

# Financial Statements

As at December 31, 2000



# Société de transport de la Communauté urbaine de Montréal

## Financial statements

December 31, 2000

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### Auditors' report

#### To the Members of the Board of Directors of the Société de transport de la Communauté urbaine de Montréal

We have audited the balance sheet of the Société de transport de la Communauté urbaine de Montréal as at December 31, 2000, and the statements of financial activities, investment activities, reserved funds, net investment in long-term assets and changes in financial position for the year then ended. These financial statements are the responsibility of the Société's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted Canadian auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Société as at December 31, 2000, and the results of its operations and changes in financial position for the year then ended in accordance with generally accepted principles in municipal accounting in Quebec.



General Partnership  
Chartered Accountants

Montreal  
March 13, 2001

# Statement of financial activities

Year ended December 31, 2000

(in thousands of dollars)

	Budget	2000	1999
<b>Revenue</b>			
Passenger (note 4)	289,635	296,956	285,145
Contribution from the municipalities served in the MUC (note 5)	231,600	231,600	254,600
Government of Quebec subsidies (note 6)	69,097	64,583	57,877
Contribution from the Agence métropolitaine de transport (note 7)	64,800	66,233	70,030
Contribution from the Société de transport de la Rive-Sud de Montréal (note 8)	1,803	1,803	831
Other revenue	13,548	16,836	14,160
	<u>670,483</u>	<u>678,011</u>	<u>682,643</u>
Revenue from investment activities (note 9)	—	4,131	6,973
Return on sinking fund investments	—	5,037	2,553
	<u>670,483</u>	<u>687,179</u>	<u>692,169</u>
<b>Expenditure</b>			
Bus and metro service	523,181	530,397	541,893
Transportation for the disabled	24,036	24,987	24,085
Debt servicing and financing costs (note 10)	40,191	38,077	36,328
Unexpected expenditures	5,848	395	850
Assets maintenance	11,500	11,271	9,232
	<u>604,756</u>	<u>605,127</u>	<u>612,388</u>
<b>Other financial activities</b>			
Principal reimbursement	31,951	25,966	29,604
Debt repayment provided by sinking fund	—	35,731	21,273
Transfer to statement of investment activities			
Contribution from general revenue	3,407	5,614	4,570
Contribution from specific revenue	—	4,131	6,973
	<u>35,358</u>	<u>71,442</u>	<u>62,420</u>
	<u>640,114</u>	<u>676,569</u>	<u>674,808</u>
<b>Surplus of financial activities</b>			
<b>Before appropriations</b>	<u>30,369</u>	<u>10,610</u>	<u>17,361</u>
<b>Appropriations</b>			
Surplus deferred from previous year appropriated to current year	5,000	6,487	538
Transfer to reserved funds			
Contribution from general revenue	(35,369)	(38,657)	(30,132)
Contribution from specific revenue	—	(5,037)	(2,553)
Debt repayment transfer provided by reserved funds	—	35,731	21,273
	<u>(35,369)</u>	<u>(7,963)</u>	<u>(11,412)</u>
<b>Surplus</b>	<u>—</u>	<u>9,134</u>	<u>6,487</u>

# Statement of investment activities

Year ended December 31, 2000

(in thousands of dollars)

	2000	1999
<b>Source of financing</b>		
Long-term loan issued	21,338	105,000
Transfer from financial activities		
Contribution from general revenue	5,614	4,570
Contribution from specific revenue	4,131	6,973
Reserved funds	2,600	4,904
	<u>33,683</u>	<u>121,447</u>
<b>Investment expenditures</b>		
Buildings	804	—
Initial system and metro extensions	53	97
Improvements to metro infrastructure	—	403
Rolling stock - buses	880	—
Rolling stock - other	3,216	951
Office equipment and software	7,121	9,741
Machinery, tools and equipment	226	—
Capital assets in progress	31,225	70,825
	<u>43,525</u>	<u>82,017</u>
<b>Financing carried out (to be carried out) during the year</b>	<u>(9,842)</u>	<u>39,430</u>

