



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

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



2013

2014

2013

2014

380 Saint-Antoine St. West, suite 6000
Montréal, Québec H2Y 3X7

T 514 871-4000

F 514 871-1255

www.ccmq.qc.ca

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A WORD FROM THE CHAIRMAN OF THE BOARD

In 2013, I proudly accepted the chairmanship of the Board of Trade. As my mandate draws to a close and I reflect on our organization's many accomplishments, I can humbly say that we have had a particularly eventful year, and one with more than its share of successes.

First off, I would like to acknowledge the unparalleled success of the Board of Trade's International Leaders series this season. We had a record turnout of 4,300 for Hillary Clinton's speech. Her visit to the city was a historic moment, not just for our organization, but also for all Montrealers and Quebecers. The inspiring speeches delivered by Colonel Chris Hadfield and Rudy Giuliani also left us with lasting memories. We are privileged to have been the organizers of such prestigious events.

The political scene, both municipal and provincial, also offered its share of excitement in the past year. The 2013 elections in Montréal were a decisive moment in our city's revitalization, and we are very proud to have participated in organizing a debate on the major economic issues, with the three main mayoral candidates facing off.

I see mtl was an important moment of this past season. Actors and leaders from a variety of backgrounds came together for this major initiative to develop projects that will contribute to Montréal's influence and prosperity.

The Board of Trade also made its influence felt by taking strong positions on topics at the heart of current events and the concerns of the business community, such as a toll on the Champlain Bridge, securities regulation, the Enbridge line 9B pipeline reversal and the acquisition of the Québec mining company Osisko.

In addition to these important issues that we turned our attention to, we published landmark studies, including one on business succession and another on creative industries,

which attracted media attention and consolidated our influence. The Board of Trade also got involved in efforts to bring Major League Baseball back to Montréal, a project that promises to generate substantial economic spinoffs and help change the face of the city.

For this long — but by no means exhaustive — list of accomplishments, I would like to express my gratitude to board members, the president and CEO, Michel Leblanc, and all the Board of Trade's employees and volunteers. Every one of them, through their talent and passion, has helped our organization grow and consolidate its reputation. I would also like to congratulate Info entrepreneurs, which is celebrating its 20th anniversary, and the World Trade Centre Montréal on its 30th anniversary.

Finally, I would like to thank our four pillar sponsors, Bell, Desjardins, Hydro-Québec and Rio Tinto Alcan, as well as new and longstanding members for their trust and support. This year, your invaluable support allowed the Board of Trade to put together close to 250 events that rallied the business community around decisive issues for our city's economic development.

Jean-Marc Léger
Chairman of the Board

A handwritten signature in blue ink that reads "J. Léger".



A WORD FROM THE PRESIDENT AND CEO

Before taking a look at the challenges facing the Board of Trade in the coming year and the major issues we are working on, I should point out that the 2013-2014 season was nothing short of exceptional. The year 2014 marked the 20th anniversary of Info entrepreneurs and the 30th anniversary of the World Trade Centre Montréal, our team of international trade experts.

We can be proud of the work accomplished by these two Board of Trade entities over the years and of what they have become today: sources of information and support that are crucial to business growth, both at home and beyond our borders. Without them, the Board of Trade would not be able to accomplish its primary mission: to be the voice of the Montréal business community and promote the city's prosperity.

This year alone, we organized close to 300 major events. We also garnered regular media attention by taking clear positions on issues at the heart of current events and the business community's priorities.

During the season now beginning, we intend to further solidify our business foundations and expand our activities by focusing on five specific issues, as defined in our recent strategic planning exercise: **infrastructure, labour, entrepreneurship and small business, internationalization and competitive taxation**. These major themes will be the priorities for the business community and decisive for the economic future of Québec and its largest city.

INFRASTRUCTURE

As you will have noted, Montréal has started to tackle the major challenge of maintaining and developing its transportation infrastructure. In spite of the pressure on public finances, we should waste no time completing the infrastructure projects under way in Greater Montréal to facili-

tate the movement of people and merchandise, and, in turn, increase business competitiveness. The precarious nature of public finances requires that we prioritize and identify the main construction projects that will need major investments in the coming years. We will monitor construction schedules with interest to ensure that the city gets the infrastructures it needs within the timeframes anticipated.

