



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



# 2011 **ANNUAL** 2012 **REPORT**





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## A WORD FROM THE CHAIRMAN OF THE BOARD

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One hundred and ninety years ago, on April 11, 1822, the Board of Trade was created at the initiative of 54 merchants, who formed the Committee of Trade to focus attention on any issue with a potential impact on commerce. The mission of these men who joined forces to ensure sustained economic development in their region is relevant now more than ever.

Over the past 190 years, the Board of Trade has evolved and carved out an important place for itself on the Montréal scene. Through its position statements and insight on economic development, it has helped build the city we live in. Its involvement in developing the Port of Montréal (1863), its recommendation to build a metro for Montréal (1906), its contribution to the creation of HEC Montréal (1907), its initiative to found the Federation of Chambers of Commerce of the Province of Quebec (1909), its recommendation to institute mandatory education for children up to the age of 14 (1919) and its creation of the World Trade Centre Montréal (1984) and Info entrepreneurs (1994) are all perfect examples of the Board of Trade's efforts to make Montréal one of the world's great cities.

From 54 members in 1822, we have now passed the 7,000-member mark. Thanks to this strong membership of the city's leaders, the Board of Trade is involved now more than ever in key areas of economic development. During this past year, it tackled a number of issues important to the future of Greater Montréal, placing its members centre stage for economic and political current events.

Efforts have included putting together four Strategic Forums, submitting a brief on funding public transit, deploying the *Natural Resources Sector Enhancement Initiative* in response to the Plan Nord, bringing four major public figures to Montréal as part of the *International Leaders* series, conducting the study *The Competitiveness of the Greater Montréal Business Environment*, presenting a brief as part of public consultations on promoting economic development in the urban agglomeration of Montréal, contributing to the success of the *Rendez-vous métropolitain pour l'emploi* and taking a position on tuition fees.

These concurrent efforts have contributed or will contribute to improving business conditions and the business climate in Montréal and increasing the city's influence. With the current economic climate around the world, more than ever it is necessary for members of the business community to join forces, and I am proud to say that all of our efforts are continuing what our predecessors began.

I would like to express my gratitude to the members of the board of directors, the President and CEO, Michel Leblanc, and Board of Trade employees and volunteers who, through their receptiveness, expertise and dedication, work to enhance the Board of Trade's reputation and to shape our city. I would also like to recognize the invaluable support offered by our sponsors, in particular the Board of Trade's pillar sponsors: Astral Media, Bell, Desjardins, Hydro-Québec and Rio Tinto Alcan. Thanks to them, the Board of Trade is able to keep refining the quality of the events it brings its members. Finally, I would like to thank the members who, year in and year out, place their trust in the Board of Trade, and the new members, who have joined their voices to ours to make Montréal an ever more prosperous city.

A handwritten signature in black ink, appearing to read 'A. Molson'.

Andrew T. Molson  
Chairman of the Board

# A WORD FROM THE PRESIDENT AND CEO

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In keeping with its commitment to represent the business community and be centre stage for the major issues that affect our city, once again this year the Board of Trade demonstrated exemplary leadership by organizing close to 200 events and studying a number of the day's issues that have an impact on the future of our city. Transportation, innovation and entrepreneurship, immigration and demographics, governance and taxation, natural resources and university funding are all issues we need to tackle to allow the Greater Montréal area to continue to prosper and fulfill its role as the economic driver of Quebec.

## TRANSPORTATION IN THE URBAN AGGLOMERATION OF MONTRÉAL

Montréal is one of the most dynamic cities in North America. A number of major projects are under way, in spite of tough economic times worldwide. However, a competitive economy requires an efficient, integrated transportation network. Massive investment is required to complete and modernize the metropolitan area's public transit and road network. With this in mind, the Board of Trade devoted one of its four Strategic Forums to transportation infrastructure and tabled a brief about funding public transit as part of public consultations, presenting a realistic financial plan to improve travel within the city.