# Balance sheet

December 31, 2000

(in thousands of dollars)

December 31,  
2000

January 1,  
2000

## Assets

### Short-term assets

Cash	8,599	13,041
Bank acceptance, at cost, due in January 2001	1,995	2,992
Deposit certificates, at cost, due in January 2001	7,797	—
Restricted cash and investments (note 11)	82,423	75,560
Government of Quebec subsidies receivable (note 12)	11,409	13,394
Contribution from the Agence métropolitaine de transport receivable	13,465	14,982
Contribution from the Société de transport de la Rive-Sud de Montréal receivable	901	911
Other receivables (note 13)	36,491	19,150
Refinancing in progress	—	10,570
Inventories of supplies and replacement parts	14,609	15,254
Payment due in the short term on long-term debts (note 16)	22,385	25,192
	<u>200,074</u>	<u>191,046</u>

Capital expenditures (note 14)	888,169	906,550
Deferred charges (note 15)	3,286	—
Long-term debts (note 16)	210,257	232,941
	<u>1,301,786</u>	<u>1,330,537</u>

## Liabilities and equity

### Short-term liabilities

Short-term borrowing	65,021	43,909
Accounts payable and accrued liabilities (note 17)	87,089	93,365
Income deferred to next year	9,134	6,487
Current portion of long-term debt (note 18)	57,828	71,836
	<u>219,072</u>	<u>215,597</u>

Long-term debt (note 18)	417,742	433,570
Deferred subsidies	223,446	238,395
	<u>860,260</u>	<u>887,562</u>

### Equity

Amounts to provided for in the future (note 19)	(28,259)	(30,376)
Reserved funds	47,990	52,469
Net investment in long-term assets	421,795	420,882
	<u>441,526</u>	<u>442,975</u>
	<u>1,301,786</u>	<u>1,330,537</u>

# Statement of reserved funds

Year ended December 31, 2000

(in thousands of dollars)

	Balance at beginning of year	Transfer from financial activities	Transfer to financial activities	Transfer to investment activities	Balance at end of year
Sinking fund	75,560	42,594	(35,731)	—	82,423
Working capital fund	1,500	1,100	—	(2,600)	—
Financing of projects in progress	(24,814)	—	—	(9,850)	(34,664)
Balance on hand of closed loan by-laws	223	—	—	8	231
	<u>52,469</u>	<u>43,694</u>	<u>(35,731)</u>	<u>(12,442)</u>	<u>47,990</u>

# Statement of net investment in long-term assets

Year ended December 31, 2000

(in thousands of dollars)

	2000
Balance at beginning of year	<u>420,882</u>
<b>Plus</b>	
Acquisition of capital assets	43,525
Long-term debt repayment	71,836
Deferred subsidies amortization	<u>14,949</u>
	<u>130,310</u>
<b>Less</b>	
Capital assets depreciation	61,906
Long-term debt reduction	25,491
Long-term debt issuance	
investment activities	21,338
financial activities	<u>20,662</u>
	<u>129,397</u>
Balance at end of year	<u><u>421,795</u></u>

# Statement of changes in financial position

Year ended December 31, 2000

(in thousands of dollars)

2000

## Operating activities

Surplus	9,134
Transactions not affecting cash	
Appropriation of prior year surplus	(6,487)
Transfer to reserved funds	<u>1,100</u>
	3,747
Transactions not affecting operations	
Transfer to the statement of investment activities	5,614
Payment of principal	25,966
Transfer to reserved funds	<u>37,557</u>
	72,884
Net change of non cash components	
Subsidies and contributions receivable	3,512
Accounts receivable	(17,341)
Refinancing in progress	10,570
Inventories	645
Accounts payable and accrued liabilities	(6,276)
Deferred charges	(3,286)
Amounts to provide for in the future	<u>2,117</u>
Cash flows from operating activities	<u>62,825</u>

