

**public sector accounting handbook  
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**HIGHLIGHT SUMMARY**

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

**Government partnerships, Section PS 3060**

This new Section defines a government partnership and a government business partnership and outlines Recommendations that deal with how to account for and report a government's interest in government partnerships in the government's summary financial statements.

The new Recommendations require that:

- Government partnerships other than government business partnerships should be accounted for using proportionate consolidation.
- Government business partnerships should be accounted for using the modified equity method.
- Deferred gains on assets invested in a government partnership, other than a government business partnership, should not be amortized. Such deferred gains would be recognized as revenue when the government partnership is dissolved.
- Deferred gains on assets invested in a government business partnership should be amortized. Remaining unamortized gains would be recognized as revenue when the asset is sold.
- Deferred gains on assets invested should be reported with liabilities.
- Tangible capital assets invested in a government partnership would be reported in accordance with relevant Recommendations in other Sections of this Handbook.

The disclosure requirements, which are consistent with those for government business enterprises, require disclosure of:

- commitments and contingencies related to government partnerships; and
- details about a government's interests in government partnerships.

The new Recommendations apply to federal, provincial, territorial and local governments.

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