## INNOVATION AND ENTREPRENEURSHIP

Montréal is a cosmopolitan, creative and dynamic city with a strong university presence. Given the number of head offices, the large immigrant community, the many Quebec and foreign students and the large number of economic clusters, the city should have a great deal of entrepreneurial drive. But in spite of many individual successes, Quebec's largest city does not generate enough new businesses and does not create enough employment. To develop an overview of the current situation and determine whether conditions exist for a business environment favourable to investors, the Board of Trade conducted the study *Competitiveness of the Greater Montréal Business Environment*, which sets out proposals for wealth creation and issues a call for mobilization to encourage private investment.

As part of an ongoing effort to contribute to the performance of the business community on the local and international scenes, Info entrepreneurs and the World Trade Centre Montréal continued in their support to businesses. Info entrepreneurs formed a partnership with the Fondation du maire and the SAJE accompagnateur d'entrepreneurs to simplify the work of entrepreneurs and promote entrepreneurship. In association with Québec International, the World Trade Centre Montréal launched the SME Passport, an internationalization support program that provides customized guidance to 15 small businesses with strong potential, to help them develop their activities abroad.

## IMMIGRATION AND THE DEMOGRAPHIC CHALLENGE

Montréal, and indeed the whole province, has to be able to draw on a rich pool of expertise and qualified workers. As we reported in our brief *Immigration planning in Quebec for 2012-2015*, the solution to our city's problem of an aging population is to better match training to the needs of the job market and to increase support for qualified immigrant workers. To help meet the growing demand for labour, create a better match between training and jobs and integrate immigrants, the Board of Trade contributed to the success of the *Rendez-vous métropolitain pour l'emploi*, an initiative of Conseil emploi métropole, a body committed to searching for responses to these challenges.

Alongside efforts to provide the city with qualified labour in the coming years, the Board of Trade stepped up initiatives to increase the rate of francization among companies in the metropolitan area and enhanced its website for small businesses. A longer term agreement was also struck with Emploi-Québec to pursue and develop the Interconnection program, which helps integrate new immigrants to the Montréal job market. This promising initiative was recognized in the budget of the Government of Quebec, which announced an annual \$1 million in financial support for the project for three years.

## OPTIMIZING GOVERNANCE AND TAXATION IN THE CITY

In an effort to improve the city's performance in economic development and productivity, the Board of Trade reiterated the importance of rationalizing and simplifying the local economic development network and ensuring better collaboration between economic development organizations within the urban agglomeration of Montréal, by presenting a brief with recommendations as part of public consultations by the Commission permanente sur le développement économique et urbain et l'habitation.

## **NATURAL RESOURCES**

In many instances, the knowledge economy and natural resources economy are interdependent rather than at odds, and natural resources are an essential tool for the city's economic development. In the wake of the Plan Nord, the Board of Trade deployed its *Natural Resources Sector Enhancement Initiative* to highlight the economic benefits of exploiting natural resources and the implementation of the Plan Nord for the metropolitan area. This initiative included releasing the results of the study *Natural Resources: Leverage for the City's Growth*, a Strategic Forum on natural resources, a business luncheon with Premier Jean Charest and the first Salon Plan Nord, organized in partnership with the Government of Quebec and attended by almost 5,000 people.

## **STRENGTHENING UNIVERSITIES AND MODERNIZING THEIR FUNDING**

In a knowledge economy such as ours, competitive, well-funded universities are requisite to success. Universities are drivers of the knowledge economy and incubators of qualified labour. They are central to industrial strategies and research and development, and in this sense are the future of Quebec. This year, university funding was hotly debated. Of course, the Board of Trade weighed in and continued the push for competitive funding for universities that it began in 2010 through a variety of efforts.

This past year was special for the fact that the Board of Trade celebrated its 190<sup>th</sup> anniversary. To mark this major milestone, we held a Montréal Apéro at HEC Montréal, an institution founded by our predecessors. The day of our anniversary was celebrated with a Montréal Apéro at the internationally renowned McGill University, which featured a tribute to the builders of the Anglophone community. Finally, we published a special section in *Les Affaires* listing the important dates in our history, with generous tributes from representatives of the business community and the world of politics.

This coming year promises to be much like the last: filled with events and challenges. I would like to assure Board of Trade members and the metropolitan area's business community that our team will continue to make every effort to represent their interests and show solid leadership on issues that affect the business climate, to make our city a great place to do business.