LABOUR

The aging population and the demographic crunch will increase the difficulty of recruiting qualified, experienced human resources. To help businesses deal with this challenge, the Board of Trade will carefully monitor the issues of immigration, skills development, the recognition of education and experience, the alignment between training and the needs of the market, among other issues. Labour training programs such as Interconnection will play an increasingly essential role in improving the alignment between qualified, available labour and the needs of businesses. The Board of Trade's French in the Workplace program will also step up efforts to increase the francization rate of businesses in the metropolitan area and help integrate immigrants to the work force.

We will pursue our efforts to increase funding for universities and schools, which are the pride of Montrealers and an undeniable asset for attracting and developing high-calibre businesses.

We will also continue our school retention program, Operation Back to School, now in its 19th year. We will focus more on the importance of supporting youth in their academic success to help increase the number of graduate students. We must keep in mind that maintaining our expertise and creativity in leading-edge niches depends in large part on the number of graduates we produce.

A WORD FROM THE PRESIDENT AND CEO

ENTREPRENEURSHIP AND SMALL BUSINESS

To increase their chances of business success at home and abroad, entrepreneurs need an innovative product or service that sets them apart from the competition and gives them a competitive edge. We have to support them in their efforts and their market penetration strategies. This is why Info entrepreneurs will continue to offer information and services that reflect the needs of start-ups and growing companies.

Business succession will also be an important theme in the coming years. We will work to raise awareness in our community about the importance of putting in place measures that stimulate the succession and the transfer of companies. This is a crucial issue for ensuring the continuity of our businesses and the prosperity of Québec and Montréal.

INTERNATIONALIZATION

Our businesses understand the importance of internationalizing their activities to stay competitive and diversify markets. Our team of experts in international trade, the World Trade Centre Montréal, will continue to offer them the opportunity to make important contacts with international partners as part of trade missions and targeted activities.

We will also continue our individual support measures for small businesses that want to develop their market beyond our borders. The Government of Canada's recent decision to assign a trade commissioner to our offices will ensure we can better respond to needs and consolidate ties with the Trade Commissioner Service at home and abroad.

The Board of Trade will also continue efforts to reinforce the strategic role of essential assets for internationalizing businesses, such as the Port of Montréal and Montréal-Trudeau Airport. We will work to facilitate access to them,

both for passengers and merchandise, and work with the city's economic actors to implement concerted strategies to reinforce our position as a North American hub.

COMPETITIVE TAXATION

For Québec and Montréal to remain competitive, we have to quickly regain control of public finances. The current provincial budget calls for a collective effort and asks the entire community to take part in reviewing Québec's programs and taxation. But in the very short term, we need to review the fiscal framework to reduce taxes and measures that act as roadblocks to private investment, work and productivity. This is why we are working closely with the provincial government and the Mayor of Montréal to promote effective, concerted decision making, both for the province and for the city.

I would like to assure Board of Trade members and the city's business community that our team will continue to proudly represent its interests and have an even greater influence to achieve progress in the important issues we address. The city's revitalization has officially begun. Let's all get behind it!

Have a great 2014-2015 season!

Michel Leblanc
President and CEO



1. OUR MISSION

The Board of Trade of Metropolitan Montreal's mission is to be the voice of the business community and to promote the city's prosperity. The Board of Trade is involved in key areas of economic development, promoting a philosophy of action based on engagement, credibility, proactivity, collaboration and innovation.

2. OUR VISION

A strong Board of Trade, in an economically thriving city, proud of its businesses and their success at home and abroad.

OUR VALUES

The Board of Trade espouses five values in all of its efforts with members and the city's business community: team spirit, commitment, vitality, pride and professionalism.

THE VOICE OF THE BUSINESS COMMUNITY

With the city's development central to its priorities, the Board of Trade of Metropolitan Montreal also has the mandate of identifying strategic issues to take positions on to faithfully represent the issues and concerns of city's business community.

