

**public sector accounting handbook  
highlight summary no. 60  
February 2025**

**2022-2023 Annual Improvements**

The following amendments have been made as a result of the 2022-2023 annual improvements:

- indicated as illustrative only and generally accepted accounting principles (GAAP) designation level (iii) per GAAP hierarchy in GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, paragraph PS 1150.03(d), for 50 appendices not identified as application guidance (excluding the appendices of FINANCIAL STATEMENT PRESENTATION, Section PS 1202, which already adopted this convention);
- renumbered all eight illustrative appendices with paragraph numbers to IE.01, IE.02, etc. to reflect their designation as illustrative examples or material;

The amendments are editorial only and effective immediately.

**GAAP Designation of Application Guidance PSA Handbook Appendices**

The GAAP designation level (i) per GAAP hierarchy in paragraph PS 1150.03(d) has been specified and paragraphs renumbered as AG.02, AG.02, etc. for four application guidance appendices:

- Appendix A to REVENUE, Section PS 3400;
- Appendix B to GOVERNMENT TRANSFERS, Section PS 3410;
- Appendix A to FINANCIAL INSTRUMENTS, Section PS 3450; and
- Appendix A to DISCLOSURE OF ALLOCATED EXPENSES BY NOT-FOR-PROFIT ORGANIZATIONS, Section PS 4270.

The elevation of the GAAP designation of these four application guidance appendices is effective for fiscal years beginning on or after April 1, 2026. Early adoption is allowed.

The following amendments have been made to Section PS 1150 to clarify the GAAP designation of PSA Handbook appendices, as follows:

- amended paragraph PS 1150.03(d)(i) to include all PSA Handbook application guidance appendices as level (i) GAAP;
- amended paragraph PS 1150.03(d)(i) to explicitly include the PS 4200 series of standards; and
- clarified paragraph PS 1150.16 to indicate that application guidance appendices are not merely illustrative but comprise level (i) GAAP, the same as the standards to which they are integral.

These changes are effective for fiscal years beginning on or after April 1, 2026; early adoption is allowed.

**PUBLIC SECTOR GUIDELINE (PSG) 2, Lessee Accounting for Operating Leases of Tangible Capital Assets**

The following amendments have been made:

- deleted an outdated cross-reference to LEASES, Section 3065 in former Part V of the CPA Canada Handbook – Accounting, pre-changeover accounting standards, in Appendix A to PSG-2, Leased Tangible Capital Assets;
- renamed Appendix A as the glossary is no longer identified as an appendix, consistent with other glossaries in the PSA Handbook;
- added paragraphs PSG-2.4A-4C of to set out minimal requirements for lessee accounting for operating leases of tangible capital assets in the PSA Handbook; and
- replaced the deleted cross-reference in the appendix with a reference to new paragraphs PSG-2.4A-4C

The new text in PSG-2 is taken from Section 3065 in former Part V of the Handbook, pre-changeover accounting standards. These changes do not comprise a change in practice and so are effective immediately.

**Archived Pronouncements**

To give Handbook readers continued access to superseded paragraphs until such time as they are no longer applicable, supplements in Archived Pronouncements set out the wording of those paragraphs. The archived material will be withdrawn from the Handbook when it is no longer effective.

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