



PSAB AT A GLANCE

Section PS 3230 - Long-term Debt

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FINANCIAL STATEMENT PRESENTATION

- A government's long-term debt at the end of the accounting period must be presented on its Statement of Financial Position.
- A government must provide the following information when it has externally restricted sinking funds set aside to retire its long-term debt:
 - The gross amount of the long-term debt to be retired by the sinking funds; and
 - The amount of the sinking fund assets available to retire the debt.

DEBT ISSUED ON BEHALF OF GOVERNMENT BUSINESS ENTERPRISES

- Other than in the circumstances outlined in paragraph PS 3230.10, when a government issues debt and some or all of the proceeds of the debt are subsequently loaned to a government business enterprise, the government must:
 - Recognize in the consolidated Statement of Financial Position, a liability for the entire amount borrowed from sources external to the reporting entity and a financial asset for the related receivable from the government business enterprise; and
 - Recognize in the consolidated Statement of Operations, an expense for the interest on the entire amount of the debt borrowed and revenue for the related interest earned from the government business enterprise.
- When a government issues debt and there is sufficient evidence the debt has been issued specifically on behalf of a government business enterprise:
 - The government's consolidated Statement of Financial Position must present on a net basis, the debt issued on behalf of the government business enterprise and the related receivable from the government business enterprise; and
 - The government's consolidated Statement of Operations must present on a net basis, the interest expense on the debt issued on behalf of the government business enterprise and the related interest revenue from the government business enterprise.
 - Refer to paragraph PS 3230.12 for guidance on when there is sufficient evidence that a government has specifically issued debt on behalf of a government business enterprise.



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