## Investment activities

Acquisition of capital assets and cash flows from investment activities	<u>(43,525)</u>
-------------------------------------------------------------------------	-----------------

## Financing activities

Long-term debt issuance	42,000
Long-term debt repayment	(61,697)
Portion of issuance attributed to refinancing	(20,662)
Subsidies, contributions and others related to investment activities	4,131
Sinking fund investment income	<u>5,037</u>
Cash flows from investment activities	<u>(31,191)</u>
Decrease in cash	(11,891)
Cash position, beginning of year	<u>47,684</u>
Cash position, end of year	<u>35,793</u>

Cash consists of cash on hand, bank acceptances, deposit certificates, and short-term borrowings.

# Notes to financial statements

December 31, 2000

## 1- Governing statutes and nature of operations

The Société de transport de la Communauté urbaine de Montréal (hereafter the Société) is incorporated under the Act respecting the Communauté urbaine de Montréal and has responsibility for organizing and providing public transportation services, principally to the 28 municipalities on the territory of the Island of Montreal.

## 2- Changes in accounting policies

Effective January 1, 2000, the Société has prospectively adopted the new recommendations issued in the municipal reporting handbook. The main changes are the elimination of fund accounting, the replacement of all financial statements, the adoption of the accrual method for revenue and expenditure and the depreciation of capital assets, and their presentation in the balance sheet. Furthermore, the balance sheet for the year ended December 31, 2000, is not in comparison with the 1999 balance sheet. The overall effect of these changes on equity is presented under *Amounts to provide for in the future*.

The effect of these accounting changes on the statement of financial activities and the balance sheet of the Société is as follows:

(in thousands of dollars)

2000

### Expenditure

Increase in expenditures	
Bus and metro service	
Vacation benefits	1,448
Sick days	231
	<u>1,679</u>
Decrease in surplus	<u>(1,679)</u>

### Balance sheet

Increase (decrease) in assets	
Capital assets	(1,503,112)
Long-term debts	232,642
	<u>(1,270,470)</u>
Increase (decrease) in liabilities	
Accounts payable and accrued liabilities	29,938
Subsidies deferred	223,446
Revenue deferred to next year	(1,679)
	<u>251,705</u>
Decrease in equity	
Amounts to provide for in the future	(28,259)
Net investment in long-term assets	(1,493,916)
	<u>(1,522,175)</u>

# Notes to financial statements

December 31, 2000

## 3- Significant accounting policies

### Accounting principles

The financial statements are prepared according to the accounting principles generally accepted in municipal accounting in Quebec outlined in the municipal reporting handbook in Quebec published by the ministère des Affaires municipales et de la Métropole.

### Combined financial statements

The financial statements of the Société are produced on a combined basis so as to represent all activities and transactions irrespective to its accounting structure.

### Revenue and expenditure

The Société uses the accrual accounting method under which revenue and expenditure are accounted for in the year in which the transactions or events occur.

Revenue and expenditure are accounted for on a gross basis with the following exception :

Expenditures related to employees pension plans are recorded on a cash basis.

### Inventories

Inventories of supplies and replacement parts are valued at the lower of average cost and replacement cost.

### Reserved funds

#### Sinking fund

This fund is used to accumulate amounts for the repayment of certain long-term debts.

#### Working capital fund

This fund is used for capital expenditures. The amounts used have to be repaid over a maximum period of five years.

### Capital assets

Capital assets are recorded according to the straight-line method of depreciation according to the following periods:

Land	40 years
Buildings	40 years
Initial system and metro extensions	40 and 100 years
Improvements to metro infrastructure	40 and 100 years
Leasehold improvements	Duration of lease
Rolling stock - buses	16 years
Rolling stock - other	5 and 10 years
Regional infrastructures	15 and 25 years
Office equipment and software	5 and 10 years
Machinery, tools and equipment	15 and 25 years
Capital assets in progress	According to capital assets (10, 15, 16, 20, 25 and 40 years)

Depreciation expenditure is not recorded in the statement of financial activities. This expenditure is charged to the statement of net investment in long-term assets.

