



**CHAMBRE DE COMMERCE
DU MONTRÉAL MÉTROPOLITAIN**
BOARD OF TRADE OF METROPOLITAN MONTREAL

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A N N U A L
R E P O R T



2 0 1 2 - 2 0 1 3 A N N U A L R E P O R T

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A WORD FROM THE CHAIRMAN OF THE BOARD



Over the years, the Board of Trade has evolved, adapted and carved out a leading place for itself on the Montréal scene. Its positions and clear-headed approach to economic development have helped shape the city we live in today. Its involvement in a wide range of structuring issues and the many major events it has organized are perfect examples of the Board of Trade's efforts to position Montréal among the world's great cities.

In spite of political and economic challenges, the Board of Trade has maintained its high-calibre activities and diligently defended the interests of its 7,000 members. I am confident that the Board of Trade — which is now stronger than ever — will continue to make a difference in our city.

To do this, we need to show determination and keep promoting our activities, positions and initiatives to make the voice of the city's business community heard at home and abroad. That way, our organization will maintain its credibility, and its creativity will continue to consolidate its influence.

In recent years, the Board of Trade's ongoing efforts have enabled it to make repeated breakthroughs on important issues.

Some of these attracted significant attention: the submission of the *Report on the Importance of Labour-Sponsored Funds to the Economy of Metropolitan Montréal*; the organization of six Strategic Forums; the *A New Mayor for Montréal* campaign; the submission of briefs as part of a range of consultations, four of them with recommendations about the higher education policy project; hosting three eminent figures as part of the International Leaders series; the publication of two studies, including *Metal Processing and Greater Montréal: A Sustainable and Promising Alliance*; and the Board of Trade's mobilization against the retroactive tax hike proposed by the government in September.

I would like to express my gratitude to the members of the board of directors, the president and CEO Michel Leblanc and all the Board of Trade employees and volunteers who, through their skill and commitment, have helped build the Board of Trade's reputation. I would also like to recognize the important support offered by all of our sponsors and particularly our pillar sponsors: Bell, Desjardins, Hydro-Québec and Rio Tinto Alcan.

Finally, I would like to thank new and long-standing members for their trust, and the sponsors who, through their support, make it possible to produce events so highly valued by the business community.

A handwritten signature in black ink, appearing to read 'Luc Sabbatini', written in a cursive style.

Luc Sabbatini
Chairman of the Board

A WORD FROM THE PRESIDENT AND CEO



In the spirit of representing the business community's interests and being at the forefront of structuring projects for the city, once again this year the Board of Trade showed outstanding commitment by organizing over 180 events and turning its attention to a number of current issues that have an impact on the future of our city. Infrastructure, innovation and creativity, the development of labour, governance and taxation as well as the image and promotion of the city are all challenges we must face to allow Greater Montréal to fulfill its role as an economic driver of Quebec.

Major projects and structuring sectors for the city's economy

The massive investment in major infrastructure projects will have a significant impact on the metropolitan area's economic base in the coming years. Neighbourhood regeneration and improved traffic flow to move people and goods will be key factors in the city's economic growth.

It will be important to prioritize our efforts and respect the ability of public authorities and taxpayers to pay. Delivering projects on time and on budget will be essential to optimize the leverage effect of these major projects.

Other structuring sectors for our economy will be a focus of our attention, namely culture, natural resources and energy.

Business performance and the city's creativity... at home and abroad

Quebec needs creative, visionary entrepreneurs who stand out from an increasingly global competition. So we need to rethink business development to ensure it is closely tied to the concepts of innovation and export.

In keeping with their commitment to support companies in their local and international business efforts, Info entrepreneurs and the World Trade Centre Montréal (WTCM) will continue to offer a range of services, programs and activities, such as Prêt à entreprendre, SME Passport and trade missions. As well, the WTCM will keep providing the services of an export commissioner, who gives individual guidance to companies that want to develop international markets.

Developing the workforce, tomorrow's leaders and knowledge

The aging population and weak productivity mean that we require access to labour that meets the needs of the job market. These issues place both the role and funding of our universities and the immigration of qualified talent among the priorities for ensuring the prosperity of Quebec and its largest city.

In addition to initiatives to provide the city with qualified labour in the years to come, the Board of Trade will step up its efforts to improve the francization rate among metropolitan area businesses through the Carrefour francisation and the French in the Workplace program. It also extended the agreement with Emploi-Québec to continue and develop the Interconnection program, which will provide for privileged contact between the city's businesses and qualified recent immigrants.

