

public sector accounting and auditing handbook revisions release no. 3

June 1996

ACCOUNTING RECOMMENDATIONS

Financial reporting entity, Section PS 1300 [JUNE 1996]

New.

Financial reporting entity, Section PS 1600

Withdrawn and replaced by new Section PS 1300. The former Recommendations in Section PS 1600 read as follows:

- .13 ♦ *The government reporting entity should comprise the organizations which are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the legislature and which are owned or controlled by the government.* [NOV. 1988]
 - .23 ♦ *Government financial statements should consolidate the financial statements of organizations comprising the government reporting entity, except for government enterprises, which should be accounted for by the modified equity method.* [NOV. 1988]
 - .26 ♦ *Government financial statements should account for long-term investments in organizations that do not form part of the government reporting entity by the cost method.* [NOV. 1988]
 - .29 ♦ *Government financial statements should disclose, in a note or schedule, a listing (or reference to a listing) of organizations comprising the reporting entity, separately identifying those that are consolidated and those that are accounted for by the modified equity method.* [NOV. 1988]
 - .33 ♦ *Government financial statements should disclose, in the notes or schedules, condensed supplementary financial information relative to government enterprises. Such financial information should be provided on:*
 - (a) *the financial position and results of operations including:*
 - (i) *total assets and liabilities segregated by main classification;*
 - (ii) *net assets or liabilities;*
 - (iii) *total revenues and expenses; and*
 - (iv) *net income or loss for the period;*
 - (b) *the nature and amount of any material adjustments of the net assets or the net income, as shown in the enterprises' financial statements, to arrive at the amount included in the government's statement of financial position and statement of revenues and expenditures;*
 - (c) *material transactions and balances with other organizations included in the government reporting entity; and*
 - (d) *material financial commitments and contingencies.* [NOV. 1988]
 - .35 ♦ *Government financial statements should disclose, in a note or schedule, any restrictions on the use of the net assets of a government enterprise.* [NOV. 1988]
 - .38 ♦ *Trusts administered by a government organization should be excluded from the government reporting entity.* [NOV. 1988]
 - .40 ♦ *Government financial statements should disclose, in a note or schedule, a description of trusts under administration by a government or government organization, and a summary of trust balances.* [NOV. 1988]
- Objectives of financial statements — local governments, Section PS 1700**
- Amended paragraphs 1700.69, .70, .71 and .73 to reflect terminology in Section 1300. The former wording of the Recommendation paragraph was as follows:
- .71 ♦ *The local government reporting entity should comprise those organizations which are accountable to the local government and are owned or controlled by the local government.* [NOV. 1990]

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