Deferred subsidies are amortized on the same basis as the related capital assets. Capital assets in progress are depreciated as soon as they are put into service, irrespective of the loan by-law's termination date.

### Depreciation of amounts to provide for in the future

The amount to provide for in the future for sick days and vacation benefits accrued before January 1, 2000, is amortized over a period of 20 years according to the straight-line method of amortization. The expenditure recorded in the statement of financial activities is the higher of the amortization or the annual cash disbursement.

### Statement of cost for municipal services

No statement of cost for municipal services was prepared since it would provide no additional information to the reader.

# Notes to financial statements

December 31, 2000

## 4- Passenger revenue

(in thousands of dollars)

	Budget	2000	1999
Bus and metro service	272,157	277,947	266,045
Transportation for the disabled	940	926	920
Regional revenue <sup>(1)</sup>	16,538	18,083	18,180
	<u>289,635</u>	<u>296,956</u>	<u>285,145</u>

<sup>(1)</sup> Regional revenue attributable to the Société are derived from the sharing of bus and metro tickets sold.

## 5- Contribution from municipalities of the MUC territory

(in thousands of dollars)

	Budget	2000	1999
Contribution paid during the year	231,600	231,600	231,600
Transfer of a portion of the 1998 surplus (in conformity with the 1999 budget)	-	-	23,000
	<u>231,600</u>	<u>231,600</u>	<u>254,600</u>

## 6- Government of Quebec subsidies

Government of Quebec subsidies are as follows:

(in thousands of dollars)

	Budget	2000	1999
Capital assets <sup>(a)</sup>	48,734	45,375	38,878
Transportation for the disabled <sup>(b)</sup>	19,063	19,394	17,556
Compensation for the ice storm	-	(186)	1,443
Implementation of low-floor buses	1,300	-	-
	<u>69,097</u>	<u>64,583</u>	<u>57,877</u>

### a) Public transportation assistance program:

Pursuant to the Quebec government's public transportation assistance program and special agreements, the Société is eligible to receive subsidies for admissible expenditures (purchase or buses, construction of buildings, renovation of metro stations and cars and other specific expenditures) incurred during the year 2000 at rates ranging from 50% to 75%.

These subsidies are paid in the form of a contribution to debt service costs or a cash payment, according to the terms of the assistance program and special agreements.

### b) Transportation for the disabled:

In accordance with the powers granted to the Transportation Minister by order in council 2071-79, the Société is eligible to receive a subsidy equivalent to 75% of the costs incurred for transportation for the disabled which have been deemed eligible and preapproved by the Transportation Minister.

# Notes to financial statements

December 31, 2000

## 7- Contribution from the Agence métropolitaine de transport

Contribution from the Agence métropolitaine de transport are as follows:

(in thousands of dollars)

	Budget	2000	1999
For metro usage <sup>(a)</sup>	40,420	41,800	41,190
For metropolitan bus usage <sup>(a)</sup>	6,169	6,102	6,077
For equipment and infrastructure <sup>(b)</sup>	2,493	2,532	2,432
	<u>49,082</u>	<u>50,434</u>	<u>49,699</u>
	15,718	15,799	20,331
Debt financing - Commuter trains <sup>(c)</sup>	<u>64,800</u>	<u>66,233</u>	<u>70,030</u>

### a) Bus and metro:

The Société receives a financial contribution from the Agence to offset the cost of metropolitan transportation and operating the metro.

This amount is based on the number of passengers carried on metro and buses throughout the metropolitan transportation system.

### b) Regional equipment and infrastructure:

The Agence is required to acquire from the Société the equipment and infrastructure required for the metropolitan transportation system. As at December 31, 2000, the contract stipulating the transfer date, terms and conditions was not signed. The Société will continue to be liable for servicing the debt for the financing of such property even though it will be transferred in the future. However, the Agence will refund operating costs and debt servicing costs, net of the government subsidy, to the Société.

