

**FINANCIAL INTELLIGENCE AGENCY**

Financial Statements

For the Year Ended March 31, 2023




## Management's Responsibility for the Financial Statements

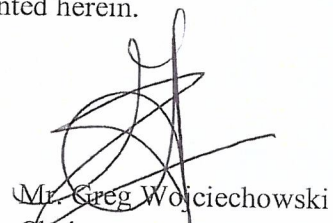
These financial statements have been prepared by management, who are responsible for the reliability, integrity and objectivity of the information provided. The preparation of financial statements necessarily involves using management's best estimates and judgments, where appropriate.

Management is responsible for maintaining a comprehensive system of accounting records, internal controls, policies and management practices, designed to provide reasonable assurance that transactions are properly authorized and in compliance with legislation, assets are safeguarded, and reliable financial information is available on a timely basis.

The Financial Intelligence Agency's Board of Directors, are responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. They meet periodically with management to discuss matters relating to financial reporting, internal control and audits. They also review the financial statements before approval. The financial statements have been approved by the Board of Directors and have been examined by the Office of the Auditor General.

The accompanying Independent Auditor's Report is presented herein.

  
Mr. Calon Hollis  
Director

  
Mr. Greg Wojciechowski  
Chairman

DATE September 18, 2023

FINANCIAL INTELLIGENCE AGENCY

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### **INDEPENDENT AUDITOR'S REPORT**

To the Minister of Legal Affairs and Constitutional Reform

#### **Opinion**

I have audited the financial statements of the Financial Intelligence Agency, which comprise the statement of financial position as at March 31, 2023, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Financial Intelligence Agency as at March 31, 2023, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Financial Intelligence Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in Bermuda, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with public sector accounting standards generally accepted in Bermuda and Canada, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Financial Intelligence Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Financial Intelligence Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Financial Intelligence Agency's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Bermuda and Canada will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Bermuda and Canada, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements (whether due to fraud or error), design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Intelligence Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Intelligence Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Financial Intelligence Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Office of the Auditor General website at: [www.oagbermuda.bm](http://www.oagbermuda.bm). This description forms part of our auditor's report.



Heather Thomas, CPA, CFE, CGMA  
Auditor General

Hamilton, Bermuda  
September 18, 2023

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2023

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	417,729	292,562
	417,729	292,562
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	28,141	49,055
Employee future benefits and compensated absences	32,372	46,234
Due to the Government of Bermuda (Note 5)	53,194	63,689
	113,707	158,978
<b>NET FINANCIAL ASSETS</b>	304,022	133,584
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	86,795	32,260
Tangible capital assets (Note 4)	23,002	36,935
	109,797	69,195
<b>ACCUMULATED SURPLUS</b>	413,819	202,779
<b>CONTRACTUAL OBLIGATIONS (Note 10)</b>		

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2023

	2023 \$ Budget (Note 11)	2023 \$ Actual	2022 \$ Actual
REVENUES			
Government of Bermuda grant (Note 5)	1,625,500	1,625,500	1,624,500
Special Government grant (Note 5)	-	76,322	-
	<u>1,625,500</u>	<u>1,701,822</u>	<u>1,624,500</u>
EXPENSES			
General administration (Note 6)	1,763,189	1,438,055	1,673,919
Professional services (Note 6)	31,000	38,794	43,972
Amortization of tangible capital assets (Note 4)	-	13,933	13,871
	<u>1,794,189</u>	<u>1,490,782</u>	<u>1,731,762</u>
ANNUAL SURPLUS (DEFICIT)	<u>(168,689)</u>	211,040	(107,262)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>202,779</u>	<u>310,041</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>413,819</u>	<u>202,779</u>

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
	\$	\$
NET FINANCIAL ASSETS, BEGINNING OF YEAR	133,584	240,436
Annual surplus (deficit)	211,040	(107,262)
Change in prepaid expenses	(54,535)	1,209
Acquisition of tangible capital assets (Note 4)	-	(14,670)
Amortization of tangible capital assets (Note 4)	13,933	13,871
Change in net financial assets	170,438	(106,852)
NET FINANCIAL ASSETS, END OF YEAR	304,022	133,584

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	211,040	(107,262)
Adjustment for items not affecting cash:		
Amortization of tangible capital assets	13,933	13,871
Change in non-cash working capital items:		
(Decrease) increase in accounts payable and accrued liabilities	(20,914)	9,934
(Decrease) increase in employee future benefits and compensated absences	(13,862)	1,143
Decrease in due to the Government of Bermuda	(10,495)	(773)
(Increase) decrease in prepaid expenses	(54,535)	1,209
	125,167	(81,878)
<b>CASH FLOWS USED IN CAPITAL ACTIVITY</b>		
Purchase of tangible capital assets	-	(14,670)
<b>NET INCREASE (DECREASE) IN CASH</b>	125,167	(96,548)
<b>CASH, BEGINNING OF YEAR</b>	292,562	389,110
<b>CASH, END OF YEAR</b>	417,729	292,562

