



# **Report of the Auditor General of the Ville de Montréal** to the City Council and to the Urban Agglomeration Council

For the Year Ended December 31, 2015

## **Financial Statement Audits**

# 3





**Report of the Auditor General  
of the Ville de Montréal**  
to the City Council and to the  
Urban Agglomeration Council

For the Year Ended December 31, 2015

3.1

**Consolidated  
Financial  
Statements of  
Ville de Montréal**



## 3. Financial Statement Audits

### 3.1. Consolidated Financial Statements of Ville de Montréal

In accordance with the provisions of the *Cities and Towns Act* (CTA) in force on December 31, 2015, we are required to audit the City's financial statements.

The *Charter of Ville de Montréal* and the *Cities and Towns Act* (CTA) both require the City to submit its financial statements to the City clerk's office by March 31 following the close of the preceding year and to the Ministère des Affaires municipales et de l'Occupation du territoire (MAMOT), using the prescribed form, by April 30.

For the fiscal year ended in 2015, we have produced a total of five audit reports regarding the City's financial statements. In April 2016, the independent auditor's reports of the auditor general of the Ville de Montréal expressing an unmodified opinion on the City's consolidated financial statements and on the breakdown of the City's mixed expenditures were issued. Both reports were included in the *Annual Financial Report* filed with the City clerk's office on April 13, 2016. Also, in April 2016, reports on the City's consolidated financial statements, on the breakdown of mixed expenditures and on the City's overall tax rate were produced. These three reports were recorded on the form required by the MAMOT.

The audit work on the City's consolidated financial statements was conducted together with a joint auditor who expressed a qualified opinion on the City's financial statements based on its different interpretation of the new accounting standard Section PS 3410 on accounting for Government Transfers.

In accordance with the provisions of the CTA, the form required by the MAMOT, along with the three above-mentioned auditor general's reports and the joint auditor's report on the consolidated financial statements were filed with the City council and the urban agglomeration council before being sent to the MAMOT on April 30, 2016.

In March 2016, at the time of the finalization of the audit of its financial statements for the fiscal year 2015, Société de transport de Montréal (STM), the main subsidiary of the City has changed its interpretation of the standard Section PS 3410 with regards to the Government Transfers for the purpose of standardization with the City. This modification has led to a

restatement of the consolidated financial statements of the City. Additional information regarding this restatement can be found in Note 3 of the consolidated financial statements of the City.



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For the Year Ended December 31, 2015

3.2

**Financial  
Statements of  
Other Legal Entities  
Subject to the  
*Cities and Towns Act***



## 3.2. Financial statements of other legal entities subject to the Cities and Towns Act

In accordance with the provisions of the *Cities and Towns Act* (CTA) in force on December 31, 2015, we are required to audit the financial statements of other legal entities subject to the CTA that meet any of the following conditions:

- It is part of the reporting entity defined in the municipality's financial statements;
- The municipality or its representative appoints more than 50% of the members of its board of directors;
- The municipality or its representative holds more than 50% of its outstanding voting shares or units.

Table 1 on the following page identifies the other legal entities that are subject to the CTA and for which we are required to produce an audit report on their financial statements. The table also indicates the periods during which the audit reports were issued for the fiscal years ending in 2014 and 2015.

**Table 1 – Other Legal Entities Subject to the CTA and Audit Reports  
Produced on Their Financial Statements as of April 30, 2016**

Other legal entities subject to the <i>Cities and Towns Act</i>	Fiscal year ended in	
	2015	2014
Anjou 80		n
Bixi Montréal	n	
Bureau du taxi de Montréal	n	n
Conseil des arts de Montréal	n	■
Conseil interculturel de Montréal		■
Corporation d'habitation Jeanne-Mance	n	■
Fiducie du Technoparc Montréal	n	■
Office de consultation publique de Montréal		■
Office municipal d'habitation de Montréal		n
Société de gestion Marie-Victorin		n
Société de transport de Montréal (2 reports)	n	■
Société en commandite Stationnement de Montréal	n	■
Société d'habitation et de développement de Montréal	n	■
Société du parc Jean-Drapeau	n	■
Technoparc Montréal	n	■
Transgesco S.E.C.	n	■

**Legend:**

- n Reports produced between May 1, 2015, and April 30, 2016.
- n Reports produced before May 1, 2015.