Optimizing the city's governance and taxation

The Greater Montréal area is complex and highly fragmented politically. A number of recent reports and studies have pointed to the lack of coherence and cohesion between boroughs and central services. This fragmentation of power has led to growing delays in decision making and in service delivery. We need to find governance solutions that will allow us to maximize growth and make for a dynamic, high-performance city. This is why the Board of Trade will step up its initiatives and work with the next mayor to foster efficient decision making.

The city's image and promotion

Despite coming out of the economic crisis relatively strong and renewed interest among real estate investors, Montréal's image as projected in Quebec, the rest of Canada and the world is suffering, and its influence as a major city has been diminished. The city's resilience and the attitude of Montrealers are important starting points for rebuilding our image. We have to be able to count on greater cooperation with the Ville de Montréal, the Communauté métropolitaine de Montréal and Montréal International and on the complementary nature of Montréal and its regions. Completing major projects will help restore Montrealers' sense of pride.

I would like to assure members of the Board of Trade and of the metropolitan area's business community that our team will continue to make every effort to represent them and show staunch leadership in the issues that influence the business climate. The year just started already looks much like last year: brimming with events and challenges.

I look forward to seeing you at our activities during the 2013-2014 season!

A handwritten signature in black ink, appearing to read 'Michel Leblanc', with a long horizontal line extending to the right.

Michel Leblanc
President and CEO



1. MISSION

At the Board of Trade of Metropolitan Montreal, we promote the development of a strong, proud, representative and committed membership. We also provide services designed to meet the needs of our members.

We are the voice of the business community and of the people of Greater Montréal for all aspects of their economic growth and prosperity. We serve as a catalyst and unifying body for the driving forces of the Montréal economy.

The Board of Trade is actively engaged in key sectors of economic development. As such, it advocates an action-oriented philosophy based on credibility, proactivity and impact.

2. VISION

The Board of Trade will be responsible for giving Montréal an exceptional impetus. It will be the most relevant organization to its members, always credible and highly influential through its actions and positions.

It will have a strong membership composed of the most dynamic metropolitan leaders. Its members will take great pride and satisfaction in contributing to the success of the city and therefore of Quebec's economy.

3. THE BOARD OF TRADE IN 2012-2013

- The leading place for the business community to debate and network
- **7,000 members**
- A membership that is **80% business decision makers**
- Close to **180 activities** organized
- More than **23,000 participants**
- Companies with over **440,000 employees** in Quebec
- Highly regarded, international-calibre speakers
- Over **365 media** interviews
- **3 briefs, 6 recommendations documents and 2 studies**
- **8 trade missions**

4. THE ART OF BUSINESS

4.1 The Board of Trade's pillars

4.1.1 NETWORKING

- Public forums and conferences
- International Leaders
- Strategic Forums
- Local business encounters

4.1.2 TRAINING

- International trade
- Best business practices

4.1.3 ENTREPRENEURSHIP

- Start your business
- Manage and grow your business
- Wind down your business
- Plan your affairs
- Finance your project

4.1.4 INTERNATIONAL

- Training
- Business encounters
- Trade missions
- Consulting services

- SME Passport
- Exporting Québec

4.1.5 METROPOLIS

- Major issues
- Strategic Forums
- Francization
- Interconnection
- Operation Back to School

4.2 The Board of Trades' experts



WORLD TRADE CENTRE MONTRÉAL

WORLD TRADE CENTRE MONTRÉAL

For over 25 years, the Board of Trade's team of international trade experts, the World Trade Centre Montréal, has been supporting, training and advising businesses, sector associations, institutions and economic development organizations in Quebec in their international market development efforts.

To this end, it has created a comprehensive range of services, including workshops in international trade, trade missions and business meetings, to help make businesses more competitive on the international scene.

The WTC Montréal, that will celebrate its 30th anniversary in 2014, is fully integrated to the international network of World Trade Centers. With a presence in over 330 cities worldwide, this private business network has 500,000 members in more than 100 countries.



INFO ENTREPRENEURS

Member of the
Canada Business Network

INFO ENTREPRENEURS

Info entrepreneurs is the leader in delivering integrated information about government and private services and programs for business people.

The goal of this one-stop shop is to point entrepreneurs in the direction of resources available to them. With its strategic information centre and expert consulting services, it is a privileged source of commercial information that contributes to the economic growth of small businesses. In 2012-2013, the Centre has responded to more than 19,000 requests of business information for entrepreneurs.