The accompanying notes are an integral part of these financial statements

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

1. AUTHORITY

The Financial Intelligence Agency (the “Agency”) was established by Section 3 of the Financial Intelligence Agency Act 2007 (the “Act”) on November 15, 2008. The Agency is designated as the central reporting authority in Bermuda to receive, gather, store, analyse and disseminate reports of suspected proceeds of crime and potential financing of terrorism. Section 4 of the Act states that a Board of Directors (the “Board”) shall be appointed by the Minister responsible for Justice who is to be responsible for managing the affairs and business of the Agency. The Agency is operationally independent and is required by law to have the autonomous authority and capacity to carry out its functions of analyzing, requesting and disseminating information freely. Section 6 of the Act also mandates that the Agency shall have the independent operational authority to acquire and deploy the necessary human resources needed to carry out its functions free from any undue influence (including political, governmental or industry-specific undue influence) that may compromise the operational independence of the Agency. Section 8 of the Act states that the funds of the Agency shall consist of such sums paid out of the Confiscated Assets Fund and such sums as may be appropriated by the Legislature for the purpose of the Agency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada, the Agency is classified as an other government organization. These financial statements have been prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada and the accounting policies considered particularly significant are as follows:

(a) Cash

Cash includes all cash held with financial institutions that can be withdrawn without prior notice or penalty.

Cash as at March 31, 2023 includes \$10,000 of restricted cash which represents monies held by the bank as partial cash security on the credit cards held by employees of the Agency.

(b) Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	- 3 years
Furniture and fixtures	- 3 - 10 years
Computer software	- 10 years
Leasehold improvements	- the lesser of 10 years or the lease term

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Agency’s ability to provide goods and services, or the value of future economic benefits associated with the capital asset is less than its net book value. In either case the cost of the tangible capital asset is reduced to reflect the decline in the asset’s value.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Revenue recognition

The Government of Bermuda (the “Government”) operating grants received and receivable for use in the day-to-day operations of the Agency are recognised as revenue on the statement of operations and accumulated surplus in the year to which the transfer is authorised. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability.

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current period and are not intended for sale in the normal course of operations.

(e) Translation of foreign currencies

Monetary and non-monetary assets and liabilities in foreign currencies are translated to Bermuda dollars at rates of exchange in effect at the statement of financial position date.

Revenues and expenses are translated at the exchange rate in effect at the transaction date.

(f) Measurement uncertainty

The preparation of financial statements in accordance with public sector accounting standards generally accepted in Bermuda and Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of estimates includes the estimated useful lives of tangible capital assets and accruals'. Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates.

(g) Subsequent events

Post-year-end events that provide additional information about the Agency’s position at the statement of financial position date (adjusting events) are reflected in the financial statements.

Post-year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instruments

The Agency classifies its financial instruments under cost or amortized cost category.

Cash:

Cash is recognized at cost.

Liabilities:

Accounts payable and accrued liabilities, employee future benefits and compensated absences, and due to the Government of Bermuda are recognized at cost.

Transaction costs related to the financial instruments are added to the carrying value of financial instruments in the cost category when they are initially recognized.

Write-downs on financial assets are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations and accumulated surplus.

It is management's opinion that the Agency is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

(i) Remeasurement gains and losses

A statement of remeasurement gains and losses has not been presented as the Agency does not have any significant financial assets or liabilities that would give rise to remeasurement gains or losses.

3. ECONOMIC DEPENDENCE

The Agency is economically dependent upon the Government and receives an annual grant to fund its daily operations and cash flow. The ability of the Agency to continue as a going concern and discharge its liabilities in the normal course of business is dependent upon the continued support of the Government. During the year, the Agency received an operating grant of \$1,625,500 (2022 - \$1,624,500). In addition, the Government has committed to a grant of \$1,625,500 for the year ended March 31, 2024.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

4. TANGIBLE CAPITAL ASSETS

2023

	Furniture and fixtures	Computer equipment	Computer software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Opening cost	42,980	383,047	339,780	43,553	809,360
Additions	-	-	-	-	-
Closing cost	42,980	383,047	339,780	43,553	809,360
Opening accumulated amortization	42,980	363,419	322,473	43,553	772,425
Amortization	-	10,235	3,698	-	13,933
Closing accumulated amortization	42,980	373,654	326,171	43,553	786,358
Net book value	-	9,393	13,609	-	23,002

2022

	Furniture and fixtures	Computer equipment	Computer software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Opening cost	42,980	368,377	339,780	43,553	794,690
Additions	-	14,670	-	-	14,670
Closing cost	42,980	383,047	339,780	43,553	809,360
Opening accumulated amortization	42,980	353,247	318,774	43,553	758,554
Amortization	-	10,172	3,699	-	13,871
Closing accumulated amortization	42,980	363,419	322,473	43,553	772,425
Net book value	-	19,628	17,307	-	36,935

As of March 31, 2023, the Agency had fully amortized assets in use, with a cost of \$741,508 (2022 - \$741,508).