### c) Commuter trains:

Since January 1, 1996, the Agence has assumed the debts and obligations of the Société in respect of the commuter train system.

Rolling stocks and all other assets relating to the operation of the commuter train system are the property of the Agence. However, the Société retains the long-term debt for this property. The Agence refunds the principal and interest to the Société and in the event of default has secured the payment of the servicing of the debt relating to commuter trains.

## 8- Contribution from the Société de transport de la Rive-Sud de Montréal

This contribution, prescribed by an order in council, corresponds to the share of the Société de transport de la Rive-Sud de Montréal of the operating and capital costs of the metro line linking its territory to that of the Société. The contribution for the year was \$1,802,598 (\$831,193 in 1999).

## 9- Revenue related to investment activities

(in thousands of dollars)

	2000	1999
Contribution from the Agence métropolitaine de transport related to the renovation of metro stations	1,411	5,231
Subsidy related to the implementation of low-floor buses	1,767	1,645
Proceeds from the disposal of buildings	900	—
Transfer of metro assets in accordance with legal requirements	53	97
	<u>4,131</u>	<u>6,973</u>

# Notes to financial statements

December 31, 2000

## 10- Debt servicing and financing costs

(in thousands of dollars)

	Budget	2000	1999
Short-term financing costs	2,136	4,033	4,412
Debt servicing - interest	39,386	36,381	35,699
Interest income	(1,331)	(2,337)	(3,783)
	<u>40,191</u>	<u>38,077</u>	<u>36,328</u>

## 11- Restricted cash and investments

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Cash	298	2,400
Deposit certificates, at cost	6,262	3,520
Treasury bills, at amortized cost	—	10,408
Bank acceptances	—	15,071
Debentures and bond coupons, at unamortized cost (market value \$75,297, \$42,259 as at January 1, 2000)	74,839	43,484
Interest receivable	1,024	677
	<u>82,423</u>	<u>75,560</u>

## 12- Government of Quebec subsidies receivable

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Capital assets	2,165	3,895
Transportation for the disabled	6,307	6,035
Compensation for the ice storm	1,030	2,349
Implementation of low-floor buses	1,907	1,115
	<u>11,409</u>	<u>13,394</u>

## 13- Other receivables

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Regional revenue receivable	3,671	4,108
Occupational accident payments to recover	3,540	4,861
Tax claims submitted to governments	983	972
General accounts receivable	8,318	5,418
Deposit on purchase of buses	17,452	—
Other	2,527	3,791
	<u>36,491</u>	<u>19,150</u>

# Notes to financial statements

December 31, 2000

## 14- Capital assets

(in thousands of dollars)

2000

	Cost	Depreciation	Net value	Cost on January 1
Land	4,591	163	4,428	4,591
Buildings	87,567	3,181	84,386	84,148
Initial system and metro extensions	320,325	16,834	303,491	320,272
Improvements to metro infrastructure	19,174	971	18,203	18,322
Leasehold improvements	4,104	483	3,621	4,104
Rolling stock - buses	119,593	14,926	104,667	118,713
Rolling stock - other	13,713	2,375	11,338	10,497
Regional infrastructure	11,065	3,961	7,104	3,040
Office equipment and software	70,686	8,336	62,350	59,017
Machinery, tools and equipment	6,718	570	6,148	6,492
Capital assets in progress	292,539	10,106	282,433	277,354
	<u>950,075</u>	<u>61,906</u>	<u>888,169</u>	<u>906,550</u>

As at December 31, 1999, the Society owned capital assets in the amount of \$2,372,603,000 before depreciation in accordance with the new municipal accounting standards which came into effect as of January 1, 2000.

Subsidies deferred	<u>238,395</u>	<u>14,949</u>	<u>223,446</u>	<u>238,395</u>
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## 15- Deferred charges

During the year, the Société undertook an extensive program to renovate the installed equipment in the metro. Costs under this program were \$3,286,362 for 2000, mainly for carrying out preliminary studies for the project.