Info entrepreneurs is a service of the Government of Canada delivered by the Board of Trade of Metropolitan Montreal. It is part of the Canada Business Network, which has 13 main centres across the country.

4.3 The board of trade's diversity programs

INTERCONNECTION

GLOBAL EXPERTISE.
LOCAL ASSETS.

INTERCONNECTION

The goal of the Interconnection program, offered in partnership with Emploi-Québec, is to promote the professional integration of qualified recent immigrants and to expand the recruiting pool of companies to talented immigrants.

Interconnection provides personal contact between the city's businesses and qualified new immigrants, through a range of activities: internships, professional meetings, sectoral conferences, speed jobbing, networking events and more. In the past year, there were over 2,400 registrations for the program's activities. In total, 1,300 immigrant professionals from over 90 countries and 300 companies, 85% of them small businesses, had the chance to experience an "interconnection."

FRENCH

ADDED VALUE FOR
YOUR COMPANY

FRENCH IN THE WORKPLACE

French in the Workplace, offered in partnership with the Ministère de l'Immigration et des Communautés culturelles with the collaboration of Emploi-Québec, is a turnkey program for businesses eligible for the Soutien régionalisé aux entreprises pour le développement de la main-d'oeuvre program.

It allows participating businesses to offer their employees free French classes at all levels, adapted to their sector of activity, right in the workplace.

French in the Workplace helps businesses:

- succeed in the business world;
- increase their productivity;
- offer better customer service.



CARREFOUR FRANCISATION
to work and do business in French

CARREFOUR FRANCISATION

Carrefour francisation is the ideal tool for increasing the use of French in small businesses with fewer than 50 employees. Managed by the Board of Trade, it features three complementary services:

- a team of francization agents from some ten chambers of commerce, merchant associations, commercial development corporations and other economic organizations;
- a web portal;
- a phone line.

Thanks to its fast, free, personalized support service, Carrefour francisation gives small businesses and their employees access to practical writing tools and information about grants and government francization programs.

5. THE VOICE OF THE BUSINESS COMMUNITY

Always up to date on current events, the Board of Trade helps create the best conditions for business in Montréal.

PRIORITY PUBLIC AFFAIRS ISSUES 2012-2013

- The community's vitality and the quality of infrastructures and major projects
- Business performance and the city's creativity
- Development of labour, tomorrow's leaders and knowledge
- Governance and taxation
- The city's image and promotion

6. BOARD OF DIRECTORS

Chairman of the Board

LUC SABBATINI*

President
Bell Media Sales

Vice-Chairman

JEAN-MARC LÉGER*

President
Leger - The Research Intelligence Group

President and CEO

MICHEL LEBLANC*

President and CEO
Board of Trade of Metropolitan Montreal

Retiring Chairman of the Board

ANDREW T. MOLSON*

Vice-Chairman of the Board
Molson Coors Brewing Company

Treasurer

ROBERT DESBIENS*

Executive Vice-President, Corporate Strategies
R3D Consulting Inc.

RAYMOND BACHANT

President, North America
Bombardier Transportation

DAVID BENSADOUN

President
Aldo Global Retail
& Aldo Product Services
Aldo Group

CHRISTIANE BERGEVIN*

Executive Vice-President,
Strategic Partnerships,
Office of the President, CEO and Chair of the Board
Desjardins Group

VINCENT BRIE

Managing Director, Strategy and Principal
gsmprjct°

EVA CARISSIMI

President and Chief Executive Officer
Canadian Electrolytic Zinc Limited

DANIEL CODERRE

Director General (Rector)
Institut national de la recherche scientifique (INRS)

ALAIN CÔTÉ, FCPA, FCA, ICD.D

Managing Partner, Québec
Samson Bélair/Deloitte & Touche LLP

PIERRE-LUC DESGAGNÉ

Vice-President,
Public and Government Affairs
Hydro-Québec

STÉPHANIE KENNAN

President
Bang Marketing

TONY LOFFREDA, CPA (ILLINOIS)

Regional Vice-President,
Commercial Financial Services,
Western Quebec
RBC Royal Bank

ISABELLE MARCOUX

Chair of the Board
TC Transcontinental

MADELEINE PAQUIN

President and CEO
Logistec Corporation

PIERRE POMERLEAU, ING., MBA

President and Chief Executive Officer
Pomerleau Inc.

ALEXANDRE RAYMOND

Consultant
Raymond Executive Search
Member of the EMA Partners International group
President
Junior Chamber of Commerce of Montreal

GILBERT ROZON

Founder President
Just for Laughs Group

JAVIER SAN JUAN*

President and Chief Executive Officer
L'Oréal Canada Inc.

