

Instructions for Key Management Personnel Declaration Statement

Purpose:

The City of Calgary prepares its annual consolidated financial statements in accordance with the Canadian Public Sector Accounting Handbook (PSA). There is a requirement in the PSA Handbook to disclose transactions with Related Parties effective for 2018. Compliance with the standard is required for a clean (unqualified) audit opinion. This form (Attachment 2) is used to collect the required information in order to prepare the consolidated financial statements

What is the process for collecting and using this information?

The City Manager and Chief Financial Officer (CFO) will request Key Management Personnel (KMP) complete the form.

- This is a recurring annual requirement as part of annual reporting/external audit requirements.
- Please provide signed originals to the Finance Manager, Corporate Financial Reporting (electronic copies will also be accepted).
- Confidentiality will be maintained at all times
 - Disclosures on the financial statements will only be made when the transactions are quantitatively and/or qualitatively material to the financial statements.
 - The City Treasurer/Director of Finance and CFO will review the draft disclosures as part of the financial statement preparation. Access is limited to employees who need to review the declaration statements in the course of their duties.
- The forms will not be published, however are subject to FOIP requests.

Please see page 2 for Reference guide on how to fill out the form.

Reference Guide

Step 1: Identify the company entity or corporation where you or a close family member have one or more of the following roles:

- A Shareholder
- A Director
- An Officer
- Hold 10% voting rights

Key Management Personnel: The Mayor, Councillors, City Manager, Deputy City Manager, General Managers, Chief Financial Officer, and City Solicitor and General Counsel.

Close Family Member: Spouse, Adult Interdependent Partner, and any dependents.

Roles: Meant to identify individuals with the power to make financial and operating decisions at the respective company, entity or corporation.

Step 2: Does the Company, Entity or Corporation have transactions with The City of Calgary (The City) in the current reporting period?

Transactions with The City can include:

- Sales of good and/or services
- Contracts (Leases, Service)
- Transfers of Property (Land, Building)

Suggested Approach: You may want to reach out to this Company, Entity or Corporation's CFO, Vice President of Finance or equivalent to confirm if there are transactions with The City.

Step 3: Are these transactions with The City at Fair Market Value?

Fair Market Value: Value if the transacting parties are independent from each other and there is no pressure to act.

The value being the same in negotiation regardless of the role you and/or your close family member hold.

Suggested Approach: If there are transactions with The City, you can ask the Company, Entity, or Corporation to provide details for any transactions that are **not** at fair market value as requested in the form.

Step 4: Determine if you have Reportable Transactions and complete disclosure statement.

Reportable Transactions meet all the following characteristics:

- 1) There are transactions with The City
- 2) These transactions are **not** at fair market value

Suggested Approach: If there is uncertainty as to whether or not you should report the transactions, you can reach out to the Finance Manager, Corporate Financial Reporting, and provide the names and transaction details of the Company, Entity, or Corporation. The City's Financial Reporting Team will perform additional analysis and can provide further guidance.