

Ministry of Finance

Notification of the impact of a change in the composition of the government reporting entity pursuant to the *Budget Transparency and Accountability Act*, Section 11(1)

- **Change in the composition of the government reporting entity with the removal of the Real Estate Errors and Omissions Insurance Corporation.**

On March 25, 2021, legislative amendments were made to the *Real Estate Services Act*, which resulted in the Real Estate Errors and Omissions Insurance Corporation no longer meeting the criteria for being included as part of the government reporting entity. These changes were effective August 1, 2021, resulting in accounting impacts in the 2021/22 fiscal year.

This change has been made in accordance with generally accepted accounting principles, which require organizations that are controlled by the government be included in the government reporting entity. Control is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the government from the other organization's activities.

This change has the following effect on the Province's summary financial statements in the Public Accounts for the 2021/22 fiscal year: \$29 million reduction in the net income of self-supported Crown corporations and agencies.

Respectfully submitted,



Honourable Selina Robinson
Minister of Finance

March 18, 2022

Date