

Purpose:

- 1 To align with statutory and the standard framework of guidelines for financial reporting requirements.
- 2 To provide a set of standards for accounting policies used in the preparation of the official Consolidated Financial Statements (financial statements) of The City.
- 3 To achieve consistency and improve disclosure in financial reporting for The City.

Policy Statement(s):

- 4 The financial statements of The City must be audited, approved by Council, and made available to the public before the deadline required by the Government of Alberta.
- 5 In accordance with s. 276(1) of the *Municipal Government Act*, financial statements of The City must be prepared in line with the Public Sector Accounting Standards (PSAS) and where PSAS is not sufficient, International Financial Accounting Standards (IFRS) should be applied.

Definitions:

- 1 “**Controlled Agency**” means a third-party organization that The City controls and therefore is part of its reporting entity (e.g., Red Deer Public Library).
- 2 “**Public Sector Accounting Standards (PSAS)**” means accounting standards issued by the Public Sector Accounting Board (PSAB) that sets out financial reporting guidelines for public sector entities (e.g., governments and their components, government not-for-profits, and government partnerships.)
- 3 “**Significant Accounting Policies**” means accounting policies specific for recording accounting information and determining appropriate accounting treatments for transactions. A consistent set of accounting principles is required to classify, measure, and interpret government financial information for complete, accurate and consistent reporting. Significant Accounting Policies of The City are defined in Note I of The City’s financial statements.
- 4 “**Government Reporting Entity**” means all government components and organizations controlled by the government comprised together. For The City, the Government Reporting Entity is the Corporation of the City of Red Deer combined with its Controlled Agencies.

References/Links:

- 1 CPA Canada Public Sector Accounting Handbook

- 2 The City of Red Deer Consolidated Financial Statements
- 3 Associated Policies and Procedures:
 - (1) 5324-CA Tangible Capital Assets
 - (2) 5327.01-CP Restructuring Transactions
 - (3) 5328-CP Government Reporting Entity
 - (4) 5330-CP Government Transfers
 - (5) 5357-CA Related Party Disclosure
 - (6) 5358-CP Inter-entity Transactions

Scope/Application:

- 1 This Policy applies to entities within the Government Reporting Entity.

Authority/Responsibility to Implement:

- 1 Financial Services is responsible for:
 - (1) developing, communicating, and periodic review of this Policy;
 - (2) providing support to The City's departments in the interpretation of accounting standards and/or guidelines issued by the Public Sector Accounting Board (PSAB);
 - (3) implementing new accounting standards and/or guidelines issued by PSAB;
 - (4) updating and providing an interpretation of Significant Accounting Policies used in the preparation of The City's financial statements;
 - (5) providing guidelines and/or procedures related to Significant Accounting Policies used in the preparation of The City's financial statements; and
 - (6) monitoring the application of this Policy as it relates to appropriate reporting and disclosures for the purposes of preparing The City's financial statements.
- 2 Departments are responsible for:
 - (1) recording and/or disclosing accounting information following PSAS; and
 - (2) following guidelines and/or procedures related to Significant Accounting Policies used in the preparation of The City's financial statements.
- 3 The Chief Financial Officer has been delegated the authority to implement and update this Policy and related procedures.

Inquiries/Contact Person:

- 1 Financial Analyst, Financial Reporting, Financial Services
- 2 Corporate Controller, Financial Systems & Methods, Financial Services

Policy Monitoring and Evaluation:

I This Policy will be reviewed every five years and updated as necessary.

Document History:

Date	Approved/Reviewed By:	Title:
Approved: December 30, 2010	“Craig Curtis”	City Manager
Revised: February 7, 2022	“Tara Lodewyk”	Interim City Manager