I look forward to seeing you at our activities during the 2012-2013 season!

Sincerely,



Michel Leblanc  
President and CEO







# 1 MISSION

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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

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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 HISTORY

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1822

Founding of the Committee of Trade (Board of Trade).

1863

Involvement in the development of the port facilities.

1887

Founding of the Chambre de commerce du district de Montréal to represent the French-speaking business community of the era.

1892

Proposal of the creation of the École des Hautes Études Commerciales.

1992

Merging of the Montreal Board of Trade and the Chambre de commerce du Montréal métropolitain, thereby creating a single bilingual business association, the largest of its kind in Quebec.

2003

Info entrepreneurs and the World Trade Centre Montréal became branches of the Board of Trade of Metropolitan Montreal. These new branches now enable the Board of Trade to offer specialized services to Quebec's greater business community, providing information about funding and company start-up programs, and about exports.

2012

The Board of Trade is celebrating its 190<sup>th</sup> anniversary.

# 4 THE BOARD OF TRADE IN 2011-2012

- The place for the business community to network
- **7,000 members**
- A membership that is **80% business decision makers**
- Close to **200 activities** organized
- Over **21,000 participants**
- Over **75% of the 50 largest companies in Quebec** for 2011, according to the *Les Affaires* ranking
- Companies with **over 440,000 employees** in Quebec
- Prestigious international-calibre speakers
- Over **200 interviews** granted to the media
- **3 briefs** and **3 studies** conducted
- **9 trade missions**

# 5 THE ART OF BUSINESS

## 5.1 The Board of Trade's pillars

### BUILDING MY NETWORK

- Public forums and conferences
- Prestige events
- Montréal Apéro
- Business opportunities
- Trade missions

### BUILDING MY EXPERTISE

- Best business practices training workshops
- International trade training workshops
- Strategic forums

### BUILDING MY SUCCESS

- Business information service
- Document services
- Capital Connexion service
- Certification of export documents
- Guest advisor service

## 5.2 The Board of Trade's experts



### WORLD TRADE CENTRE MONTRÉAL

#### WORLD TRADE CENTRE MONTRÉAL

For over 25 years, the Board of Trade's team of international trade experts has been tasked with providing support, training and advice to Quebec's small and medium-sized businesses in their international market development efforts.

To this end, it has created a comprehensive range of services to help make businesses more competitive abroad, such as training workshops, seminars, meetings with foreign buyers and trade missions to promising markets, namely Asia, the American Northeast, Western Canada and the Middle East.

The WTC Montréal is fully integrated to the international network of World Trade Centers. With a presence in 320 cities worldwide, this private business network has 500,000 members in more than 100 countries.

The WTC Montréal receives financial support from Canada Economic Development.



### 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.

Its qualified team provides the information entrepreneurs need to start and grow their business and supports them in their import and export initiatives.

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.

### 5.3 The Board of Trade's diversity programs

## INTERCONNECTION

### GLOBAL EXPERTISE. LOCAL ASSETS.

#### INTERCONNECTION

The goal of the Interconnection program, created in partnership with Emploi-Québec, is to make connections between Montréal area businesses and qualified new immigrants to Quebec. Its objectives are, on the one hand, to enable employers to help integrate new immigrants and discover their potential and, on the other, to promote the integration of immigrants into the workforce.

The program offers local businesses and professionals access to a pool of qualified recent immigrants. Employers and qualified workers have the opportunity to meet via free twinning activities: internships, career exploration days, speed jobbing, professional meetings, express mentoring, networking activities and sectoral conferences.

## 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 and with the collaboration of Emploi-Québec, is an important program for businesses with a payroll of over \$250,000.

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, including:

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

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.

## 6 THE VOICE OF THE BUSINESS COMMUNITY

Always up to date on current news, the Board of Trade contributes to creating the best conditions for business in Montréal.

