Closing the GAAP: New Public Sector Accounting Standards ("PSAS")

(includes developments to March 31, 2018)

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The following summarizes pronouncements that must be applied, if applicable, by an entity preparing financial statements in accordance with the CPA Canada Public Sector Accounting Handbook.

This ACS newsletter, which supersedes the information in previous Newsletter 2017-074, sets out new requirements by the year in which they are first effective, each year commencing April 1, and will be updated twice a year as at March 31 and September 30. Developments since the issue of the previous newsletter, if any, are highlighted in yellow.

While we have attempted to make this newsletter as complete as possible, it may not include all changes or modifications to existing authoritative literature that may affect a particular enterprise.



Developments related to 2017

Reference	Pronouncement and Effective Date Impacting 2017
Section PS 4250	Reporting controlled and related entities by NPOs Amended to conform definitions of "control" and "shared control" to those in Section PS 2200, *Related Party Disclosures*. Effective for years beginning on/after April 1, 2017.
Section PS 3210	Assets New section provides guidance for applying the definition of assets set out in *Section PS 1000, Financial Statement Concepts*, and establishes general disclosure standards for assets. Effective for years beginning on/after April 1, 2017.
Section PS 3320	Contingent assets New section defines and establishes disclosure standards on contingent assets. Effective for years beginning on/after April 1, 2017.
Section PS 3380	Contractual rights New section defines and establishes disclosure standards on contractual rights. Effective for years beginning on/after April 1, 2017.
Section PS 2200	Related party disclosures New section defines a related party and establishes disclosures required for related party transactions. Effective for years beginning on/after April 1, 2017.
Section PS 3420	Inter-entity transactions New section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Effective for years beginning on/after April 1, 2017.

Developments related to 2018

Reference	Pronouncement and Effective Date Impacting 2018
Section 3430	Restructuring transactions New section defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. Applies to restructuring transactions occurring in years beginning on/after April 1, 2018.

Developments related to 2019

Reference	Pronouncement and Effective Date Impacting 2019
Section PS 3450 **Section PS 1201** **Section PS 2601**	Financial instruments Transitional provisions amended in September 2015 to extend the effective date by three years to years beginning on/after April 1, 2019 (except for those government organizations that applied the CPA Canada Handbook – Accounting prior to their adoption of CPA Canada Public Sector Accounting Handbook in which case these sections apply for years beginning on/after April 1, 2012). These sections establish new recognition, measurement and disclosure requirements for financial instruments and the presentation of associated gains and losses, as well as related consequential amendments.
Section PS 3041	Portfolio investments Revises and replaces Section PS 3040. Expands scope to include interests in pooled investment funds. Conforms requirements with Section PS 3450. Section PS 3030 is also withdrawn. Effective in the period Section PS 3450 is adopted.
Section PS 3050	Loans Receivable Amended to specify use of the effective interest method when amortizing a loan discount. Effective in the period Section PS 3450 is adopted.
Section PS 3390	Contractual obligations Amended to clarify the interaction between Section PS 3390 and Section PS 3450. Effective in the period Section PS 3450 is adopted.
Section PS 3230	Long-term debt Amended to clarify the interaction between requirements that apply to derecognized assets in Section PS 3230 and Section PS 3450. Effective in the period Section PS 3450 is adopted.

Developments related to 2019

Reference	Pronouncement and Effective Date Impacting 2019
Section PS 2500	Consolidation Amended to clarify that any unrealized gain or loss attributable to the derecognition of financial assets and liabilities in the fair value category due to inter-governmental sales or transfers would be eliminated from the consolidated statement of operations. Effective in the period Section PS 3450 is adopted.
Section PS 3070	Investments in government business enterprises Amended to delete paragraph PS 3070.39 as the constructive retirement of a debt obligation in situations outlined in PS 3070.35-.38 is consistent with requirements to eliminate intergovernmental unit transactions and balances and derecognize liabilities. Effective in the period Section PS 3450 is adopted.

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