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# A New Era for Public Sector Financial Reporting

## New PSAS Section PS 1202 – Financial Statement Presentation

The Public Sector Accounting Board (PSAB) has introduced Section PS 1202 – Financial Statement Presentation, effective for fiscal years beginning on or after April 1, 2026. The new reporting model reshapes how public sector entities present and disclose financial information, adding new statements and refining existing ones to improve transparency and comparability. Entities should begin preparing now to ensure a smooth transition ahead of the effective date.

### Key changes at a Glance

Statement of Financial Position	Significantly restructured
Statement of Net Financial Assets (Net Financial Liabilities)	New statement displaying revised calculation of net debt
Statement of Change in Net Financial Assets/Net Debt	Removed
Statement of Changes in Net Assets (Net Liabilities)	New statement showing reconciliation between opening and closing balances of each component of net assets
Statement of Cashflow	Restructured that financing activities separated from other items
Budget	New budget requirements

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### **Software**

Consider whether software and templates require updates to support the new presentation.



### **Liability classification**

Classification of liabilities as financial or non-financial may require professional judgment.



### **Prior period amounts**

Prior-year figures must be restated to conform to the new presentation.



### **Budget requirement**

Consider whether budget tracking and approval processes require updates.



### **Other consequential amendments**

Consider other amendments to other handbook sections, including Section PS 1300, Government reporting entity.

## **Action Checklist: What should you do**

- Understand the impact: Review the new requirements to determine how your current financial statements and reporting packages will be affected.
- Assess policies and templates: Update financial statement formats, accounting policies, and internal templates as needed.
- Plan for software updates: Confirm that financial reporting tools can support the revised presentation and disclosure requirements.
- Train key personnel: Ensure finance and audit teams are informed and prepared for the changes.
- Engage stakeholders: Communicate anticipated impacts to councils, boards, and oversight bodies.
- Prepare early: Develop an implementation timeline to meet the April 1, 2026 effective date.

