

Ministry of Finance

Notification of the impact of a change to the accounting policies pursuant to the Budget Transparency and Accountability Act, Section 11(2)

Change to accounting policies with the adoption of PS 3280 Asset Retirement Obligations.

Government adopted the PS 3280 asset retirement obligations accounting standard effective April 1, 2022. This standard provides guidance on the recognition and reporting of legal obligations associated with the retirement of tangible capital assets. Liabilities from asset retirement obligations were recorded and disclosed in the 2022/23 Public Accounts with restatement of prior years.

The impact of the adoption of this standard on the 2022/23 Public Accounts was an increase in liabilities of \$1,826 million, an increase in non-financial assets of \$131 million, a decrease in accumulated surplus of \$1,548 million and an increase in expense of \$147 million.

Change to accounting policies with the adoption of PS 3450 Financial Instruments, PS2601 Foreign Currency Translation, PS3041 Portfolio Investments and PS1201 Financial Statement Presentation.

Government adopted the PS 3450 financial instruments and related accounting standards effective April 1, 2022. These standards provide guidance on the recognition and reporting of financial instruments, including debt, derivatives and investments.

The impact of the adoption of this standard on the 2022/23 Public Accounts was an increase in financial assets of \$11 million, an increase in debt of \$472 million, recognition of derivative financial instruments of \$368 million, and \$829 million in net unrealized remeasurement losses.

Respectfully submitted,



Honourable Katrine Conroy
Chair, Treasury Board