PRIORITY PUBLIC AFFAIRS ISSUES

FOR 2013-2014

- Major projects and structuring sectors for the city's economy
- Business performance and the city's creativity, at home and abroad
- Developing the workforce, tomorrow's leaders and knowledge
- Optimizing the city's governance and taxation
- The city's image and promotion

3. THE ART OF BUSINESS

THE BOARD OF TRADE'S FIVE PILLARS:

NETWORKING

Public forums and conferences
International Leaders
Strategic Forums
Exclusive events
Local business encounters

TRAINING

International trade
Best business practices

ENTREPRENEURSHIP

Information, research and consulting services
Starting a business
Managing and growing a business
Winding down a business
Planning one's affairs
Financing a project

INTERNATIONAL

Training
Business encounters
Trade missions
Consulting services
SME Passport
Exporting Québec

THE CITY

Francization
Interconnection
Operation Back to School
Great Montrealers
Prix Arts-Affaires de Montréal

4. THE BOARD OF TRADE'S EXPERTS



L'équipe d'experts en commerce international
de la Chambre de commerce du Montréal métropolitain

Le WTC Montréal reçoit le soutien financier de Développement économique Canada.

WORLD TRADE CENTRE MONTRÉAL

the Board of Trade of Metropolitan Montreal's experts in international trade — is celebrating its 30th anniversary in 2014!

Since it was founded, the WTCM has been supporting, training and advising Québec businesses, sector associations, institutions and economic development organizations in their international market development efforts. It offers a comprehensive range of services, including workshops in international trade, trade missions and business encounters to help make businesses more competitive on the international scene.

The WTCM 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.

In 2014, the WTCM renewed its agreement with Canada Economic Development to continue its business support program.

30^{years}



INFO ENTREPRENEURS

Celebrating its 20th anniversary in 2014, Info entrepreneurs is the leader in integrated information about governmental and private services and programs for business people.

The goal of this one-stop shop is to point entrepreneurs in the direction of resources to support them in their efforts. Its qualified team provides the information required for entrepreneurs to start up and grow their business and to support them in their import and export efforts. With its strategic information centre and expert consulting services, it is a preferred source of commercial information that contributes to the economic growth of small businesses.

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.

20^{years}

5. THE BOARD OF TRADE'S DIVERSITY PROGRAMS



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, sector conferences, speed jobbing, networking events and more.

In the past year, Interconnection has experienced strong growth, providing close to 1,000 immigrants personal contact with 400 companies. Eighty percent of immigrants who participated in the program believe it had a major impact on their professional integration.

FRENCH

ADDED VALUE FOR
YOUR COMPANY

FRENCH IN THE WORKPLACE

French in the Workplace, offered in partnership with the Ministère de l'Immigration, de la Diversité et de l'Inclusion

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 includes three complementary services:

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

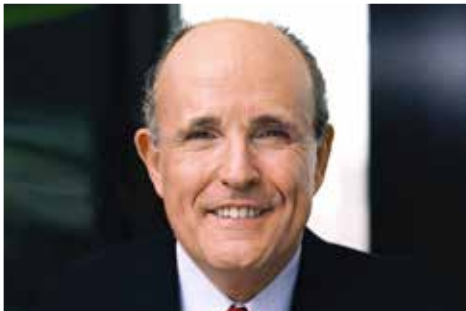
Thanks to its fast, free, personalized support service, Carrefour francisation gives small businesses and their employees access to practical writing tools and information about grants and government francization programs.

6. ACHIEVEMENTS OF THE BOARD OF TRADE IN 2013-2014

FOUR STRATEGIC FORUMS:

- December 2013: Creative industries: levers of the city's development and influence
- February 2014: Manufacturers at the dawn of a new industrial era
- March 2014: The city and its major projects
- April 2014: Transportation networks: vision and issues for the city

HOSTING THREE EMINENT SPEAKERS AS PART OF THE INTERNATIONAL LEADERS SERIES:



Rudy Giuliani, 107th mayor of New York



Colonel Chris Hadfield, astronaut and former commander of the International Space Station



Hillary Clinton, former Secretary of State and former Senator for New York

PRESENTATION OF THE BUSINESS COMMUNITY'S FIVE PRIORITIES DETERMINED BY THE BOARD OF TRADE TO breathe new economic life into Greater Montréal as part of the 2014 provincial elections.