#### PRIORITY PUBLIC AFFAIRS ISSUES

- Strengthening the universities and upgrading their funding
- Transportation in the Montréal region
- Innovation and entrepreneurship
- Immigration and demographic challenge
- Optimization of metropolitan governance and taxation
- Natural resources

# 7 BOARD OF DIRECTORS

## Chairman of the Board

### ANDREW T. MOLSON\*

Chairman  
Molson Coors Brewing Company

## Vice-Chairman

### LUC SABBATINI\*

President  
Astral Media Outdoor, LP

## President and CEO

### MICHEL LEBLANC\*

President and CEO  
Board of Trade of Metropolitan Montreal

## Retiring Chairman of the Board

### SYLVAIN VINCENT\*

Managing Partner, Eastern Canada  
and Member of Canadian Executive Committee  
Ernst & Young LLP

## Treasurer

### ROBERT DESBIENS\*

Executive Vice-President, Corporate Strategies  
R3D Consulting Inc.

### RAYMOND BACHANT

President, North America  
Bombardier Transportation

### CHRISTIANE BERGEVIN\*

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

### HUBERT BOLDUC

Vice-President, Communications and Public Affairs  
Cascades Inc.

### GUY BRETON

Rector  
Université de Montréal

### VINCENT BRIE

Managing Director, Strategy  
Principal  
gsmprjct°

### ALAIN CÔTÉ

Managing Partner, Quebec Region  
Samson Bélair/Deloitte & Touche s.e.n.c.r.l.

### ISABELLE COURVILLE\*

President  
Hydro-Québec Distribution

### STÉPHANIE KENNAN

President  
Bang Marketing

### JEAN-MARC LÉGER\*

President  
Leger

### ISABELLE MARCOUX

Chair of the Board  
TC Transcontinental

### VASSILIOS PAPADOPOULOS

Executive Director and Chief Scientific Officer  
Research Institute of the McGill University Health Centre

### MADELEINE PAQUIN

President and CEO  
Logistec Corporation

### DANIEL PERITZ

Senior Vice-President, Montréal  
Canderel Management Inc.

### PIERRE POMERLEAU

President and CEO  
Pomerleau Inc.

### GILBERT ROZON

Chairman of the Board  
Just For Laughs Group

### JAVIER SAN JUAN\*

President and CEO  
L'Oréal Canada

### CYNTHIA SANLIAN

President  
Junior Chamber of Commerce of Montreal

### 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







# 2011 ANNUAL 2012 REPORT



## FINANCIAL STATEMENTS

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September 19, 2012

## **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 sheet as at June 30, 2012 and the statements of revenue and expenses, surplus and cash flows for the year then ended, 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 generally accepted accounting principles, 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.

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





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 the Board of Trade of Metropolitan Montreal as at June 30, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*PricewaterhouseCoopers LLP<sup>1</sup>*

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<sup>1</sup> CPA auditor, CA, public accountancy permit No. A110416


# Board of Trade of Metropolitan Montreal

## Balance Sheet

As at June 30, 2012

	2012 \$	2011 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	435,084	502,967
Short-term investments	900,000	700,000
Accounts receivable (note 5)	639,579	518,266
Prepaid expenses	211,837	103,890
	<u>2,186,500</u>	<u>1,825,123</u>
<b>Investments</b> (note 6)	732,685	727,890
<b>Property and equipment</b> (note 7)	330,179	389,546
<b>Intangible assets</b> (note 8)	<u>269,878</u>	<u>34,309</u>
	<u>3,519,242</u>	<u>2,976,868</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable (note 10)	1,255,642	972,826
Deferred membership dues	1,145,428	1,012,682
Deferred revenue	<u>135,067</u>	<u>80,846</u>
	<u>2,536,137</u>	<u>2,066,354</u>
<b>Deferred lease inducements</b>	58,585	94,784
<b>Deferred revenue</b>	<u>332,822</u>	<u>233,100</u>
	<u>2,927,544</u>	<u>2,394,238</u>
<b>Surplus</b>		
<b>Invested in property and equipment</b>	330,179	389,546
<b>Invested in intangible assets</b>	269,878	34,309
<b>Unappropriated</b>	<u>(8,359)</u>	<u>158,775</u>
	<u>591,698</u>	<u>582,630</u>
	<u>3,519,242</u>	<u>2,976,868</u>

