

public sector accounting standards government not-for-profit organizations Sections PS 4200 — PS 4270

introduction to accounting standards that apply only to government not-for-profit organizations

Basis for Conclusions

December 2022

- .01 The CPA Canada Public Sector Accounting (CPA Canada PSA) Handbook applies to all governments and those organizations that consider it to be the appropriate source of generally accepted accounting principles (GAAP) with respect to their objectives and circumstances. A government not-for-profit organization (GNFPO) is a government organization that meets the definition of a not-for-profit organization 1 and has counterparts outside the public sector as defined in the INTRODUCTION TO THE PUBLIC SECTOR ACCOUNTING HANDBOOK, paragraph .07. [Former paragraph .01 of the Introduction to Accounting Standards That Apply Only to Government Not-for-Profit Organizations, amended by the Conceptual Framework, retained in Archived Pronouncements.]
- .02 The Sections that follow this Introduction apply only to GNFPOs that elect to follow the standards for not-for-profit organizations in the CPA Canada PSA Handbook. These Sections deal with matters that are unique to not-for-profit organizations, or with issues where the needs of financial statement users indicate that different requirements from those that apply to governments, other government organizations or government business enterprises are appropriate. These Sections have not been assessed for consistency with the concepts set out in the Conceptual Framework. [Former paragraph .02 of the Introduction to Accounting Standards That Apply Only to Government Not-for-Profit Organizations, amended by the Conceptual Framework, retained in Archived Pronouncements.]
- .03 GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, Section PS 1150, is applicable to GNFPOs and establishes standards for financial reporting in accordance with GAAP. It describes what constitutes Canadian GAAP for the public sector and its sources for organizations that consider the CPA Canada PSA Handbook to be the most appropriate to their objectives and circumstances. The Section also provides guidance on sources to consult when selecting accounting policies and determining appropriate disclosures, when a matter is not dealt with explicitly in the primary sources of GAAP. A GNFPO should apply the provisions of Section PS 1150 when reporting in accordance with Canadian GAAP for the public sector, and would thus apply the requirements of Public Sector Guidelines and other primary sources of GAAP, to the extent they are applicable in the organization's circumstances.
- .04 The following table sets out the applicability of CPA Canada PSA Handbook Sections to GNFPOs that elect to follow the standards for not-for-profit organizations in the CPA Canada PSA Handbook. Sections are considered to be of general applicability if they address matters that should be considered by all GNFPOs. Other Sections are applicable to the extent that a particular organization has the transactions or circumstances dealt with in the Section. The remaining Sections are of very limited or no applicability to GNFPOs. [Former paragraph .04 of the Introduction to Accounting Standards That Apply Only to Government Not-for-Profit Organizations, note 3, amended by FINANCIAL STATEMENT PRESENTATION, Section PS 1202, retained in Archived Pronouncements.] [Former paragraph .04 of the Introduction to Accounting Standards That Apply Only to Government Not-for-Profit Organizations, note 2, amended by the Conceptual Framework, retained in Archived Pronouncements.]

Section	General applicability	Applies to GNFPOs with relevant transactions or circumstances	Limited or no applicability to GNFPOs
THE CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING IN THE PUBLIC SECTOR	X 2		
PS 1150, GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	X		

PS 1202, FINANCIAL STATEMENT PRESENTATION	X 3		
PS 1300, GOVERNMENT REPORTING ENTITY			X 4
PS 2100, DISCLOSURE OF ACCOUNTING POLICIES	X		
PS 2120, ACCOUNTING CHANGES	X		
PS 2125, FIRST-TIME ADOPTION	X		
PS 2130, MEASUREMENT UNCERTAINTY	X		
PS 2200, RELATED PARTY DISCLOSURES		X	
PS 2400, SUBSEQUENT EVENTS	X		
PS 2500, BASIC PRINCIPLES OF CONSOLIDATION		X	
PS 2510, ADDITIONAL AREAS OF CONSOLIDATION		X	
PS 2601, FOREIGN CURRENCY TRANSLATION		X	
PS 2700, SEGMENT DISCLOSURES	X		
PS 3041, PORTFOLIO INVESTMENTS		X	
PS 3050, LOANS RECEIVABLE		X	
PS 3060, INTERESTS IN PARTNERSHIPS		X	
PS 3070, INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES			X 5
PS 3100, RESTRICTED ASSETS AND REVENUES			X 6
PS 3150, TANGIBLE CAPITAL ASSETS	X		
PS 3160, PUBLIC PRIVATE PARTNERSHIPS		X	
PS 3200, LIABILITIES		X	
PS 3210, ASSETS		X	
PS 3230, LONG-TERM DEBT		X	
PS 3250, RETIREMENT BENEFITS		X	
PS 3255, POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS		X	
PS 3260, LIABILITY FOR CONTAMINATED SITES			X
PS 3280, ASSET RETIREMENT OBLIGATIONS		X	
PS 3300, CONTINGENT LIABILITIES	X		

PS 3310, LOAN GUARANTEES		X	
PS 3320, CONTINGENT ASSETS	X		
PS 3380, CONTRACTUAL RIGHTS	X		
PS 3390, CONTRACTUAL OBLIGATIONS	X		
PS 3400, REVENUE	X 7		
PS 3410, GOVERNMENT TRANSFERS			X 8
PS 3420, INTER-ENTITY TRANSACTIONS	X		
PS 3430, RESTRUCTURING TRANSACTIONS		X	
PS 3450, FINANCIAL INSTRUMENTS		X	
PS 3510, TAX REVENUE			X

EFFECTIVE DATE AND TRANSITIONAL PROVISIONS

- .05 FINANCIAL STATEMENT PRESENTATION, Section PS 1202, issued in October 2023, amended paragraph .04 of the Introduction to Accounting Standards that Apply Only to Government Not-for-Profit Organizations, note 3. The amendment is applicable at the same time as Section PS 1202, for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted if Section PS 1202 is also early adopted. Prior period amounts would need to be restated to conform to the requirements for comparative financial information in Section PS 1202.

Footnotes

1. Not-for-profit organizations are defined in FINANCIAL STATEMENT PRESENTATION BY NOT-FOR-PROFIT ORGANIZATIONS, Section PS 4200.
2. In the event that the provisions of the Conceptual Framework conflict with Section PS 4210, Section PS 4210 applies.
3. Section PS 1202 applies for preparing the statement of cash flows and the reconciliation of the accumulated remeasurement gains and losses in the statement of remeasurement gains and losses. Although a statement of remeasurement gains and losses is not a required statement in Section PS 1202, it would be a required statement for government not-for-profit organizations applying the PS 4200 series, as the reconciliation of accumulated remeasurement gains and losses cannot be done on the statement of changes in net assets described in Section PS 4200. The statement of remeasurement gains and losses would present the reconciliation of accumulated remeasurement gains and losses as outlined in paragraph PS 1202.156. Section PS 4200 applies for the remaining financial statements.
4. Section PS 4250 applies.
5. Section PS 4250 applies.
6. Section PS 4210 applies.
7. Section PS 4210 applies.
8. Section PS 3200 applies for grants made. Section PS 4210 applies for government grants received.

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