LAUNCH OF I SEE MTL, a movement started by BMO working with the Board of Trade to rally leaders from all horizons around efforts to restore confidence and pride in the city and its economy.



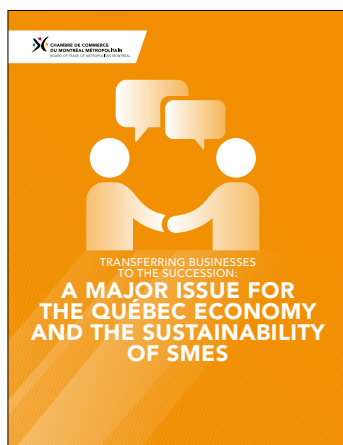
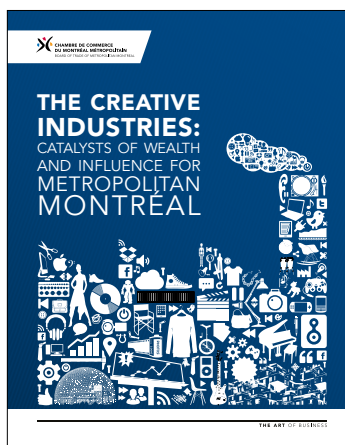
BOARD OF TRADE'S CONTRIBUTION TO THE MONTREAL BASEBALL PROJECT, intended to bring Major League Baseball back to Montréal.

PUBLICATION OF BRIEFS:

- **September 2013:** brief as part of consultations of the Commission sur les enjeux énergétiques du Québec
- **December 2013:** brief submitted to the Québec National Assembly Commission on Agriculture, Fisheries, Energy and Natural Resources related to special consultations on the acceptability for Québec of the project proposed by Enbridge Pipelines Inc. to reverse the flow of the Line 9B pipeline between North Westover and Montréal toward the east.
- **January 2014:** brief as part of the Government of Québec's 2014-2015 prebudget consultations
- **February 2014:** brief as part of the Government of Canada's 2014-2015 prebudget consultations
- **March 2014:** brief as part of the second round of consultations for the policy project on university funding
- **May 2014:** brief as part of the Government of Québec's 2014-2015 prebudget consultations
- **August 2014:** brief as part of the Government of Canada's 2015-2016 prebudget consultations

CONDUCTING TWO STUDIES:

- **December 2013:** The creative industries: catalysts of wealth and influence for metropolitan Montréal
- **June 2014:** Transferring businesses to the succession: a major issue for the Québec economy and the sustainability of SMEs



EIGHT TRADE MISSIONS:

- BATIMAT international construction tradeshow in Paris
- Ad:tech in New York
- Mexico
- Calgary
- Greenbuild Nation in Philadelphia
- Multilateral banks – Washington
- Chile
- Florida

2013-2014 IN IMAGES



2013-2014 IN NUMBERS

Over **7,000 members**

A membership that is **80% business decision makers**

Close to **180 activities organized**

Over **25,000 participants**

Companies that combined have over **440,000 employees in Québec**

High-calibre international speakers

Over **260** media interviews granted

Legend:

1/ Strategic Forum on the creative industries, December 2013.

2/ Economic debate for the 2013 Montréal elections, October 2013.

3/ 2013 tribute to Great Montrealers reception, November 2013.

4/ RDV Relève Inc.™ business luncheon, June 2014.

5/ International Leaders series with Hillary Clinton, March 2014.

6/ Interconnection program marketing communications speed jobbing, March 2014.

7/ Prix Arts-Affaires de Montréal, May 2014.

7. BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD

Jean-Marc Léger*
President
Leger — The Research Intelligence Group

VICE-CHAIRMAN

Kim Thomassin*
Managing Partner, Québec Region
McCarthy Tétrault

PRESIDENT AND CEO AND BOARD SECRETARY

Michel Leblanc*
President and CEO
Board of Trade of Metropolitan Montreal

RETIRING CHAIRMAN OF THE BOARD

Luc Sabbatini*
President
Bell Media Sales

TREASURER

Alain Côté, ICD.D, FCPA, FCA*
Managing Partner, Québec
Deloitte

* Member of the executive committee

Raymond Bachant
President, North America
Bombardier Transportation

David Bensadoun
President
Aldo Global Retail
& Aldo Products and Services
Aldo Group

Nathalie Bernier, FCPA, FCA
Partner
KPMG LLP

Vincent Brie
Director, Strategy
and Principal
gsmprjct°

Eva Carissimi
President and Chief Executive Officer
Canadian Electrolytic Zinc Limited

Alexandra Corbeil
Senior Consultant
Brio Conseils
President
Jeune Chambre de commerce de Montréal

Andrew Christopoulos

President and CEO
Conan Foods Inc.

Robert Dépatie

President and CEO
Quebecor Inc. and Quebecor Media Inc.

Pierre-Luc Desgagné

Vice-President
Public and Government Affairs
Hydro-Québec

Suzanne Fortier

Principal and Vice-Chancellor
Professor of Chemistry
McGill University

Christophe Guy, Eng., Ph.D., FCAE, O.Q.

Chief Executive Officer
Professor
Polytechnique Montréal

Normand Lebeau

President
Mandrake Vézina Lebeau

Tony Loffreda

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, Eng., MBA

President and Chief Executive Officer
Pomerleau Inc.

Gilbert Rozon*

President and Founder
Just For Laughs Group

Javier San Juan*

President and Chief Executive Officer
L'Oréal Canada

Marie-Hélène Sicard

Senior Vice-President
Corporate Services for all of Canada
Sodexo Canada Ltd.

Martine Turcotte

Vice Chair, Québec
Bell



September 17, 2014

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, 2014 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 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 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.

*PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
1250 René-Lévesque Boulevard West, Suite 2800, Montréal, Quebec, Canada H3B 2G4
T: +1 514 205 5000, F: +1 514 876 1502*

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, 2014 and the results of its operations and its cash flows for the year then ended 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 Sheet

As at June 30, 2014

	2014 \$	2013 \$
Assets		
Current assets		
Cash and cash equivalents	1,234,819	304,137
Short-term investments	300,000	700,000
Accounts receivable (note 4)	1,007,781	990,152
Grant receivable	115,451	80,741
Prepaid expenses	89,327	73,562
	2,747,378	2,148,592
Investments (note 5)	794,954	750,799
Property and equipment (note 6)	245,249	321,255
Intangible assets (note 7)	184,447	285,452
	3,972,028	3,506,098
Liabilities		
Current liabilities		
Accounts payable (note 9)	1,350,126	1,199,989
Deferred membership dues	1,217,569	1,135,162
Deferred revenue	580,619	251,924
	3,148,314	2,587,075
Deferred lease inducements	-	19,528
Deferred revenue	183,150	277,381
	3,331,464	2,883,984
Surplus		
Invested in property and equipment	245,249	321,255
Invested in intangible assets	184,447	285,452
Unrestricted	210,868	15,407
	640,564	622,114
	3,972,028	3,506,098

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, 2014

	2014 \$	2013 \$
Revenue		
Members' service	2,197,310	2,146,729
Activities	4,189,933	3,968,324
Special projects	1,911,028	1,677,860
Other revenues (note 13)	1,586,100	1,553,896
	9,884,371	9,346,809
Expenses		
Members' service	181,452	163,973
Activities	3,017,486	2,889,690
Special projects	726,721	545,344
Operating costs	5,711,197	5,527,447
Amortization of property and equipment	94,920	98,425
Amortization of intangible assets	134,145	91,514
	9,865,921	9,316,393
Excess of revenue over expenses for the year	18,450	30,416

Board of Trade of Metropolitan Montreal

Statement of Surplus

For the year ended June 30, 2014

	2014			
	Invested in property and equipment \$	Invested in intangible assets \$	Unrestricted \$	Total \$
Balance – Beginning of year	321,255	285,452	15,407	622,114
Excess of revenue over expenses for the year	(94,920)	(134,145)	247,515	18,450
Acquisition of property and equipment	18,914	-	(18,914)	-
Acquisition of intangible assets	-	33,140	(33,140)	-
Balance – End of year	245,249	184,447	210,868	640,564
	2013			
	Invested in property and equipment \$	Invested in intangible assets \$	Unrestricted \$	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

