

## SECTION PS 3100

### restricted assets and revenues

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#### SUPPLEMENT

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of the 2022-2023 annual improvements.

#### INTERNALLY RESTRICTED ENTITIES

- .21 When an organization included in the reporting entity is internally restricted, legislation establishes that the revenues and assets or net assets of that entity can be used only to finance the entity's operations. They are not available to discharge other government liabilities or to finance other government programs. The key distinction is that the terms of the legislation establish, either explicitly or implicitly, a relationship between the government and external parties who have a direct interest in how funds contributed to the entity have been used. In such circumstances, even though the government has the power to change the restriction without the consent of the external parties, there is a direct accountability to those parties to use the resources as specified while that legislation is in effect. Disclosing information about internally restricted entities in the government's financial statements demonstrates that accountability to those external parties.

#### SUPPLEMENT

This supplement sets out the previous wording of the paragraph that has been amended as a consequence of approving FINANCIAL STATEMENT PRESENTATION, Section PS 1202.

- .10 Other restricted inflows may be received before the period in which the related expenditures will be incurred and, therefore, should not be recognized as revenues in the current period. In such cases, the government has an obligation to use the resources as stipulated in a future period and that obligation is best reflected by recording the unspent portion as a liability (deferred revenue).