the balance sheet as at December 31, 2017, the statements of earnings, changes in net debt and cash flows for the year then ended, and notes, comprising 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.

Auditors' 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 our 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, we consider 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.



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Accesum Inc. as at December 31, 2017, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

March 27, 2018

Montréal, Canada

ACCESUM INC.

Balance Sheet

December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Cash	\$ 69,286	\$ 62,171
Taxes receivable	7,685	5,573
Investment	1	1
	76,972	67,745
Liabilities		
Accounts payable and accrued liabilities	27,494	34,477
Due to Société en commandite Stationnement de Montréal	58,967	42,757
Due to Board of Trade of Metropolitan Montreal	100	100
	86,561	77,334
Net debt	(9,589)	(9,589)
Non-financial assets		
Prepaid expenses	9,589	9,589
Accumulated surplus	\$ -	\$ -

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

ACCESUM INC.

Statement of Earnings

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Indemnity from Société en commandite		
Stationnement de Montréal	\$ 108,745	\$ 122,812
Expenses:		
Administrative services	92,276	106,399
Insurance	10,006	10,006
Other	6,463	6,407
	108,745	122,812
Accumulated excess, beginning of year	—	—
Accumulated excess, end of year	\$ —	\$ —

See accompanying notes to financial statements.

ACCESUM INC.

Statement of Changes in Net Debt

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
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

See accompanying notes to financial statements.

ACCESUM INC.

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating:		
Excess for the year	\$ —	\$ —
Items not involving cash:		
Taxes receivable	(2,112)	(5,573)
Receivable from Société en commandite Stationnement de Montréal	—	17,707
Due to Société en commandite Stationnement de Montréal	16,210	42,757
Accounts payable and accrued liabilities	(6,983)	1,296
Net increase in cash	7,115	56,187
Cash, beginning of year	62,171	5,984
Cash, end of year	\$ 69,286	\$ 62,171

See accompanying notes to financial statements.

ACCESUM INC.

Notes to Financial Statements

Year ended December 31, 2017

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

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

1. Significant accounting policies:

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

(a) Revenue recognition:

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

(b) Investment:

The investment is accounted for at cost.

(c) 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.

(d) 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.

2. Investment:

	2017	2016
Investment in Société en commandite Stationnement de Montréal (one unit at \$1)	\$ 1	\$ 1

ACCESUM INC.

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Presentation of the budget of the Company:

The Canadian public sector accounting standards require that the Company present its budget in the statement of operations and in the statement of changes in net debt. Since the Company has not prepared a budget for the year ended December 31, 2017, no budget is presented in the financial statements.

Financial Statements of

**SOCIÉTÉ EN COMMANDITE
STATIONNEMENT DE MONTRÉAL**

Year ended December 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the General Partners

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, 2017, 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.

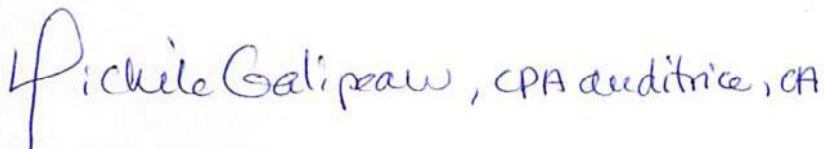
Opinion

In my opinion, the financial statements fairly present, in all material respects, the financial position of Société en commandite Stationnement de Montréal as at December 31, 2017, 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 on June 15, 2016, the agglomeration council of Ville de Montréal approved its new parking policy which includes the transfer of activities of Société en commandite Stationnement de Montréal into a new organization to be created. 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,



Michèle Galipeau, CPA auditor, CA
Montréal, March 27, 2018

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Table of Contents

	Page
Statement of Earnings and Accumulated Surplus	1
Balance Sheet	2
Statement of Changes in Net Debt	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 13

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Statement of Earning and Accumulated Surplus

