

Video Transcript: Learn about a company's accounting practices

Hi! I'm Stephanie from the BRYT team. Today I'm going to show you how to use library databases to easily find a publicly traded company's annual report and learn about their accounting policies and practices. A publicly traded company's annual report includes a lot of useful information on their accounting practices. For example, you'll find sections in the annual report like Management's Discussion and Analysis, or Consolidated Financial Statements and Notes, which is where you'll find information about a company's accounting policies. You'll also find an independent auditor's report. This report describes how accurately the company has followed stated accounting principles when preparing their financial statements. Annual reports and other publicly-traded company filings can be found on the SEDAR and EDGAR websites. These websites provide filings for Canadian and U.S companies respectively. With the Library database, Lexis Securities Mosaic, you can search for Canadian and U.S. public company filings at the same time. Let's use Air Canada as an example to learn about their accounting practices. We'll start by using Lexis Securities Mosaic to retrieve Air Canada's most recent annual report. Go to the Library's website, type in Lexis Securities Mosaic, and click Find. Then click Click to access this resource. To access filings for a Canadian public company, click SEDAR filings. Type Air Canada in the Company field. As you can see in the Document Type drop-down menu, a public company has many forms it might need to file. Let's use the Annual Report option. Download the most recent annual report for Air Canada. Scan the report and look for key terms and concepts such as accounting regulations or IFRS. You might be thinking What's an IFRS? The International Financial Reporting Standards, or IFRS, are a set of rules, standards, and procedures that accountants use when preparing financial statements. This allows financial statements to be prepared in a more reliable and consistent manner across companies in all countries that adopt IFRS. This type of consistency is really important for potential investors! Since 2011, Canadian publicly traded companies are required to use the new International Financial Reporting Standards to prepare their financial statements. Understanding the accounting regulations used in a company's filings can help you understand how to interpret the accounting information reported in their financial statements. For example, let's take a look at the section of Air Canada's annual report that discusses their Significant Accounting Policies. This section highlights how Air Canada uses IFRS principles in the CPA Canada Handbook – Accounting to prepare their financial statements. This type of information provides clarity on the rules used to determine the items reported in Air Canada's financial statements. To learn more about specific IFRS standards and guidance, you'll need to consult the library database, the CPA Canada Standards and Guidance Collection. Go to the Libraries' website. Type in CPA Canada Standards and Guidance Collection and click Find. Then click click to access this resource. This database gives you access to the specific accounting standards that the company is using to prepare its financials. Under Accounting, click the plus sign to expand. To access the IFRS collection that applies to Canadian publicly traded companies, click the plus sign beside Part 1 - IFRS Standards. Make sure you know which year your annual report was published in. For example, while this Air Canada annual report was published in 2017, it actually covers Air Canada's 2016 fiscal year. They just published the report a few months after their 2016 fiscal year ended. Therefore, we need to look at the 2016 IFRS. You can now access the standards mentioned in the annual report. Reviewing the purpose and history of an IFRS helps you understand how a company like Air Canada adapted to comply with the standard. So that's how you can use Lexis Securities Mosaic to quickly retrieve a publicly-traded company's annual report and learn more about its accounting standards and practices. Then you can use the CPA Canada Standards and Guidance Collection to locate and

examine the specific IFRS a company follows. For more tips on business research, check out all the demos on the BRYT site or the Bronfman Library's YouTube channel.