ALAN SHEPARD

President and Vice-Chancellor
Concordia University

KIM THOMASSIN

Managing Partner,
Québec Region
McCarthy Tétrault

GEORGE TSITOURAS

Partner, Tax Services
Ernst & Young LLP
President
Hellenic Board of Trade of Metropolitan Montreal

MARTINE TURCOTTE

Vice-Chair, Québec
Bell

* Member of the executive committee





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7. FINANCIAL STATEMENTS

June 30, 2013 and 2012



September 18, 2013

Independent Auditor's Report

To the Members of the Board of Trade of Metropolitan Montreal

We have audited the accompanying financial statements of the Board of Trade of Metropolitan Montreal, which comprise the balance sheets as at June 30, 2013 and 2012 and July 1, 2011 and the statements of revenue and expenses, surplus and cash flows for the years ended June 30, 2013 and 2012, 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 accounting standards for not-for-profit organizations, 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 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.

PricewaterhouseCoopers LLP/s.r.l./s.en.c.r.l.
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PwC refers to PricewaterhouseCoopers LLP/s.r.l./s.en.c.r.l., an Ontario limited liability partnership.

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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 the Board of Trade of Metropolitan Montreal as at June 30, 2013 and 2012 and July 1, 2011 and the results of its operations and its cash flows for the years ended June 30, 2013 and 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

PricewaterhouseCoopers LLP¹

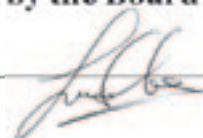
¹ CPA auditor, CA, public accountancy permit No. A110416

Board of Trade of Metropolitan Montreal

Balance Sheets

	As at June 30, 2013 \$	As at June 30, 2012 \$	As at July 1, 2011 \$
Assets			
Current assets			
Cash and cash equivalents	304,137	435,084	502,967
Short-term investments	700,000	900,000	700,000
Accounts receivable (note 5)	990,152	639,579	518,266
Grant receivable	80,741	-	103,890
Prepaid expenses	73,562	211,837	-
	<u>2,148,592</u>	<u>2,186,500</u>	<u>1,825,123</u>
Investments (note 6)	750,799	732,685	727,890
Property and equipment (note 7)	321,255	330,179	389,546
Intangible assets (note 8)	285,452	269,878	34,309
	<u>3,506,098</u>	<u>3,519,242</u>	<u>2,976,868</u>
Liabilities			
Current liabilities			
Accounts payable (note 10)	1,199,989	1,255,642	972,826
Deferred membership dues	1,135,162	1,145,428	1,012,682
Deferred revenue	251,924	135,067	80,846
	<u>2,587,075</u>	<u>2,536,137</u>	<u>2,066,354</u>
Deferred lease inducements	19,528	58,585	94,784
Deferred revenue	277,381	332,822	233,100
	<u>2,883,984</u>	<u>2,927,544</u>	<u>2,394,238</u>
Surplus			
Invested in property and equipment	321,255	330,179	389,546
Invested in intangible assets	285,452	269,878	34,309
Unappropriated (overappropriated)	15,407	(8,359)	158,775
	<u>622,114</u>	<u>591,698</u>	<u>582,630</u>
	<u>3,506,098</u>	<u>3,519,242</u>	<u>2,976,868</u>

Approved by the Board of Directors



Director



Director

(3)

Board of Trade of Metropolitan Montreal

Statements of Revenue and Expenses

For the years ended June 30, 2013 and 2012

	2013 \$	2012 \$
Revenue		
Members' service	2,146,729	2,021,780
Activities	3,968,324	4,493,256
Special projects	1,677,860	1,008,685
Other revenues (note 14)	1,553,896	1,519,124
	<hr/> 9,346,809	<hr/> 9,042,845
Expenses		
Members' service	163,973	198,451
Activities	2,889,690	3,033,767
Special projects	545,344	193,106
Operating costs	5,527,447	5,262,731
Amortization of property and equipment	98,425	174,866
Amortization of intangible assets	91,514	20,856
	<hr/> 9,316,393	<hr/> 8,883,777
Excess of revenue over expenses from operations before the following	30,416	159,068
Contribution to Board of Trade of Metropolitan Montreal Foundation (note 14)	-	(150,000)
	<hr/> 30,416	<hr/> 9,068

(4)