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

5. RELATED PARTY TRANSACTIONS

The Agency is related to all Government departments, ministries, funds and agencies and quasi autonomous non-governmental organizations under the common control of the Government. Also, the Agency is related to organizations that the Government jointly controls or significantly influences. The Agency enters into transactions with these entities in the normal course of business and such transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties. Significant related party transactions are as follows:

(a) Government of Bermuda

During the year, the Government of Bermuda provided an operating grant of \$1,625,500 (2022 - \$1,624,500) to the Agency. Additionally, the Agency received a special grant of \$76,322 (2022 - nil), from the Confiscated Assets Fund to purchase cryptocurrency investigation software.

(b) Due to the Government of Bermuda

The Agency had transactions totaling \$194,874 (2022 - \$234,403) relating to payroll tax, pension contributions, health insurance and social insurance, of which \$53,194 (2022 - \$63,689) was owed to the Government at year end.

(c) Other

During the year, the Agency paid Directors of the Agency fees in the amount of \$16,548 (2022 - \$23,912). The amount includes nil (2022 - \$4,410) payment to a Director who was previously disqualified for appointment because he was a member of the Legislature. As per the legislation, members of the Legislature are not permitted to serve as Directors of the Agency. As a result, the Director resigned from his position with the Agency effective April 1, 2022.

6. EXPENSES BY OBJECT

	2023	2023	2022
	\$	\$	\$
	Budget	Actual	Actual
General administration			
Salaries and employee benefits (Notes 7)	1,203,973	938,794	1,157,417
Rent (Note 10)	145,854	138,561	138,561
Computer expenses	121,000	135,677	132,652
Payroll tax	109,512	82,275	108,614
Equipment rental and maintenance	53,000	52,769	50,960
Communication costs	31,100	30,299	32,290
Directors' fees (Note 5)	25,000	16,548	23,912
Membership fees	14,500	13,290	13,134
Office maintenance	11,600	10,799	9,510
Travel and entertainment	11,000	7,975	-
Insurance	10,000	4,084	3,852
Office supplies and expenses	8,500	3,885	2,102
Miscellaneous	4,000	3,099	915
Education, training and awareness	14,150	-	-
	<u>1,763,189</u>	<u>1,438,055</u>	<u>1,673,919</u>

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

6. EXPENSES BY OBJECT (continued)

	2023 \$ Budget	2023 \$ Actual	2022 \$ Actual
Professional services			
Recruiting fees	16,000	22,000	24,372
Audit fees	10,000	13,194	16,000
Accounting fees	5,000	3,600	3,600
	31,000	38,794	43,972

7. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

(a) Pension plan

All employees of the Agency are covered by the Public Service Superannuation Fund (the "Fund") administered by the Government. Contributions to the Fund are required from both the employee and the Agency. These contributions represent the total liability of the Agency and are recognised in the accounts on a current basis.

Contributions to the Fund are 8% of gross salary and are matched by the Agency.

The Agency is not required under present legislation to make contributions with respect to actuarial deficiencies of the Fund. As a result, the current year contributions to the Fund represent the total liability of the Agency. The total pension expense contributed by the Agency during the year amounted to \$61,073 (2022 - \$66,855) and is included in Salaries and employee benefits in the statement of operations and accumulated surplus.

The Agency has an outstanding pension contribution amounting to \$10,279 (2022 - \$11,112) to the Fund, and this balance is included in due to the Government of Bermuda in the statement of financial position.

(b) Compensated absences

Compensated absences include maternity and paternity leave, sick leave and vacation days. All these benefits are unfunded.

Maternity and paternity leave do not accumulate or vest and therefore an expense and liability is only recognised when applied for and approved. There were no maternity or paternity benefits applied for or approved during the current year and therefore, no liability has been accrued in the financial statements.

Sick leave does not accumulate or vest, and like maternity and paternity leave, a liability is recorded only when extended leave is applied for and approved. There was no extended sick leave applied for or approved during the current year and therefore, no liability has been accrued in the financial statements.

