

## **SECTION PS 1201** **financial statement presentation**

### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving the new CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING.

- .001 This Section establishes general reporting principles and standards for the disclosure of information in government financial statements. The principles and standards are based on the concepts underlying government financial statements in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and the objectives of government financial statements set out in FINANCIAL STATEMENT OBJECTIVES, Section PS 1100.
- .069 FINANCIAL STATEMENT CONCEPTS, paragraph PS 1000.57, specifies that works of art and historical treasures, developed or inherited intangibles, and items inherited by right of the Crown are not recognized as assets in government financial statements.

### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving narrow-scope amendments to FINANCIAL STATEMENT PRESENTATION, Section PS 1201 (April 2021).

- .045 *The statement of financial position should report liabilities segregated by main classifications, such as:*

- (a) accounts payable and accrued liabilities;
- (b) liabilities for employee future benefits;
- (c) deferred revenue;
- (d) borrowings; and
- (e) loans from other governments. [APRIL 2005]

- .050 *The statement of financial position should report financial assets segregated by main classifications, such as:*

- (a) cash and cash equivalents;
- (b) revenues receivable;
- (c) inventories for resale and other assets held for sale that meet the requirements of paragraph PS 1201.055;
- (d) loans to other governments;
- (e) other loans;
- (f) portfolio investments;
- (g) investments in government business enterprises; and
- (h) investments in business partnerships. [APRIL 2005 \*]

- .094A The reporting requirements in paragraphs PS 1201.092-.094 above would not apply to:

- (a) the translation of balances described in FOREIGN CURRENCY TRANSLATION, paragraph PS 2601.02(a)-(b); and
- (b) the exchange gain or loss component of a financial instrument's change in fair value when that financial instrument is associated with foreign exchange transactions described in FOREIGN CURRENCY TRANSLATION, paragraph PS 2601.02(a)-(b).

### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of the 2019-2020 annual improvements.

- .043 In addition, information on a government's potential assets and liabilities represented by contractual obligations and contingencies must also be provided. Such information is useful for assessing revenues that may be required in the future.
- .071 Contingencies are the result of existing conditions or situations involving uncertainty that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the acquisition of an asset, the reduction of a liability, the loss or impairment of an asset, or the incurrence of a liability. Contingencies result from such matters as pending or threatened litigation, guarantees of the indebtedness of others, indemnities, and provisions related to insurance programs. They also include grants or contributions that are recoverable if certain future events occur or fail to occur (see CONTINGENT LIABILITIES, Section PS 3300, and CONTINGENT ASSETS, Section PS 3320).

### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended as a consequence of approving narrow scope amendments to FINANCIAL STATEMENT CONCEPTS, Section PS 1000, to allow for recognition of purchased intangibles in financial statements.

- .068 *Financial statements should disclose that all intangibles, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recognized in government financial statements.* [APRIL 2005]
- .069 FINANCIAL STATEMENT CONCEPTS, paragraphs PS 1000.57-.58, specify that all intangibles, items inherited by right of the Crown, and art and historic treasures are not recognized as assets in government financial statements.

#### **SUPPLEMENT**

This supplement sets out the previous wording of paragraphs that have been amended substantially or deleted as a consequence of approving CONTINGENT ASSETS, Section PS 3320, and CONTRACTUAL RIGHTS, Section PS 3380.

- .071 Contingencies are the result of existing conditions or situations involving uncertainty that will ultimately be resolved when one or more future events occur or fail to occur. Resolution of the uncertainty may confirm the acquisition of an asset, the reduction of a liability, the loss or impairment of an asset, or the incurrence of a liability. Contingencies result from such matters as pending or threatened litigation, guarantees of the indebtedness of others, indemnities, and provisions related to insurance programs. They also include grants or contributions that are recoverable if certain future events occur or fail to occur. (See CONTINGENT LIABILITIES, Section PS 3300, for standards on accounting for and disclosing contingent liabilities.)
- .072 *Financial statements should disclose information to describe a government's material contingent assets at the end of the accounting period.* [APRIL 2005]
- .073 Financial statements must provide information in notes or schedules to describe a government's material contingent assets. Such information helps users assess the economic resources that may be required or available.
- .074 In the preparation of financial statements, estimates are required for many ongoing and recurring activities. The mere fact that an estimate is involved, however, does not of itself constitute the type of uncertainty that characterizes a contingent asset.

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## **Footnotes**

\* Editorial change – March 2012.

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