

2023 Financial Information Return Proposed Changes

Questions & Answers

Background

The Ministry of Municipal Affairs and Housing (MMAH) is updating the 2023 Financial Information Return (FIR) to reflect recent Public Sector Accounting Standard changes, among other changes.

The Ministry is inviting interested parties to provide feedback on proposed changes by April 30, 2023, at FIR.MAH@ontario.ca or by completing a short [survey](#).

Please note: The draft 2023 FIR template should not be considered final. Additional amendments may be made to the template following the feedback period.

Questions

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1. Why is the 2023 FIR being updated?

The FIR template is updated annually to ensure data collected remains relevant and reliable. Annual updates can include re-labeling existing data points (e.g., when grant programs are renamed), adding datapoints (e.g., inclusion of Safe Restart Agreement funding in the 2020 FIR), removing data points (e.g., when programs sunset), and streamlining reporting (e.g., automatic population of cells).

Recent changes to Public Sector Accounting Standards (PSAS) necessitate a more extensive update to the 2023 FIR than usual. To identify PSAS-related changes in the draft

2023 FIR look for the colours blue (Asset Retirement Obligations) or green (Financial Instruments).

Additional changes are also being proposed to the 2023 FIR which are intended to:

- Reduce municipal reporting burden by consolidating three schedules into one
- Provide FIR stakeholders with more useful data to inform policy development

Proposed non-PSAB related changes are the colour orange in the draft 2023 FIR.

2. What are the new Public Sector Accounting Standards in effect for 2023?

As per Financial Reporting & Assurance Standards Canada, by April 1, 2022 (January 1, 2023, for Ontario municipalities) public sector entities must adopt the following new standards:

Standard	Application
<i>Financial Statement Presentation, Section PS 1201</i>	When Sections PS 2601 and PS 3450 are adopted.
<i>Foreign Currency Translation, Section PS 2601</i>	Fiscal years beginning on or after April 1, 2022, except for government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook. Earlier adoption is permitted when adopting Sections PS 1201 and PS 3450.
<i>Portfolio Investments, Section PS 3041</i>	When Sections PS 1201, PS 2601 and PS 3450 are adopted.
<i>Financial Instruments, Section PS 3450</i>	Fiscal years beginning on or after April 1, 2022, except for government organizations that applied the CPA Canada Handbook – Accounting prior to adopting the CPA Canada Public Sector Accounting Handbook. Earlier adoption is permitted when adopting Sections PS 1201 and PS 2601.
<i>Asset Retirement Obligations, Section PS 3280</i>	Fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted.

Consult with a municipal auditor to learn more about PSAS.

3. Which FIR Schedules are changing?

The following table summarizes the proposed changes by FIR Schedule:

FIR Schedule	Summary of Changes
Schedule 10 Consolidated Statement of Operations – Revenue	<ul style="list-style-type: none"> • Lines renamed, and new lines added to present results from operations separately from remeasurement gains (losses)

FIR Schedule	Summary of Changes
Schedule 51 Schedule of Tangible Capital Assets	<ul style="list-style-type: none"> Streamlined by consolidating three Tangible Capital Asset schedules into one to show capital assets by both functional classification and asset class Updated schedule to include new column for asset retirement costs associated with a tangible capital asset
Schedule 53 Consolidated Statement of Change in Net Financial Assets (Debt)	<ul style="list-style-type: none"> New line added for accretion expense New lines added for separate presentation of increase/ decrease in net financial assets (debt) resulting from remeasurement gains (losses)
Schedule 54B Consolidated Statement of Cash Flow – Indirect Method	<ul style="list-style-type: none"> New line added for accretion expense
Schedule 70 Consolidated Statement of Financial Position	<ul style="list-style-type: none"> New asset and liability lines added to align with new standards Lines removed that are no longer required
NEW! Statement 71 Consolidated Statement of New Remeasurement Gains (Losses)	<ul style="list-style-type: none"> New statement introduced to report remeasurement gains or losses
NEW! Statement 74E Statement of Asset Retirement Obligation Liability	<ul style="list-style-type: none"> New statement introduced to capture details of Asset Retirement Obligation liabilities by functional classification

4. Where can I find the new schedules?

The new schedules are available on the FIR [website](#) in PDF format.

5. How do I submit feedback about the proposed changes?

The Ministry would very much appreciate your feedback. You can submit your comments either by:

- Completing a short survey ([link here](#)) about the proposed changes; or
- Submitting an email to FIR.MAH@ontario.ca

6. Is this the final version of the 2023 FIR?

No. The PDF of the 2023 FIR contains proposed changes only. The Ministry is interested in collecting feedback from stakeholders prior to finalizing the 2023 FIR.

Additional updates may be made to the 2023 FIR prior to its publication.

7. When will I see the final version of the 2023 FIR?

The Ministry will endeavour to make a PDF of the final 2023 FIR available prior to the end of the 2023 calendar year.

8. Questions for consideration when reviewing the changes

When reviewing the proposed changes to the 2023 FIR, please consider the following:

- a. Have the proposed PSAB-related changes adequately captured the changes reflected in the new PSAB standards?
- b. Are there any PSAB-related changes that you feel were missed, including changes in FIR schedules not included in the draft 2023 FIR?
- c. Please let us know your thoughts on proposed non-PSAB related changes, specifically, streamlining Schedule 51 Tangible Capital Assets.
- d. Are there any other suggested changes (either PSAB-related changes or non-PSAB-related improvements) that the Ministry should consider for the 2023 FIR?

9. Who has the Ministry consulted with to date about the proposed changes?

The Ministry has engaged in targeted consultations with various internal and external stakeholders, including the Municipal Finance Officers' Association (MFOA) accounting working groups and municipal auditors.