Board of Trade of Metropolitan Montreal

Statements of Surplus

For the years ended June 30, 2013 and 2012

	2013			
	Invested in property and equipment \$	Invested in intangible assets \$	Unappro- priated (overappro- -priated) \$	Total \$
Balance – Beginning of year	330,179	269,878	(8,359)	591,698
Excess of revenue over expenses for the year	(98,425)	(91,514)	220,355	30,416
Acquisition of property and equipment	89,501	-	(89,501)	-
Acquisition of intangible assets	-	107,088	(107,088)	-
Balance – End of year	321,255	285,452	15,407	622,114
	2012			
	Invested in property and equipment \$	Invested in intangible assets \$	Unappro- priated (overappro- -priated) \$	Total \$
Balance – Beginning of year	389,546	34,309	158,775	582,630
Excess of revenue over expenses for the year	(174,866)	(20,856)	204,790	9,068
Acquisition of property and equipment	115,499	-	(115,499)	-
Acquisition of intangible assets	-	256,425	(256,425)	-
Balance – End of year	330,179	269,878	(8,359)	591,698

Board of Trade of Metropolitan Montreal

Statements of Cash Flows

For the years ended June 30, 2013 and 2012

	2013 \$	2012 \$
Cash flows from		
Operating activities		
Excess of revenue over expenses for the year	30,416	9,068
Adjustments for		
Unrealized loss (gain) on investments	(10,385)	4,456
Gain on disposal of investments	(425)	(310)
Reinvested revenue on investments	(8,369)	(9,940)
Amortization of property and equipment	98,425	174,866
Amortization of intangible assets	91,514	20,856
Amortization of deferred lease inducements	(39,057)	(52,848)
	162,119	146,148
Changes in non-cash working capital items (note 11)	(297,542)	356,893
	(135,423)	503,041
Investing activities		
Acquisition of investments	(732,500)	(261,000)
Disposal of investments	933,565	62,000
Acquisition of property and equipment	(89,501)	(115,499)
Acquisition of intangible assets	(107,088)	(256,425)
	4,476	(570,924)
Net decrease in cash and cash equivalents during the year	(130,947)	(67,883)
Cash and cash equivalents – Beginning of year	435,084	502,967
Cash and cash equivalents – End of year	304,137	435,084

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

1 Incorporation and nature of activities

The Board of Trade of Metropolitan Montreal (the “organization”) was constituted under an act amalgamating the Montreal Board of Trade and the Chamber of Commerce of Metropolitan Montreal, which received Royal Assent on June 23, 1992. It is registered as a not-for-profit organization (“NPO”) and is therefore exempt from income taxes.

The organization has some 7,000 members. Its primary mission is to represent the interests of the Greater Montréal business community and to provide individuals, merchants and businesses of all sizes with a variety of specialized services to help them achieve their full potential in terms of innovation, productivity and competitiveness.

2 Significant accounting policies

Effective July 1, 2012, the organization elected to adopt Canadian accounting standards for not-for-profit organizations (“ASNPO”) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect.

Management estimates

The preparation of financial statements in conformity with ASNPO 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 periods. Actual results may differ from those estimates.

Credit risk

The organization performs a continual evaluation of its customers’ credit and records an allowance for doubtful accounts as required. Management considers there to be no significant credit risk as at June 30, 2013 and 2012.

Interest rate risk

Cash and cash equivalents	Fixed interest rate
Short-term investments	Fixed interest rate
Accounts receivable	Non-interest bearing
Investments	Note 6
Accounts payable	Non-interest bearing

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Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

Financial instruments

Financial assets and liabilities are initially recorded at their fair value. Revaluation of financial assets and financial liabilities depends on their classification, which in turn depends on their intended objective when the financial instruments were acquired or issued, their characteristics and their designation by the organization. Financial instruments are accounted for as at the date of payment.

- Cash and cash equivalents and investments other than investments in controlled-interest entities are classified as held-for-trading assets. They are presented at fair value, and the gains or losses related to revaluation at the end of each period are included in revenue and expenses.
- Accounts receivable are classified as loans and receivables. After being initially recorded at fair value, they are evaluated at cost less amortization using the effective interest rate method. For the organization, amortized cost of its accounts receivable is generally cost due to their short-term maturity.
- Accounts payable are classified as other financial liabilities. They are initially evaluated at fair value, and future evaluations are done at cost less amortization using the effective interest rate method. For the organization, amortized cost of its accounts receivable generally approximates cost due to their short-term maturity.