These capitalizable expenditures will be funded through a loan by-law and will be eligible for a subsidy under the transportation assistance program. However, as of December 31, 2000, the ministère des Affaires municipales et de la Métropole had not yet approved the loan by-law.

## 16- Long-term debt

(in thousands of dollars)

December 31,  
2000

January 1,  
2000

Amounts recoverable for the repayment of the long-term debt (note 18)		
Government of Quebec	184,266	193,816
Agence métropolitaine de transport	48,376	64,317
	<u>232,642</u>	<u>258,133</u>
Current portion	(22,385)	(25,192)
	<u>210,257</u>	<u>232,941</u>

# Notes to financial statements

December 31, 2000

## 17- Accounts payable and accrued liabilities

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Trade accounts	13,519	9,286
Accrued expenses	4,283	5,012
Salaries and employee benefits	23,142	28,048
Sickness benefits payable	11,775	12,605
Vacations payable	18,163	17,771
Holdbacks and security deposits	2,592	3,920
Accrued interest	7,214	8,172
Other	6,401	8,551
	<u>87,089</u>	<u>93,365</u>

## 18- Long-term debt

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Debentures and bank loans, at interest rates varying from 5,00% to 9,6% (4,85% to 11,50% in 1999) maturing from March 2001 to February 2010	475,570	505,406
Current installments on long-term debt	<u>(57,828)</u>	<u>(71,836)</u>
	<u>417,742</u>	<u>433,570</u>

Long-term debt is comprised of debentures and bank loans which are a direct and general obligation of the municipalities on the Société's territory. These municipalities are jointly and severally liable with the Société for the principal of the debentures and interest thereon.

The installments on long-term debt for the next years are as follows:

(in thousands of dollars)

2001	57,828
2002	29,959
2003	55,574
2004	77,772
2005	58,759
2006 and subsequent years	<u>195,678</u>
Total minimum payments	<u>475,570</u>

The apportionment of the long-term debt is as follows:

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Amounts accumulated in the sinking fund	<u>82,423</u>	<u>75,560</u>
Amounts to recover for the repayment of the long-term debt		
From the municipalities of the MUC territory	160,505	171,713
From the Government of Quebec	184,266	193,816
From the Agence métropolitaine de transport	48,376	64,317
	<u>393,147</u>	<u>429,846</u>
	<u>475,570</u>	<u>505,406</u>

# Notes to financial statements

December 31, 2000

## 19- Amounts to provide for in the future

(in thousands of dollars)

	December 31, 2000	January 1, 2000
Vacation benefit	16,716	17,771
Sick leaves	11,543	12,605
	<u>28,259</u>	<u>30,376</u>

The \$2,117 variation between January 1, 2000, and December 31, 2000, is charged to the statement of financial activities.

## 20- Commitments

### a) Long-term leases:

The Société has entered into long-term leases expiring from December 31, 2001 to October 31, 2010, which call for lease payments aggregating \$33,654,637 for office space. Minimum lease payments for the next five years are \$4,694,653 in 2001, \$4,521,840 in 2002, \$4,670,691 in 2003, \$4,582,834 in 2004 and \$4,505,037 in 2005

One of the leases contains a renewal option for an additional five-year period which the Société may exercise by giving an advance notice.

### b) Outsourcing of computer centre:

The Société is committed to pay a total amount of \$4,279,356, i.e. \$2,139,678 annually in 2001 and 2002 for the outsourcing of its computer centre.

### c) Foreign currencies:

The Société has committed itself to a banking institution for the purchase in the next two years of 17,741,000 French francs at a predetermined rate for a total cost of \$4,459,890 Canadian dollars. This agreement was negotiated to protect the Société against market currency fluctuations, considering that a contract signed with a supplier is payable in part in French francs.

### d) Heritage maintenance program of the installed equipment of the metro:

Through a contract with an engineering firm, the Société is committed to a maximum amount of \$21,000,000 for the years 2001 to 2005 in order to establish and run a project office responsible for carrying out the Heritage maintenance program for the installed equipment of the metro.