December 31, 2017

	Budget 2017	2017	2016
Revenue:			
Paid on-street parkings	\$ 66,837,647	\$ 60,959,544	\$ 61,552,533
Parking lots	6,616,064	6,722,832	6,234,160
Other operating revenue	1,038,289	2,669,064	3,064,657
Interest revenue	200,000	237,423	173,092
	74,692,000	70,588,863	71,024,442
Expenses:			
Paid on-street parkings	15,831,970	13,396,421	13,368,913
Parking lots	6,105,100	7,048,517	6,718,568
Other operating expenses	288,850	586,479	817,783
Interest on long-term debt	65,960	17,175	32,334
Other interest and financial expenses	6,120	2,177	466
	22,298,000	21,050,769	20,938,064
Surplus before compensations and royalties	52,394,000	49,538,094	50,086,378
Compensation for contribution from Board of Trade of Metropolitan Montreal	(400,000)	(400,000)	(400,000)
Compensation and royalties - Ville de Montréal	(51,394,000)	(48,353,964)	(48,932,249)
Royalties - Economic Development Fund	(600,000)	(600,000)	(600,000)
	(52,394,000)	(49,353,964)	(49,932,249)
Annual surplus	-	184,130	154,129
Accumulated surplus, beginning of year	1,980,210	1,980,210	1,826,081
Accumulated surplus, end of year	\$ 1,980,210	\$ 2,164,340	\$ 1,980,210

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

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Balance Sheet

December 31, 2017

	2017	2016
Assets		
Cash	\$ 32,700,907	\$ 31,800,154
Accounts receivable	211,938	116,727
Receivable from Accesum Inc., general partner, non-interest bearing and without repayment terms	58,967	42,757
	32,971,812	31,959,638
Liabilities		
Accounts payable and accrued liabilities (note 5)	1,798,954	2,497,619
Due to Economie Development Fund, non-interest bearing and without repayment terms	300,000	300,000
Due to Ville de Montréal, non-interest bearing and without repayment terms	49,121,503	50,004,125
Due to Board of Trade of Metropolitan Montreal, non-interest bearing and without repayment terms	500,000	500,000
	51,720,457	53,301,744
Net debt	18,748,645	21,342,106
Non-financial assets		
Property and equipment (note 4)	6,768,498	7,031,160
Exclusive concession	14,000,000	16,000,000
Prepaid expenses	144,487	291,156
	20,912,985	23,322,316
Commitments (note 9)		
Accumulated surplus (note 6)	\$ 2,164,340	\$ 1,980,210

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

On behalf of the Board:

 Director

 Director

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Statement of Changes in Net Debt

Year ended December 31, 2017

	Budget 2017	2017	2016
Annual surplus	\$ -	\$ 184,130	\$ 154,129
Change in property and equipment			
Acquisitions	(1,501,000)	(635,856)	(362,439)
Amortization	1,963,944	898,518	1,572,917
	462,944	446,792	1,364,607
Amortization of deferred charges	2,000,000	2,000,000	2,000,000
Change in prepaid expenses	-	146,669	(158,311)
Change in net debt for the year	2,462,944	2,593,461	3,206,296
Net debt, beginning of year	(21,342,106)	(21,342,106)	(24,548,402)
Net debt, end of year	\$ (18,879,162)	\$ (18,748,645)	\$ (21,342,106)

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, 2017

	2017	2016
Operating activities:		
Annual surplus	\$ 184,130	\$ 154,129
Items not involving cash:		
Amortization of property and equipment	898,518	1,572,917
Amortization of deferred charges	2,000,000	2,000,000
	3,082,648	3,727,046
Net change in non-cash operating working capital items (note 7)	(1,546,039)	(1,776,915)
	1,536,609	1,950,131
Investing activities:		
Acquisition of property and equipment and cash flows from investing activities in property and equipment	(635,856)	(362,439)
Financing activities:		
Decrease in temporary loan	–	(12,000,000)
Net increase (decrease) in cash	900,753	(10,412,308)
Cash, beginning of year	31,800,154	42,212,462
Cash, end of year	\$ 32,700,907	\$ 31,800,154

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

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements

Year ended December 31, 2017

1. Status and nature of activities:

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

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

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

On June 15, 2016, the agglomeration council of Ville de Montréal adopted its new parking policy regarding the creation of a new organization whose mission will be broader in scope than the mission of the Society. The Society is not able to determine when this new policy will be applied, since this decision has yet to be approved by the agglomeration council of Ville de Montréal. This situation indicates the existence of an uncertainty as to the assumption that the Society is a going concern on its actual legal form.