The organization has elected to apply Canadian Institute of Chartered Accountants (“CICA”) Handbook, Part II, Section 3856, Financial Instruments, as permitted for not-for-profit organizations under Part III, Section 1101, Generally Accepted Accounting Principles for Not-for-profit Organizations – Sources of GAAP.

Cash and cash equivalents

Cash and cash equivalents include bank balances and short-term liquid investments with maturities of three months or less.

Short-term investments

Short-term investments consist of fixed income securities with original maturities of between less than one year and more than three months.

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

Sponsorship revenues received in goods or services are accounted for at fair value when this value can be reasonably estimated. The organization usually uses the fair value of the goods or services received, unless the fair value of the goods or services rendered is more reliably measurable. During the year ended June 30, 2013, the organization received free-of-charge advertising services and other services as an exchange for sponsorship revenues for a total value of \$737,005 (2012 – \$774,354). These sponsorship revenues are accounted for in revenue under Activities, and the related expenses are included in expenses under Activities.

Property and equipment

Property and equipment are accounted for at cost. Amortization of property and equipment is based on their estimated useful lives using the straight-line method at the following rates or term:

Computer equipment	33 $\frac{1}{3}$ %
Office furniture and equipment	20%
Leasehold improvements	Over balance of lease term

Intangible assets

Intangible assets comprise software and a website which are accounted for at cost and amortized over their useful lives using the straight-line method at rates ranging from 20% to 33 $\frac{1}{3}$ %.

Deferred lease inducements

Deferred lease inducements are amortized over the balance of the terms of the leases using the straight-line method.

Deferred revenue

Short-term deferred revenue, comprising revenue from activities which extend over a period of two years and revenue from sponsors, is credited to revenue as the related expenses are incurred or as the services are rendered.

Long-term deferred revenue reflects the terms of the agreement reached between Ville de Montréal and Parking Montreal, Limited Partnership, of which the organization is the sole limited partner. The limited partnership has recorded goodwill amounting to \$499,500 in favour of the organization in recognition of its contribution to the creation of the entity as well as its know-how and its financing of the enterprise. This goodwill is capitalized as part of the cost of the investment in Parking Montreal, Limited Partnership. Offsetting on deferred revenue is amortized on a straight-line basis over the life of the agreement, namely 30 years, beginning on July 1, 1995.

The remainder of long-term deferred revenue corresponds mainly to the amortized balance of a grant received in 2012 for the acquisition of a website for an Emploi Québec project. As a counterpart to long-term deferred revenue, the website was recorded as an intangible asset, and both the deferred revenue and the website are amortized to excess of revenue over expenses on a straight-line basis over a three-year period.

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Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

3 Accounting standards adopted

Effective January 1, 2012, the CICA issued new ASNPO. The organization has not used any transitional exemptions, and there were no adjustments to the balance sheets or the statements of revenue and expenses, surplus and cash flows on the adoption of ASNPO.

4 Management of capital

The organization manages its capital with the following objectives:

- safeguarding its ability to continue to support program expenses;
- funding current and future operations; and
- ensuring that it is able to meet its financial obligations as they become due.

The organization's capital structure as at June 30, 2013 consists of its unappropriated surplus.

5 Accounts receivable

	As at June 30, 2013 \$	As at June 30, 2012 \$	As at July 1, 2011 \$
Accounts receivable	672,228	409,395	371,958
Allowance for doubtful accounts	(45,403)	(35,000)	(30,000)
Commodity taxes recoverable	-	48,207	13,783
	626,825	422,602	355,741
World Trade Centre Montréal Inc.	50,586	74,071	13,714
Fonds Ville-Marie	-	2,356	50,000
Centre d'affaires Info entreprises	32,667	47,667	8,972
Board of Trade of Metropolitan Montreal Foundation	241,749	54,558	51,864
Société en commandite Stationnement de Montréal	38,325	38,325	37,975
	990,152	639,579	518,266

(4)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

6 Investments

The organization's investments are as follows:

	As at June 30, 2013 \$	As at June 30, 2012 \$	As at July 1, 2011 \$
Investments in monetary funds of Fiera Capital Corporation, at fair value			
Money market funds	11,266	17,100	21,942
Canadian bonds	86,472	82,840	79,953
Canadian shares	82,575	77,426	62,402
International diversified shares	62,886	47,719	55,993
Investment in Accesum inc. and its subsidiary, Parking Montreal, Limited Partnership	500,100	500,100	500,100
Investment in World Trade Centre Montréal Inc.	7,500	7,500	7,500
	750,799	732,685	727,890