## 21- Pension plans

The pension plans of the Société are contributory defined benefits plans. Actuarial valuations were conducted in 1998 to determine the benefits' present value prorated to years of service. The valuations showed a surplus of \$297,243,000. Pension plan assets are based on fair value with variations phased over a three-year period. As of December 31, 2000, pension plan assets and the present value of accrued pension plan benefits were not available. As an indication, the extrapolated values respectively amounted to \$2,303,887,000 and \$1,882,680,000 as at December 31, 1999. During the year 2000, no expenses were accounted for in the statement of financial activities as the Société benefitted from a premium holiday.

## 22- Contingencies

Amounts claimed by plaintiffs total \$13,144,240 (\$17,065,338 in 1999). These claims are comprised of class action suits, individual suits, bodily injuries, damages to equipment and other litigation. The Société has made a provision for these claims that is deemed sufficient as at December 31, 2000.

## Supplementary information

Year ended December 31, 2000

### Transfer to the statement of investment activities

(Contribution taken from general revenue)

(in thousands of dollars)

	Budget	2000	1999
Bus and metro service	1,411	4,090	4,570
Transportation for the disabled	1,496	1,524	—
Maintenance of assets	500	—	—
	<u>3,407</u>	<u>5,614</u>	<u>4,570</u>

### Capital assets

(in thousands of dollars)

	Balance at January 1, 2000	Additions	Reclassification	Depreciation 2000	Balance at December 31, 2000
Land	4,591	—	—	163	4,428
Buildings	84,148	804	2,615	3,181	84,386
Initial system and metro extensions	320,272	53	—	16,834	303,491
Improvements to metro infrastructure	18,322	—	852	971	18,203
Leasehold improvements	4,104	—	—	483	3,621
Rolling stock - buses	118,713	880	—	14,926	104,667
Rolling stock - other	10,497	3,216	—	2,375	11,338
Regional infrastructures	3,040	—	8,025	3,961	7,104
Office equipment and software	59,017	7,121	4,550	8,336	62,352
Machinery, tools and equipment	6,492	226	—	570	6,148
Capital assets in progress	277,354	31,225	(16,042)	10,106	282,431
	<u>906,550</u>	<u>43,525</u>	<u>—</u>	<u>61,906</u>	<u>888,169</u>

As at December 31, 1999, the Society owned capital assets in the amount of \$2,372,603,000 before depreciation in accordance with the new municipal accounting standards which came into effect as of January 1, 2000.

# Supplementary information

Year ended December 31, 2000

## Long-term debt

(in thousands of dollars)

	December 31, 2000	January 1, 2000
.....		
Debentures, \$30,000,000		
11,50%, due on July 17, 2000	—	19,140
Debentures, \$39,500,000		
11,50%, due on December 14, 2000	—	16,591
Debentures, \$48,000,000		
9,50%, due on December 5, 2001 <sup>(a)</sup>	22,626	22,626
Debentures, \$70,000,000		
7,75%, due on September 30, 2000	—	6,300
8,00%, due on September 30, 2001	6,300	6,300
8,00%, due on September 30, 2002	6,300	6,300
8,75%, due on September 30, 2007	7,000	7,000
Debentures, \$60,000,000		
8,15%, due on June 2, 2003 <sup>(b)</sup>	18,500	18,500
Debentures, \$52,000,000		
7,50%, due on September 23, 2003 <sup>(b)</sup>	19,550	19,550
Debentures, \$50,000,000		
6,90%, due on March 3, 2004 <sup>(b)</sup>	26,200	26,200
Debentures, \$50,000,000		
9,60%, due on December 9, 2004 <sup>(b)</sup>	19,460	19,460
Debentures, \$40,000,000		
8,40%, due on May 12, 2000	—	7,770
9,10%, due on May 12, 2005 <sup>(c)</sup>	20,195	20,195
Debentures, \$30,000,000		
7,50%, due on July 19, 2000	—	9,062
8,40%, due on July 19, 2005 <sup>(c)</sup>	11,242	11,242
Debentures, \$10,500,000		
6,10%, due on March 12, 2000	—	2,255
6,50%, due on March 12, 2001	2,435	2,435
Debentures, \$30,000,000		
7,10%, due on July 18, 2001 <sup>(a)</sup>	14,940	14,940
8,10%, due on July 18, 2006 <sup>(c)</sup>	15,060	15,060