The Society's financial statements do not include any adjustment to the amounts of assets and liabilities that may be required if the going concern assumption is not warranted. If necessary, the Society may be required to realize its assets and discharge its liabilities other than in the normal course of business using amounts that may differ from those reported in the financial statements.

2. Significant accounting policies:

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

(a) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(b) Revenue recognition:

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

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

(c) Expenses presentation:

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

(d) Property and equipment:

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

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

(e) Depreciation of financial assets:

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

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

2. Significant accounting policies (continued):

(f) Exclusive concession:

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

(g) Budgetary figures:

The Statement of Earnings and Accumulated Surplus and the Statement of Changes in Net Debt include a comparison with the budgetary figures submitted on the basis of Canadian public sector accounting standards, which have been approved by the Society's Board of Directors.

(h) Non-financial assets:

The Society accounts for property 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.

(i) Financial assets and liabilities:

Initial measurement

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

Subsequent measurement

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

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

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. Credit Facility:

The Society 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, 2016, which represents \$7,031,160. This credit facility can be used in the form of bankers' acceptances that bear interest at variable rate of 1.48% as at December 31, 2017 (0.98% as at December 31, 2016). As at December 31, 2017, the credit facility, maturing on June 30, 2018, is unused (nil as at December 31, 2016). This facility is secured by a first rank mortgage on all assets of the Society.

The Society has also an authorized line of credit for a maximal amount of \$250,000 bearing interest at a variable rate of 3.2%. As at December 31, 2017, this line of credit, expiring on June 30, 2018, was unused.

4. Property, plant and equipment:

	Beginning Balance	Acquisitions/ increases	Disposals/ write-offs	Ending balance
Cost				
Parking lots	\$ 5,318,669	\$ -	\$ -	\$ 5,318,669
Leasehold improvements	301,175	10,865	-	312,040
Parking lots improvements	280,854	71,060	-	351,914
Office equipment	1,141,436	522,509	-	1,663,945
Pay stations	22,102,315	-	-	22,102,315
Automotive equipment	654,651	31,422	(65,152)	620,921
Machinery and equipment	422,650	-	-	422,650
	30,221,750	635,856	(65,152)	30,792,454
Accumulated amortization				
Leasehold improvements	132,273	30,117	-	162,390
Parking lots improvements	80,423	6,798	-	87,221
Office equipment	924,147	93,297	-	1,017,444
Pay stations	21,169,658	696,499	-	21,866,157
Automotive equipment	489,952	63,243	(65,152)	488,043
Machinery and equipment	394,137	8,564	-	402,701
	23,190,590	898,518	(65,152)	24,023,956
Net book value	\$ 7,031,160	\$ -	\$ -	\$ 6,768,498

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Accounts payable and accrued liabilities:

	2017	2016
Accounts payable	\$ 1,092,041	\$ 1,546,399
Sales taxes payable	461,900	646,600
Revenues collected for other boroughs	236,039	300,320
Deposits	8,974	4,300
	\$ 1,798,954	\$ 2,497,619

6. Accumulated surplus:

	2017	2016
Net investment from reserve fund for investments in property and equipment	\$ 173,047	\$ 288,917
Reserve fund for investments in property and equipment	1,991,293	1,691,293
	\$ 2,164,340	\$ 1,980,210

Pursuant to section No. XI, paragraph B of an agreement signed in 1995, the Society 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 Financial Statements (continued)

Year ended December 31, 2017

6. Accumulated surplus (continued):

The Society has used the reserve fund in the amount of \$3,639,971 as at December 31, 2017 (\$3,639,971 as at December 31, 2016). 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.

