

Subsequent events, Section 3820

- .10 Disclosure shall be made of those events occurring between the date of the financial statements and the date of their completion that do not relate to conditions that existed at the date of the financial statements but:
 - (a) cause significant changes to assets or liabilities in the subsequent period; or
 - (b) will, or may, have a significant effect on the future operations of the enterprise.
- .11 At a minimum, the disclosure shall include:
 - (a) a description of the nature of the event; and
 - (b) an estimate of the financial effect, when practicable, or a statement that such an estimate cannot be made.
- .12 Some events occurring after the financial statement date may have a significant effect, in a subsequent period, on the assets and liabilities or future operations of an enterprise and disclosure could be important to users in their interpretation of the financial statements.
- .13 Examples of subsequent events that would not require adjustment of the financial statements but, if significant in their effect, would require disclosure in notes to the financial statements include:
 - (a) an event such as a fire or flood that results in a loss;
 - (b) a decline in the market value of investments;
 - (c) purchase of a business;
 - (d) commencement of litigation when the cause of action arose subsequent to the date of the financial statements;
 - (e) changes in foreign currency exchange rates; and
 - (f) the issue of capital stock or long-term debt.

[Terms and Conditions](#) and [Privacy Policy](#)

Help desk: Mon-Fri, 9am-5pm ET 1-866-256-6842 [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.