Approved by the Board of Directors



Director



Director

# Board of Trade of Metropolitan Montreal

## Statement of Revenue and Expenses

For the year ended June 30, 2012

	2012 \$	2011 \$
<b>Revenue</b>		
Members' service	2,021,780	1,946,764
Activities	4,493,256	3,359,876
Special projects	1,008,685	992,759
Other revenues (note 14)	1,519,124	1,550,353
	<u>9,042,845</u>	<u>7,849,752</u>
<b>Expenses</b>		
Members' service	198,451	190,645
Activities	3,033,767	2,133,966
Special projects	193,106	384,624
Operating costs	5,262,731	4,847,740
Amortization of property and equipment	174,866	150,516
Amortization of intangible assets	20,856	14,270
	<u>8,883,777</u>	<u>7,721,761</u>
<b>Excess of revenue over expenses from operations before the following</b>	159,068	127,991
<b>Contribution to Board of Trade of Metropolitan Montreal Foundation</b> (note 14)	<u>(150,000)</u>	<u>(100,000)</u>
<b>Excess of revenue over expenses for the year</b>	<u>9,068</u>	<u>27,991</u>

# Board of Trade of Metropolitan Montreal

## Statement of Surplus

For the year ended June 30, 2012

	2012			2011
	Invested in property and equipment \$	Invested in intangible assets \$	Unappro- priated (overappro- priated) \$	Total \$
<b>Surplus – Beginning of year</b>	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)	-
<b>Surplus – End of year</b>	<b>330,179</b>	<b>269,878</b>	<b>(8,359)</b>	<b>582,630</b>



# Board of Trade of Metropolitan Montreal

## Statement of Cash Flows

For the year ended June 30, 2012

	2012 \$	2011 \$
<b>Cash flows from</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	9,068	27,991
Adjustments for		
Unrealized loss (gain) on investments	4,456	(27,299)
Gain on disposal of investments	(310)	(2,360)
Reinvested revenue on investments	(9,940)	(12,818)
Amortization of property and equipment	174,866	150,516
Amortization of intangible assets	20,856	14,270
Amortization of deferred lease inducements and deferred revenue	(52,848)	(44,270)
	146,148	106,030
Change in non-cash working capital items (note 11)	356,893	(239,049)
	503,041	(133,019)
<b>Investing activities</b>		
Acquisition of investments	(261,000)	(726,000)
Disposal of investments	62,000	227,197
Acquisition of property and equipment	(115,499)	(43,155)
Acquisition of intangible assets	(256,425)	(28,777)
	(570,924)	(570,735)
<b>Net decrease in cash and cash equivalents during the year</b>	(67,883)	(703,754)
<b>Cash and cash equivalents – Beginning of year</b>	502,967	1,206,721
<b>Cash and cash equivalents – End of year</b>	435,084	502,967

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 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 and is therefore exempt from income taxes.

The organization has some 7,000 members. Its primary mission is to represent the interests of the business community of Greater Montréal 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

#### Management estimates

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

#### 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, 2012.

#### Interest rate risk

Cash and cash equivalents	Fixed and variable interest rates
Accounts receivable	Non-interest bearing
Investments	Note 6
Accounts payable	Non-interest bearing

#### Financial instruments

Financial assets and liabilities are initially recorded at their fair value, and their revaluation depends on their classification, as described hereafter. Their classification depends on their intended objective when the financial instrument was acquired or issued, their characteristics and their designation by the organization. Financial instruments are accounted for as at the date of payment.

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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- 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 the 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, the amortized cost is generally the 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 generally approximates cost due to their short-term maturity.

The organization has elected to continue to apply Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3861, Financial Instruments – Disclosure and Presentation, as permitted for not-for-profit organizations under recently issued Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation.

### 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. As at June 30, 2012, the balance consists of two guaranteed investment certificates maturing on October 24, 2012 and November 13, 2012 and bearing interest at 1.40%.

### 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 as receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sponsorship revenues received in goods or services are accounted for at fair value when this value can be reasonably estimated. The fair value of the goods or services received is usually used, unless the fair value of the goods or services rendered is more reliably measurable. During the year ended June 30, 2012, the organization received free-of-charge advertising services and other services as an exchange for sponsorship revenues, for a total value of \$774,354 (2011 – \$605,033). These sponsorship revenues are accounted for in revenue under “Activities”, and the related expenses are included in expenses under “Activities”.