	2017	2016
Investments from reserve fund, beginning of year	\$ 3,639,971	\$ 3,639,971
Amounts invested during the year	–	–
Investments from reserve fund, end of year	3,639,971	3,639,971
Accumulated amortization of related property and equipment, beginning of year	3,351,054	3,205,183
Amortization of the year	115,870	145,871
Accumulated amortization of related property and equipment, end of year	3,466,924	3,351,054
Net balance of investments from reserve fund	\$ 173,047	\$ 288,917

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Expenses by item:

	Budget 2017	2017	2016
Salaries and benefits	\$ 5,835,829	\$ 5,635,848	\$ 5,345,716
Rent, maintenance of equipment and maintenance of parking lots	2,160,778	1,973,897	1,741,725
Advertising	339,656	298,064	246,476
Telecommunication	332,056	192,569	187,143
Supplies	506,367	432,240	443,853
Bank, credit card, transactions and money handling fees	2,451,544	2,755,947	2,995,141
Professional services fees	718,890	527,587	507,299
Project development fees	310,000	177,731	140,155
Operational services	646,650	475,915	433,813
Rent of parking lots	2,712,662	3,285,625	3,216,441
Rent of buildings	320,968	311,347	319,165
Management fees of Accesum Inc.	152,000	108,713	122,812
Taxes and permits	3,449,443	3,634,021	3,343,268
Other fees	325,133	323,395	289,340
	20,261,976	20,132,899	19,332,347
Amortization of property and equipment	1,963,944	898,518	1,572,917
Interest on long-term debt	65,960	17,175	32,344
Other interest and financial expenses	6,120	2,177	466
	\$ 22,298,000	\$ 21,050,769	\$ 20,938,064

8. Changes in non-cash working capital items:

	2017	2016
Accounts receivable	\$ (95,211)	\$ 108,499
Receivable from Accesum Inc.	(16,210)	(42,757)
Accounts payable and accrued liabilities	(698,665)	(503,598)
Due to Ville de Montréal	(882,622)	(1,163,041)
Due to Accesum Inc.	—	(17,707)
Prepaid expenses	146,669	(158,311)
	\$ (1,546,039)	\$ (1,776,915)

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Commitments:

- (a) The Society 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 5 years, including taxes and estimated operating expenses, amounts to \$2,358,141 and is detailed as follows for the next 5 years:

2018	\$	547,763
2019		547,763
2020		547,763
2021		547,763
2022		167,089

- (b) The Society 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 Society has entered into maintenance agreements for a total amount of \$237,022. These agreements expire up to May 2018.

10. Collective Registered Retirement Savings Plan:

During the year, the Society has contributed to a Collective Registered Retirement Savings Plan ("Collective RRSP") only for the employees of the Society. This contribution is based on a percentage of the base remuneration and no other obligation is assumed by the employer at the moment of the retirement. The contribution for the year ended December 31, 2017 amounts to \$49,211 (2016 - \$49,766) and has been recorded in expenses in the Statement of Earnings and Accumulated Surplus.

SOCIÉTÉ EN COMMANDITE STATIONNEMENT DE MONTRÉAL

Notes to Financial Statements (continued)

Year ended December 31, 2017

11. Transactions with Ville de Montréal:

During the year, the Society incurred the following expenses from Ville de Montréal:

	2017	2016
Municipal taxes	\$ 3,401,408	\$ 3,136,862
Rent of parking lots	1,285,625	1,216,441
Expenses related to employees' loans	2,867,308	2,785,281
	<u>\$ 7,554,341</u>	<u>\$ 7,138,584</u>

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

Accesum Inc. and Société en commandite Stationnement de Montréal
640, Saint-Paul St. West, Suite 200, Montréal (Québec) H3C 1L9
www.statdemtl.qc.ca

ISBN 978-2-922594-39-3

Legal deposit, June 2018
Bibliothèque nationale du Québec

Printed in Canada