

Illustrative Financial Statement Structure
Appendix International Public Sector Accounting Standar (IPSAS 1)

This appendix is illustrative only and does not form part of the standards. The purpose of the appendix is to illustrate the application of the standards and to assist in clarifying their meaning.

The Standard sets out the components of financial statements and minimum requirements for disclosure on the face of the statement of financial position and the statement of financial performance as well as for the presentation of changes in net assets/equity. It also establishes further items that may be presented either on the face of the relevant financial statement or in the notes.

The purpose of this appendix is to provide examples of the ways in which the requirements for the presentation of the statement of financial performance, statement of financial position and changes in net assets/equity might be presented in the primary financial statements. The order of presentation and the descriptions used for line items should be changed where necessary in order to achieve a fair presentation in each entity's particular circumstances. For example, line items of a public sector entity such as a defense department are likely to be significantly different from those for a central bank. The financial statements have been prepared for a national government and the statement of financial performance (by function) illustrates the functions of government classifications used in the Government Finance Statistics. These functional classifications are unlikely to apply to all public sector entities. Refer to this Standard for an example of more generic functional classifications for other public sector entities.

**PUBLIC SECTOR ENTITY-STATEMENT OF ACCOUNTING POLICIES
(EXTRACT)**

Reporting entity

These financial statements are for a public sector entity (national government of Country A). The financial statements encompass the reporting entity as specified in the relevant legislation (Public Finance Act 20XX). This comprises:

- central government ministries; and
- Government Business Enterprises.

Basis of preparation

The financial statements comply with International Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluations of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

PUBLIC SECTOR ENTITY — STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 20X2
(in thousands of currency units)

	20X2	20X2	20X1
20X1			
ASSETS			
Current assets			
Cash and cash equivalents	X		X
Receivables	X		X
Inventories	X		X
Prepayments	X		X
Investments	<u>X</u>		<u>X</u>
		X	
X			
Non-current assets			
Receivables	X		X
Investments	X		X
Other financial assets	X		X
Infrastructure, plant and equipment	X		X
Land and buildings	X		X
Intangible assets	X		X
Other non-financial assets	<u>X</u>		<u>X</u>
		<u>X</u>	
<u>X</u>			
Total assets		<u>X</u>	
<u>X</u>			
LIABILITIES			
Current liabilities			
Payables	X		X
Short-term borrowings	X		X
Current portion of borrowings	X		X
Provisions	X		X
Employee benefits	X		X
Superannuation	<u>X</u>		<u>X</u>
		X	
X			
Non-current liabilities			
Payables	X		X
Borrowings	X		X
Provisions	X		X
Employee benefits	X		X
Superannuation	X		X
	<u>X</u>		<u>X</u>
Total liabilities		<u>X</u>	
<u>X</u>			

Net assets _____X
____X

NET ASSETS/EQUITY

Capital contributed by other government entities	X		X
Reserves	X		X
Accumulated surpluses/(deficits)	____X		____X

	X		
Minority interest		____X	
	____X		

Total net assets/equity _____X
____X

PUBLIC SECTOR ENTITY — STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 20X2
(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY FUNCTION)
(in thousands of currency units)

20X1	20X2
Operating revenue	
Taxes	X
X	
Fees, fines, penalties and licenses	X
X	
Revenue from exchange transactions	X
X	
Transfers from other government entities	X
X	
Other operating revenue	<u>X</u>
<u>X</u>	
Total operating revenue	<u>X</u>
<u>X</u>	
 Operating expenses	
General public services	X
X	
Defense	X
X	
Public order and safety	X
X	
Education	X
X	
Health	X
X	
Social protection	X
X	
Housing and community amenities	X
X	
Recreational, cultural and religion	X
X	
Economic Affairs	X
X	
Environmental protection	<u>X</u>
<u>X</u>	
Total operating expenses	<u>X</u>
<u>X</u>	
 Surplus/(deficit) from operating activities	 X
X	

Finance costs (X)	(X)
Gains on sale of property, plant and equipment <u> X</u>	<u> X</u>
Total non-operating revenue (expenses) (X) <u> X</u>	<u> (X)</u>
Surplus/(deficit) from ordinary activities X	X
Minority interest share of surplus/(deficit) <u> (X)</u>	<u> (X)</u>
Net surplus/(deficit) before extraordinary items X	X
Extraordinary items <u> (X)</u>	<u> (X)</u>
Net surplus/(deficit) for the period <u> X</u>	<u> X</u>

PUBLIC SECTOR ENTITY-STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 20X2
(ILLUSTRATING THE CLASSIFICATION OF EXPENSES BY NATURE)
(in thousands of currency units)

	20X2
20X1	
Operating revenue	
Taxes	X
X	
Fees, fines, penalties and licenses	X
X	
Revenue from exchange transactions	X
X	
Transfers from other government entities	X
X	
Other operating revenue	X
X	
Total Operating Revenue	X
X	
 Operating expenses	
Wages, salaries and employee benefits	X
X	
Grants and other transfer payments	X
X	
Supplies and consumables used	X
X	
Depreciation and amortization expense	X
X	
Other operating expenses	X
X	
Total Operating Expenses	X
X	
 Surplus/(deficit) from operating activities	 X
X	
 Finance costs	 (X)
(X)	
 Gains on sale of property, plant and equipment	 X
X	
Total non-operating revenue (expenses)	(X)
(X)	
 Surplus/(deficit) from ordinary activities	 X

X	
Minority interest share of surplus/(deficit) (X)	(X)
Net surplus/(deficit) before extraordinary items X	X
Extraordinary items (X)	(X)
Net surplus/(deficit) for the period X	X

**PUBLIC SECTOR ENTITY-STATEMENT OF CHANGES IN NET
ASSETS/EQUITY FOR THE YEAR ENDED 31 DECEMBER 20X2**
(in thousands of currency units)

Accumulated Surpluses/	Total	Contributed Capital	Revaluation Reserve	Translation Reserve (Deficits)
Balance at 31 December 20X0 X		X	X	(X) X
Changes in accounting policy <u>(X)</u>		<u>(X)</u>		<u>(X)</u>
Restated balance X		X	X	X X
Surplus on revaluation of property X			X	
Deficit on revaluation of investments (X)			(X)	
Currency translation differences <u>(X)</u>				<u>(X)</u>
Net gains and losses not recognized in the statement of financial performance X			X	(X)
Net surplus for the period X				X
Balance at 31 December 20X1 X		X	X	(X) X
Deficit on revaluation of property (X)		(X)		
Surplus on revaluation of investments X			X	
Currency translation differences <u>X</u>				<u>(X)</u>

Net gains and losses not recognized in the statement of financial performance (X)	(X)	(X)		
Net deficit for the period <u>(X)</u>				<u>(X)</u>
Balance at 31 December 20X2 <u>X</u>	<u>X</u>	<u>X</u>	<u>(X)</u>	<u>X</u>