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 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 terms:

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 deferred on revenue is amortized on a straight-line basis over the life of the agreement, namely 30 years, beginning on July 1, 1995. Other deferred revenue amounting to \$116,370 was added during the year, relating to a grant for the acquisition of a website for an Emploi Québec project. The website was capitalized as deferred revenue, which will be amortized on a straight-line basis over three years.



# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 3 Future accounting changes

The organization will cease to prepare its financial statements in accordance with Canadian GAAP as set out in Part V of the CICA Handbook – Accounting for periods beginning on July 1, 2012, when it will start to apply Canadian accounting standards for not-for-profit organizations as set out in Part III of the CICA Handbook – Accounting as its primary basis of accounting. Consequently, future accounting changes to Part V of Canadian GAAP that are effective for periods beginning on or after July 1, 2012 are not discussed in these financial statements, as they will normally never be applied by the organization.

### 4 Management of capital

The organization manages its capital with the objectives of:

- 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, 2012 consists of unappropriated surplus.

### 5 Accounts receivable

	2012 \$	2011 \$
Accounts receivable	409,395	371,958
Allowance for doubtful accounts	(35,000)	(30,000)
Commodity taxes recoverable	48,207	13,783
	<hr/>	<hr/>
	422,602	355,741
 Board of Trade of Metropolitan Montreal Foundation	 54,558	 51,864
World Trade Centre Montréal Inc.	74,071	13,714
Fonds Ville-Marie	2,356	50,000
Société en commandite Stationnement de Montréal	38,325	37,975
Centre d'affaires Info entreprises	47,667	8,972
	<hr/>	<hr/>
	639,579	518,266
	<hr/>	<hr/>

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

### 6 Investments

The organization's investments are as follows:

	2012 \$	2011 \$
Investments in monetary funds of Fiera Capital Corporation, at fair value		
Money market funds	17,100	21,942
Canadian bonds	82,840	79,953
Canadian shares	77,426	62,402
International diversified shares	47,719	55,993
Investment in Accesum inc. and its subsidiary, Parking Montreal, Limited Partnership	500,100	500,100
Investment in World Trade Centre Montréal Inc.	7,500	7,500
	<u>732,685</u>	<u>727,890</u>

### 7 Property and equipment

	2012		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

	2012		2011	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Websites and software	326,487	56,609	269,878	34,309

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 9 Credit facility

As at June 30, 2012, the organization had a credit facility amounting to \$300,000, bearing interest at prime rate plus 0.7% and renewable on December 31, 2012. 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, 2012, the credit facility was unused.

### 10 Accounts payable

	2012 \$	2011 \$
Trade payable and accrued charges	679,560	459,903
Salaries and vacation pay	509,868	440,953
	<hr/>	<hr/>
	1,189,428	900,856
Centre d'affaires Info entreprises	9,379	51,544
World Trade Centre Montréal Inc.	56,835	20,426
	<hr/>	<hr/>
	1,255,642	972,826
	<hr/>	<hr/>

### 11 Change in non-cash working capital items

	2012 \$	2011 \$
Decrease (increase) in		
Accounts receivable	(121,313)	59,225
Prepaid expenses	(107,947)	(38,208)
Increase (decrease) in		
Accounts payable	282,816	35,816
Deferred membership dues	132,746	12,127
Deferred revenue	170,591	(308,009)
	<hr/>	<hr/>
	356,893	(239,049)
	<hr/>	<hr/>

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 12 Commitments

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

	\$
2013	581,593
2014	669,871
2015	696,810
2016	694,393
2017	696,367
Thereafter	4,310,054

### 13 Controlled and economic interest entities

The organization controls World Trade Centre Montréal Inc. (“WTCM”), Fonds Ville-Marie (“FVM”), Centre d'affaires Info enterprises (“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.

#### World Trade Centre Montréal Inc.

WTCM is a not-for-profit organization 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.