7 Property and equipment

	As at June 30, 2013		
	Cost \$	Accumulated amortization \$	Net \$
Computer equipment	183,527	107,402	76,125
Office furniture and equipment	209,461	128,898	80,563
Leasehold improvements	594,357	429,790	164,567
	987,345	666,090	321,255

(5)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

			As at June 30, 2012	As at July 1, 2011
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Computer equipment	158,328	60,489	97,839	26,854
Office furniture and equipment	151,613	92,915	58,698	73,289
Leasehold improvements	587,902	414,260	173,642	289,403
	<u>897,843</u>	<u>567,664</u>	<u>330,179</u>	<u>389,546</u>

8 Intangible assets

			As at June 30, 2013
	Cost \$	Accumulated amortization \$	Net \$
Software and website	433,575	148,123	285,452

			As at June 30, 2012	As at July 1, 2011
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Software and website	326,487	56,609	269,878	34,309

9 Credit facility

As at June 30, 2013, the organization had a credit facility amounting to \$300,000, bearing interest at prime rate plus 0.9% and renewable on December 31, 2013. A first ranking movable hypothec on the universality of the organization's present and future accounts receivable has been given as security for the credit facility. As at June 30, 2013 and 2012, the credit facility was unused.

(6)

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

10 Accounts payable

	As at June 30, 2013 \$	As at June 30, 2012 \$	As at July 1, 2011 \$
Trade payable and accrued charges	562,077	679,560	459,903
Salaries and vacation pay	582,260	509,868	440,953
	1,144,337	1,189,428	900,856
Centre d'affaires Info entreprises	6,712	9,379	51,544
World Trade Centre Montréal Inc.	48,940	56,835	20,426
	1,199,989	1,255,642	972,826

11 Changes in non-cash working capital items

	2013 \$	2012 \$
Decrease (increase) in		
Accounts receivable	(350,573)	(121,313)
Grant receivable	(80,741)	-
Prepaid expenses	138,275	(107,947)
Increase (decrease) in		
Accounts payable	(55,653)	282,816
Deferred membership dues	(10,266)	132,746
Deferred revenue	61,416	170,591
	(297,542)	356,893

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

12 Commitments

The organization has lease commitments whose minimum payments payable over the next five years ending June 30 and thereafter are as follows:

	\$
2014	687,898
2015	704,689
2016	702,227
2017	701,801
2018	711,129
Thereafter	<u>4,388,037</u>
	<u>7,895,781</u>

13 Controlled and economic interest entities

The organization controls World Trade Centre Montréal Inc. (“WTCM”), Fonds Ville-Marie (“FVM”), Centre d’affaires Info entreprises (“CAIE”) and Board of Trade of Metropolitan Montreal Foundation (the “Foundation”), since the organization appoints the majority of the members of the boards of directors, as provided by the constitutional bylaws of the entities. In addition, the organization controls its wholly owned subsidiary, Accesum inc., and Parking Montreal, Limited Partnership (collectively “Accesum Inc.”).

The above-mentioned entities have not been consolidated in the organization’s financial statements. The condensed financial statements of the controlled entities are as follows for the fiscal year indicated.

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

World Trade Centre Montréal Inc.

WTCM is an NPO whose mandate is to train, advise and support companies, sectoral associations, institutions and economic development organizations across Quebec and other provinces in Canada in their efforts to penetrate foreign markets. WTCM is fully integrated into the network of World Trade Centers.

	June 30, 2013 \$	June 30, 2012 \$	As at July 1, 2011 \$
Balance sheet			
Total assets	686,187	709,507	519,850
Total liabilities	416,555	433,169	247,606
Total surplus	269,632	276,338	272,244
	<u>686,187</u>	<u>709,507</u>	<u>519,850</u>
Revenue and expenses			
Total revenue	2,302,119	1,879,791	
Total expenses	2,308,825	1,875,697	
Excess of revenue over expenses (expenses over revenue)	<u>(6,706)</u>	<u>4,094</u>	
Cash flows			
Operating activities	(47,145)	227,495	
Investing activities	<u>(4,026)</u>	<u>(59,874)</u>	
Net change in cash and cash equivalents	<u>(51,171)</u>	<u>167,621</u>	

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Notes to Financial Statements

June 30, 2013 and 2012

Fonds Ville-Marie

FVM is an NPO which promotes the socio-economic development of Montréal.