Board of Trade of Metropolitan Montreal

Statement of Cash Flows

For the year ended June 30, 2014

	2014 \$	2013 \$
Cash flows from		
Operating activities		
Excess of revenue over expenses for the year	18,450	30,416
Adjustments for		
Unrealized gain on investments	(31,420)	(10,385)
Gain on disposal of investments	(4,449)	(425)
Reinvested revenue on investments	(9,455)	(8,369)
Amortization of property and equipment	94,920	98,425
Amortization of intangible assets	134,145	91,514
Amortization of deferred lease inducements	(19,528)	(39,057)
	182,663	162,119
Changes in non-cash working capital items (note 10)	398,904	(297,542)
	581,567	(135,423)
Investing activities		
Purchase of investments	(57,000)	(732,500)
Disposal of investments	458,169	933,565
Acquisition of property and equipment	(18,914)	(89,501)
Acquisition of intangible assets	(33,140)	(107,088)
	349,115	4,476
Net increase (decrease) in cash and cash equivalents during the year	930,682	(130,947)
Cash and cash equivalents – Beginning of year	304,137	435,084
Cash and cash equivalents – End of year	1,234,819	304,137

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2014

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

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The financial statements take into account the following accounting policies.

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, 2014 and 2013.

Interest rate risk

Cash and cash equivalents
 Short-term investments
 Accounts receivable
 Investments
 Accounts payable

Fixed interest rate
 Fixed interest rate
 Non-interest bearing
 Note 5
 Non-interest bearing

Board of Trade of Metropolitan Montreal

Notes to Financial Statements

June 30, 2014

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, the 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, the amortized cost of its accounts payable generally approximates cost due to their short-term maturity.

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.

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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, 2014, the organization received free-of-charge advertising services and other services as an exchange for sponsorship revenues for a total value of \$734,520 (2013 – \$737,005). 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 lease inducements came to an end during the year ended June 30, 2014.

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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3 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, 2014 consists of its unrestricted surplus.

4 Accounts receivable

	2014 \$	2013 \$
Accounts receivable	671,973	672,228
Allowance for doubtful accounts	(6,400)	(45,403)
Commodity taxes recoverable	33,464	-
	699,037	626,825
World Trade Centre Montréal Inc.	43,446	50,586
Centre d'affaires Info entreprises	5,441	32,667
Board of Trade of Metropolitan Montreal Foundation	259,857	241,749
Société en commandite Stationnement de Montréal	-	38,325
	1,007,781	990,152

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Notes to Financial Statements

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5 Investments

The organization's investments are as follows:

	2014	2013
	\$	\$
Investments in monetary funds of Fiera Capital Corporation, at fair value		
Money market funds	1,661	11,266
Canadian bonds	101,786	86,472
Canadian shares	98,789	82,575
International diversified shares	85,118	62,886
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>794,954</u>	<u>750,799</u>

6 Property and equipment

	2014		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
Computer equipment	170,055	125,282	44,773
Office furniture and equipment	182,562	130,980	51,582
Leasehold improvements	594,357	445,463	148,894
	<u>946,974</u>	<u>701,725</u>	<u>245,249</u>
	2013		
	Cost	Accumulated	Net
	\$	amortization	\$
		\$	
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
	<u>987,345</u>	<u>666,090</u>	<u>321,255</u>

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7 Intangible assets

	2014		
	Cost	Accumulated	Net
	\$	amortization	\$
	\$	\$	\$
Software and website	425,430	240,983	184,447
	2013		
	Cost	Accumulated	Net
	\$	amortization	\$
	\$	\$	\$
Software and website	433,575	148,123	285,452

8 Credit facility

As at June 30, 2014, the organization had a credit facility amounting to \$300,000, bearing interest at prime rate plus 0.9% and renewable on December 31, 2014. 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, 2014 and 2013, the credit facility was unused.