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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	June 30, 2012 \$	June 30, 2011 \$
<b>Balance sheet</b>		
Total assets	709,507	519,850
Total liabilities	433,169	247,606
Total surplus	276,338	272,244
	709,507	519,850
<b>Revenue and expenses</b>		
Total revenue	1,879,791	1,852,833
Total expenses	1,875,697	1,793,265
Excess of revenue over expenses	4,094	59,568
<b>Cash flows</b>		
Operating activities	227,495	(79,949)
Investing activities	(59,874)	-
Net change in cash and cash equivalents	167,621	(79,949)



# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### Fonds Ville-Marie

FVM is a not-for-profit organization which promotes the socio-economic development of Montréal.

	June 30, 2012 \$	June 30, 2011 \$
<b>Balance sheet</b>		
Total assets	2,500,574	2,592,995
Total liabilities	101,414	92,158
Total net assets	2,399,160	2,500,837
	2,500,574	2,592,995
<b>Revenue and expenses</b>		
Total revenue	892,907	910,294
Total expenses	893,706	673,292
Excess of revenue over expenses (expenses over revenue)	(799)	237,002
<b>Cash flows</b>		
Operating activities	(4,663)	232,387
Investing activities	(64,645)	(272,695)
Net change in cash and cash equivalents	(69,308)	(40,308)

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### Centre d'affaires Info entreprises

CAIE is a not-for-profit organization 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, 2012 \$	March 31, 2011 \$
<b>Balance sheet</b>		
Total assets	244,227	494,226
Total liabilities	217,549	419,084
Total surplus	26,678	75,142
	244,227	494,226
<b>Revenue and expenses</b>		
Total revenue	1,588,127	1,560,873
Total expenses	1,636,591	1,512,108
Excess of revenue over expenses (expenses over revenue)	(48,464)	48,765
<b>Cash flows</b>		
Operating activities	(134,920)	(48,057)
Net change in cash and cash equivalents	(134,920)	(48,057)

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 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 the City of Montréal. The combined financial statements of Accesum inc. and Parking Montreal, Limited Partnership are as follows:

	December 31, 2011 \$	December 31, 2010 \$
<b>Balance sheet</b>		
Total assets	70,009,216	89,950,430
Total liabilities	68,054,908	87,927,852
Total capital	1,954,308	2,022,578
	<u>70,009,216</u>	<u>89,950,430</u>
<b>Revenue and expenses</b>		
Total revenue	61,948,409	63,093,027
Total expenses	61,648,409	62,793,027
	<u>300,000</u>	<u>300,000</u>
<b>Cash flows</b>		
Operating activities	8,496,593	11,172,247
Investing activities	36,213,243	(3,114,793)
Financing activities	(23,333,335)	(9,083,333)
	<u>21,376,501</u>	<u>(1,025,879)</u>

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted as at and for the year ended December 31, 2011.

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

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### 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, 2012 \$	June 30, 2011 \$
<b>Balance sheet</b>		
Total assets	4,080,568	4,291,542
Total liabilities	58,517	156,305
Total net assets	4,022,051	4,135,237
	4,080,568	4,291,542
<b>Revenue and expenses</b>		
Total revenue	102,889	517,860
Total expenses	216,075	161,319
Excess of revenue over expenses (expenses over revenue)	(113,186)	356,541
<b>Cash flows</b>		
Operating activities	(64,225)	197,472
Investing activities	63,398	(196,170)
Net change in cash and cash equivalents	(827)	1,302

# Board of Trade of Metropolitan Montreal

## Notes to Financial Statements

June 30, 2012

### 14 Related party transactions

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

	2012 \$	2011 \$
Revenue		
Management fees		
WTCM	266,296	249,984
CAIE	40,832	122,496
Foundation	8,004	8,004
Royalties		
Société en commandite Stationnement de Montréal	399,996	400,000
Contribution from Foundation	193,025	143,857
Rent		
WTCM	138,000	138,000
CAIE	235,000	235,000
FVM	24,588	23,593
Others – FVM	50,000	50,000
Total revenues	<u>1,355,741</u>	<u>1,370,934</u>
Expenses		
Contribution to Foundation	<u>150,000</u>	<u>100,000</u>
Total expenses	<u>150,000</u>	<u>100,000</u>

Other revenues in the amount of \$1,519,124 (2011 – \$1,550,353) presented in the statement of revenue and expenses include related party revenue for an amount of \$1,355,741 (2011 – \$1,370,934).

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