	June 30, 2013 \$	June 30, 2012 \$	As at July 1, 2011 \$
Balance sheet			
Total assets	2,641,425	2,500,574	2,592,995
Total liabilities	81,573	101,414	92,158
Total net assets	2,559,852	2,399,160	2,500,837
	<u>2,641,425</u>	<u>2,500,574</u>	<u>2,592,995</u>
Revenue and expenses			
Total revenue	963,418	892,907	
Total expenses	802,726	893,706	
Excess of revenue over expenses (expenses over revenue)	<u>160,692</u>	<u>(799)</u>	
Cash flows			
Operating activities	75,482	(4,663)	
Investing activities	19,890	(64,645)	
Net change in cash and cash equivalents	<u>95,372</u>	<u>(69,308)</u>	

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

Centre d'affaires Info entreprises

CAIE is an NPO whose mandate is to provide businesses in all regions of Canada with business information on provincial and federal government programs, services and regulations.

	March 31, 2013 \$	March 31, 2012 \$	As at April 1, 2011 \$
Balance sheet			
Total assets	296,059	244,227	494,226
Total liabilities	240,045	217,549	419,084
Total surplus	56,014	26,678	75,142
	296,059	244,227	494,226
Revenue and expenses			
Total revenue	1,510,471	1,588,127	
Total expenses	1,481,135	1,636,591	
Excess of revenue over expenses (expenses over revenue)	29,336	(48,464)	
Cash flows			
Operating activities	122,613	(134,920)	
Investing activities	(17,774)	-	
Net change in cash and cash equivalents	104,839	(134,920)	

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

Accesum Inc.

Accesum inc. is a business corporation incorporated with the main purpose of acting as a general partner to Parking Montreal, Limited Partnership. The latter operates and manages the activities related to tariff parking in accordance with the terms of an agreement with Ville de Montréal. The combined financial statements of Accesum inc. and Parking Montreal, Limited Partnership are as follows:

	December 31, 2012 \$	December 31, 2011 \$	As at January 1, 2011 \$
Balance sheet			
Total assets	66,923,883	70,025,950	89,983,571
Total liabilities	65,012,809	68,055,007	87,911,400
Total capital	1,911,074	1,970,943	2,072,171
	<u>66,923,883</u>	<u>70,025,950</u>	<u>89,983,571</u>
Revenue and expenses			
Total revenue	61,771,996	61,948,409	
Total expenses	61,855,120	62,016,535	
Excess of expenses over revenue	<u>(83,124)</u>	<u>(68,126)</u>	
Cash flows			
Operating activities	4,815,458	8,422,971	
Investing activities	(324,181)	36,213,243	
Financing activities	<u>(3,333,333)</u>	<u>(23,333,333)</u>	
Net change in cash and cash equivalents	<u>1,157,944</u>	<u>21,302,881</u>	

Certain comparative figures have been reclassified to conform to the current financial statement presentation adopted.

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

Board of Trade of Metropolitan Montreal Foundation

The organization has an economic interest in the Foundation, as the Foundation manages its assets and allocates its revenue in order to secure the long-term financial viability of the organization.

	June 30, 2013 \$	June 30, 2012 \$	As at July 1, 2011 \$
Balance sheet			
Total assets	4,302,843	4,080,568	4,191,542
Total liabilities	246,069	58,517	56,305
Total net assets	4,056,774	4,022,051	4,135,237
	4,302,843	4,080,568	4,191,542
Revenue and expenses			
Total revenue	289,977	102,889	
Total expenses	255,254	216,075	
Excess of revenue over expenses (expenses over revenue)	34,723	(113,186)	
Cash flows			
Operating activities	(67,408)	(64,225)	
Investing activities	69,243	63,398	
Net change in cash and cash equivalents	1,835	(827)	

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2013 and 2012

14 Related party transactions

The principal transactions concluded between controlled entities and the organization during the years ended June 30 are as follows:

	2013 \$	2012 \$
Revenue		
Management fees		
WTCM	249,984	266,296
CAIE	-	40,832
Foundation	8,004	8,004
Royalties		
Société en commandite Stationnement de Montréal	399,996	399,996
Contribution from Foundation	230,092	193,025
Rent		
WTCM	138,000	138,000
FVM	24,588	24,588
CAIE	235,000	235,000
Others – FVM	52,000	50,000
Total revenue	<u>1,337,664</u>	<u>1,355,741</u>
Expenses		
Contribution to Foundation	-	150,000
Total expenses	<u>-</u>	<u>150,000</u>

Other revenues in the amount of \$1,553,896 (2012 – \$1,519,124) presented in the statements of revenue and expenses include related party revenue for an amount of \$1,337,664 (2012 – \$1,355,741).

These transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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