# Supplementary information

Year ended December 31, 2000

## Long-term debt (cont'd)

(in thousands of dollars)

	December 31, 2000	January 1, 2000
<hr/>		
Debentures, \$30,000,000		
5,25%, due on June 5, 2000	—	3,150
5,65%, due on June 5, 2001	3,400	3,400
6,00%, due on June 5, 2002	3,675	3,675
6,25%, due on June 5, 2003	2,415	2,415
6,50%, due on June 5, 2004	2,605	2,605
6,60%, due on June 5, 2005	2,815	2,815
6,75%, due on June 5, 2006	3,040	3,040
6,85%, due on June 5, 2007	3,280	3,280
Debentures, \$40,000,000		
4,85%, due on June 4, 2000	—	5,293
5,10%, due on June 4, 2001	5,717	5,717
5,20%, due on June 4, 2002	6,174	6,174
5,25%, due on June 4, 2003	6,668	6,668
5,70%, due on June 4, 2008 <sup>(c)</sup>	11,248	11,248
Debentures, \$35,000,000		
5,00%, due on April 8, 2002 <sup>(c)</sup>	11,250	11,250
5,10%, due on April 8, 2004	14,745	14,745
5,40%, due on April 8, 2009 <sup>(c)</sup>	9,005	9,005
Debentures, \$30,000,000		
4,85%, due on August 6, 2000	—	2,275
5,10%, due on August 6, 2001	2,410	2,410
5,30%, due on August 6, 2002	2,560	2,560
5,40%, due on August 6, 2003	2,710	2,710
5,50%, due on August 6, 2004	12,575	12,575
5,90%, due on August 6, 2009 <sup>(c)</sup>	7,470	7,470
Debentures, \$25,000,000		
6,30%, due on February 16, 2003 <sup>(c)</sup>	5,731	—
6,40%, due on February 16, 2004	2,187	—
6,50%, due on February 16, 2005	7,507	—
6,60%, due on February 16, 2006	1,662	—
6,70%, due on February 16, 2007	1,780	—
6,80%, due on February 16, 2008	1,906	—
6,85%, due on February 16, 2009	2,041	—
6,85%, due on February 16, 2010	2,186	—

## Supplementary information

Year ended December 31, 2000

### Long-term debt (cont'd)

(in thousands of dollars)

	December 31, 2000	January 1, 2000
.....		
Debentures, \$17,000,000		
5,60%, due on December 20, 2005 <sup>(c)</sup>	17,000	—
Bank loan \$30,000,000 <sup>(d)</sup>		
8,04%, due on January 24, 2006 <sup>(a)</sup>	30,000	30,000
Bank loan \$30,000,000 <sup>(d)</sup>		
6,75%, due on December 9, 2006 <sup>(a)</sup>	30,000	30,000
Bank loan \$30,000,000 <sup>(d)</sup>		
6,09%, due on December 12, 2007 <sup>(a)</sup>	30,000	30,000
Bank loan \$40,000,000 <sup>(d)</sup>		
6,77%, due on December 9, 2009 <sup>(c)</sup>	40,000	40,000
Total	<u>475,570</u>	<u>505,406</u>

<sup>(a)</sup> Sinking Fund portion already outstanding.

<sup>(b)</sup> Portion for which the Société began contributing to the Sinking Fund during the year.

<sup>(c)</sup> Portion for which a Sinking Fund is expected.

<sup>(d)</sup> This agreement is subject to a currency and interest rate swap.

The only amount shown as outstanding is the amount for which the Société is ultimately liable.