
In Brief

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AWARDS

Recognizing Reporting Excellence in Canada

Inside GFOA's Canadian Award for Excellence in Financial Reporting, and the municipalities leading the way

BY JIM PHILLIPS

GFOA established the Canadian Award for Excellence in Financial Reporting (CAnFR) program in 1986 to help Canadian local governments go beyond the minimum requirements of generally accepted accounting principles, as set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, to prepare annual financial reports that evidence the spirit of transparency and full disclosure—and then to recognize individual governments that succeed in achieving that goal.

Each report is reviewed using a checklist designed to determine compliance with both generally accepted accounting principles (GAAP), as set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and program policy. Reviews are performed by GFOA staff and selected reviewers from government, the public accounting profession, and academia who possess specialized expertise in governmental financial reporting—typically as a result of either preparing or auditing

a report that has received the award. An award is granted only if there is consensus among reviewers that a report substantially complies with both GAAP and program policy.

Reporting differences

There are some differences in financial reporting under the current guidance between annual comprehensive financial reports in the United States and annual financial reports in Canada (which some Canadian governments refer to as annual reports). The major one is that in the United States, local governments report two government-wide financial statements: the Statement of Net Position and the Statement of Activities. In Canada, local governments report up to five financial statements: the Statement of Financial Position, the Statement of Operations, the Statement of Remeasurement Gains and Losses (if applicable), the Statement of Change in Net Debt, and the Statement of Cash Flow. In the United States, the latter is reported only for proprietary funds in annual comprehensive financial reports, not for the overall entity.

Another difference: In the government-wide financial statements, U.S. local governments report separate columns for the governmental activities, business-type activities, and a total for the primary government and discretely presented component units. Canadian local governments only report one total column for the current fiscal year and a total column for the prior year.

The Statement of Net Position in the United States and the Statement of Financial Position in Canada also have major differences. U.S. municipalities arrive at net position via the formula of assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Canada's version has no deferred outflows of resources and deferred inflows of resources; the Canadian formula is financial assets less liabilities, arriving at a net financial assets (or debt) amount. Below this amount, the non-financial assets are reported, such as tangible capital assets, to arrive at the accumulated surplus (or deficit). In the United States, we refer to the Canadian accumulated surplus as net position. Also, the U.S. Statement of Net Position reports three components: the net investment in capital assets, restricted net position, and unrestricted net position. In Canada, accumulated surplus is comprised of accumulated surplus (or deficit) and (if applicable) accumulated remeasurement gains/losses.

The Statement of Activities in the United States comprises expenses by function, program revenues, and general revenues; in Canada, revenues are not displayed as program revenues and general revenues in the Statement of Operations—which includes a budget

column. Some Canadian municipalities also have a Statement of Remeasurement Gains and Losses to report items such as changes in fair value of portfolio investments.

Canadian municipalities don't report separate fund financial statements. U.S. reporting does, with governmental funds statements, proprietary funds statements, and fiduciary funds statements.

There is also no required supplementary information in Canada, as reported in the United States, such as management discussion and analysis, the budgetary comparisons for the general fund and major special revenue funds, pension plan schedules, and other post-employment benefits (OPEB) schedules. Some Canadian governments may choose to report a statement of discussion, but this essentially serves as a letter of transmittal reported before the financial statements and a letter of transmittal required for the GFOA Canadian Award for Financial Reporting. Canadian municipalities don't report other supplementary information, such as combining financial statements for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and budgetary comparisons for nonmajor special revenue funds, debt service funds, and capital projects funds.

Finally, Canadian reporting includes just five years of trend data for the applicable statistical tables, rather than the ten years for the statistical tables in the United States.

Refer to gfoa.org/canfr for more details about the Canadian Award for Excellence in Financial Reporting program. 📧

Jim Phillips is a senior program manager in GFOA's Technical Services Center (TSC) and coordinates the CANFR program..

Program winners

The 2024 winners are listed below, broken out by province.

Alberta

City of Brooks; City of Calgary; City of Edmonton; City of Lethbridge; City of Lloydminster; City of Medicine Hat; City of Spruce Grove; City of St. Albert; County of Newell; Edmonton Library Board; Municipal District of Greenview; Municipal District of Willow Creek No. 26; Parkland County; Strathcona County; Town of Coaldale; Town of Drayton Valley; Town of Okotoks; Town of Redcliff; Town of Rocky Mountain House; Town of Stony Plain; Vulcan County

British Columbia

Capital Regional District; City of Abbotsford; City of Armstrong; City of Burnaby; City of Campbell River; City of Coquitlam; City of Duncan; City of Fort St. John; City of Kamloops; City of Kelowna; City of Kimberley; City of Maple Ridge; City of Nanaimo; City of North Vancouver; City of Pitt Meadows; City of Port Moody; City of Richmond; City of Surrey; City of Terrace; City of Vancouver; City of Vernon; City of Victoria; City of West Kelowna; Corporation of the City of Port Coquitlam; Corporation of the District of Central Saanich; Corporation of the District of Oak Bay; Corporation of the District of Saanich; Corporation of the District of Summerland; Cowichan Valley Regional District; District of Coldstream; District of Kent; District of Lake Country; District of Lillooet; District of Mission; District of North Saanich; District of Sooke; District of West Vancouver; Metro Vancouver Regional District; Peace River Regional District; Sunshine Coast Regional District; Town of Oliver; Town of Sidney; Village of Harrison Hot Springs

Manitoba

City of Winnipeg

Ontario

City of Greater Sudbury; City of Kitchener; City of Mississauga; City of Toronto; City of Thunder Bay; Corporation of the City of Brampton; Corporation of the City of Cambridge; Corporation of the City of Markham; Corporation of the Town of Georgina; Corporation of the Township of King; Corporation of the Town of Pelham; County of Wellington; Regional Municipality of Halton; Regional Municipality of Peel; Regional Municipality of Niagara; Regional Municipality of York; Town of East Gwillimbury; Township of Hamilton; Town of Niagara-on-the-Lake

Saskatchewan

City of North Battleford; City of Prince Albert; City of Regina; City of Saskatoon; Town of White City

Yukon

City of Whitehorse

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