Vacation days accumulate and vest and therefore a liability has been accrued at year end. The accrued vacation liability as at March 31, 2023 is \$32,372 (2022 - \$46,234) and is presented as liabilities for employee future benefits and compensated absences in the statement of financial position.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

8. FINANCIAL RISK MANAGEMENT

The Agency is exposed to various risks through its financial instruments. The Board has overall responsibility for the establishment and oversight of its risk management framework. The Agency manages its risks and risk exposures through sound business practices. The following analysis provides a measure of the risks at the reporting date, March 31, 2023.

There have been no significant changes from the previous year in the exposure to risk policies, procedures and methods to measure risk.

(a) Credit risk

Credit risk arises from cash held with banks. The maximum exposure to credit risk is equal to the carrying values of these financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets.

The Agency determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. It is management's opinion that the Agency is not exposed to significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk the Agency will not be able to meet its financial obligations as they fall due. The Agency's objective in managing liquidity is to ensure that it will always have sufficient liquidity to meet its commitments when due, without incurring unacceptable losses or risking damage to the Agency's reputation. The Agency manages exposure to liquidity risk by closely monitoring supplier and other liabilities, focusing on generating positive cash flows from operations and establishing and maintaining good relationships with various financial institutions.

The expected cash flows of financial liabilities for accounts payable and accrued liabilities, employee future benefits and compensated absences and due to the Government of Bermuda are current.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the fair value of recognised assets and liabilities or future cash flows of the Agency's results of operations. The Agency has minimal exposure to market risk.

(i) Foreign exchange risk

The Agency's business transactions are mainly conducted in Bermuda dollars and, as such, it has minimal exposure to foreign exchange risk.

(ii) Interest rate risk

The Agency is exposed to changes in interest rates, which may impact interest revenue on cash deposits. The Agency's accounts payable and accrued liabilities are non-interest bearing.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

9. CAPITAL MANAGEMENT

The Agency's objective when managing capital is to hold sufficient accumulated surplus to enable it to withstand negative unexpected financial events. The Agency seeks to achieve this objective through receipt of grants from the Government. The Agency maintains sufficient liquidity to meet its short-term obligations as they come due. The Agency is not subject to any externally imposed capital requirements.

10. CONTRACTUAL OBLIGATIONS

The Agency entered into a new five-year lease of the premises currently occupied by the Agency effective November 15, 2020 with an annual rent of \$138,561. The remaining obligation under this lease is \$363,723.

The lease agreement also calls for the Agency to pay a maintenance expense of \$3,912 per month. The remaining obligation under this lease is \$123,228.

Further, the agreement stipulates that at the end of each year, the landlord is required to produce accounts showing the actual maintenance expenses for that period. If the actual maintenance expense is less than the monthly amount noted herein, the balance is to be remitted to the Agency. Conversely, if the actual maintenance expense is more than the monthly amount paid by the Agency, the difference is to be paid by the Agency. These adjustments are recorded on an as notified basis.

Other contractual obligations will become due in the future when the terms of the contracts are met. Disclosure relating to the unperformed portion of these contracts are as follows:

Service	2024	2025 and beyond
	\$	\$
goAML Support services	39,800	-
Managed IT Services	8,550	-
Digicel Internet services	953	-

11. BUDGET

Budget amounts represent the operating budget approved by the Board on April 14, 2022 and is presented using a basis consistent with that used for actual results.

FINANCIAL INTELLIGENCE AGENCY  
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

12. FUTURE CHANGES IN ACCOUNTING STANDARDS

A number of new standards and amendments to standards issued by PSAB are not yet effective and have not been applied in preparing these financial statements.

In particular, the following accounting standards are effective for financial statements on or after April 1, 2023:

PS 3400 – Revenue

PS 3400 provides guidance on how to account for revenue and differentiates between revenue arising from those transactions that include performance obligations and those that do not have performance obligations. Revenue from transactions with performance obligations should be recognized when (or as) the public sector entity satisfies a performance obligation by providing the promised goods or services to a payer. Revenue from transactions with no performance obligations should be recognized when a public sector entity has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. This standard is effective for the year ending March 31, 2024. The extent of the impact on adoption of this accounting standard is not known at this time.

PS 3160 – Public Private Partnerships

PS 3160 Establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This standard is effective for the year ending March 31, 2024 and is not expected to impact the financial statements of the Agency.

PSG-8 – Purchased Intangibles, PSG-8

Establishes the definition of purchased intangibles and provides guidance on the recognition of, accounting for, and classification of purchased intangible assets that are within the scope of PSG-8. This standard is effective for the year ending March 31, 2024 and is not expected to impact the financial statements of the Agency.