

**public sector accounting handbook
highlight summary no. 19
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HIGHLIGHT SUMMARY

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

Generally accepted accounting principles, Section PS 1150

This new Section establishes standards for financial reporting in accordance with generally accepted accounting principles (GAAP). It describes what constitutes Canadian GAAP and its sources for governments and those government organizations (public sector entities) that consider the CICA Public Sector Accounting Handbook appropriate. It replaces FINANCIAL STATEMENT PRESENTATION — FEDERAL, PROVINCIAL & TERRITORIAL GOVERNMENTS, paragraph PS 1200.014, and OBJECTIVES OF FINANCIAL STATEMENTS — LOCAL GOVERNMENTS, paragraph PS 1700.44.

The main features of the new Section are as follows:

- A public sector entity applies every primary source of GAAP, as defined.
- When a matter is not dealt with explicitly in the primary sources of GAAP, a public sector entity adopts accounting policies and disclosures that are:
 - consistent with the primary sources of GAAP; and
 - developed through the exercise of professional judgment and the application of the concepts described in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and OBJECTIVES OF FINANCIAL STATEMENTS — LOCAL GOVERNMENTS, Section PS 1700.
- Clarification that if the basis of accounting used to prepare financial statements in accordance with regulatory, legislative or contractual requirements conflicts with the requirements of the Section, that basis cannot be described as being in accordance with GAAP.
- Clarification that italicized and non-italicized paragraphs in Handbook Sections have equal authority.
- Identification of some other sources that an entity might consult to assist in selecting accounting policies and disclosures when a matter is not dealt with explicitly in the primary sources of GAAP.

The Section is effective for fiscal years beginning on or after April 1, 2005.

Measurement uncertainty, Section PS 2130

This new Section establishes disclosure standards relating to measurement uncertainty in government financial statements. It applies to federal, provincial, territorial and local governments.

The Section applies to both recognized and disclosed amounts presented in the financial statements.

Governments are required to implement the Section for fiscal years beginning on or after April 1, 2005.

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