9 Accounts payable

	2014	2013
	\$	\$
Trade payables and accrued liabilities	561,241	562,077
Salaries and vacation pay	580,874	582,260
	1,142,115	1,144,337
Centre d'affaires Info entreprises	20,793	6,712
World Trade Centre Montréal Inc.	187,218	48,940
	1,350,126	1,199,989

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10 Changes in non-cash working capital items

	2014 \$	2013 \$
Decrease (increase) in		
Accounts receivable	(17,629)	(350,573)
Grant receivable	(34,710)	(80,741)
Prepaid expenses	(15,765)	138,275
Increase (decrease) in		
Accounts payable	150,137	(55,653)
Deferred membership dues	82,407	(10,266)
Deferred revenue	234,464	61,416
	398,904	(297,542)

11 Commitments

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

	\$
2015	723,355
2016	720,907
2017	722,835
2018	729,852
2019	734,530
Thereafter	3,609,495
	7,240,974

12 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 the 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.

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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.

	2014 \$	2013 \$
Balance sheet		
Total assets	726,404	686,187
Total liabilities	409,325	416,555
Total surplus	317,079	269,632
	726,404	686,187
Revenue and expenses		
Total revenue	2,272,975	2,302,119
Total expenses	2,225,528	2,308,825
	47,447	(6,706)
Cash flows		
Operating activities	(67,368)	(47,145)
Investing activities	-	(4,026)
	(67,368)	(51,171)

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Fonds Ville-Marie

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

	2014 \$	2013 \$
Balance sheet		
Total assets	2,944,681	2,641,425
Total liabilities	108,814	81,573
Total net assets	2,835,867	2,559,852
	2,944,681	2,641,425
Revenue and expenses		
Total revenue	1,148,351	963,418
Total expenses	872,336	802,726
Excess of revenue over expenses	276,015	160,692
Cash flows		
Operating activities	(43,364)	75,482
Investing activities	52,772	19,890
Net change in cash and cash equivalents	9,408	95,372

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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, 2014	March 31, 2013
	\$	\$
Balance sheet		
Total assets	256,924	296,059
Total liabilities	195,959	240,045
Total surplus	60,965	56,014
	256,924	296,059
Revenue and expenses		
Total revenue	1,497,302	1,510,471
Total expenses	1,492,351	1,481,135
	4,951	29,336
Cash flows		
Operating activities	15,836	122,613
Investing activities	(11,064)	(17,774)
	4,772	104,839

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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 Ville de Montréal. The combined financial statements of Accesum Inc. and Parking Montreal, Limited Partnership are as follows:

	December 31, 2013	December 31, 2012
	\$	\$
Balance sheet		
Total assets	70,359,415	66,923,883
Total liabilities	68,576,466	65,012,809
Total capital	1,782,949	1,911,074
	70,359,415	66,923,883
Revenue and expenses		
Total revenue	68,633,060	61,771,996
Total expenses	68,761,186	61,855,120
	(128,126)	(83,124)
Cash flows		
Operating activities	11,388,797	4,815,458
Investing activities	(310,562)	(324,181)
Financing activities	(3,333,333)	(3,333,333)
	7,744,902	1,157,944

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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.

	2014 \$	2013 \$
Balance sheet		
Total assets	4,677,183	4,302,843
Total liabilities	263,246	246,069
Total net assets	4,413,937	4,056,774
	4,677,183	4,302,843
Revenue and expenses		
Total revenue	630,559	289,977
Total expenses	273,396	255,254
	357,163	34,723
Cash flows		
Operating activities	(256,588)	(67,408)
Investing activities	258,646	69,243
	2,058	1,835

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Notes to Financial Statements

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13 Related party transactions

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

	2014 \$	2013 \$
Revenue		
Management fees		
WTCM	249,984	249,984
Foundation	8,005	8,004
Royalties		
Société en commandite Stationnement de Montréal	399,996	399,996
Contribution from Foundation	250,000	230,092
Rent		
WTCM	138,000	138,000
FVM	24,883	24,588
CAIE	235,000	235,000
Others – FVM	55,800	52,000
	1,361,668	1,337,664
Total revenue	1,361,668	1,337,664

Other revenues in the amount of \$1,586,100 (2013 – \$1,553,896) presented in the statement of revenue and expenses include related party revenue for an amount of \$1,361,668 (2013 – \$1,337,664).

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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