

# Intelligence MEMOS



From: William B.P. Robson and Miles Wu  
To: Canada's Municipal Councils  
Date: February 22, 2022  
Re: GRADING FISCAL ACCOUNTABILITY OF CANADA'S CITIES

---

The budgets governments present around the start, and the financial statements they publish after the end, of their fiscal years are critical tools for legislators and voters. To be useful, these documents should let readers, who will often not be experts, compare plans to results before and after the fact. Our latest C.D. Howe Institute [Commentary](#) assesses the transparency and timeliness of the budgets and annual reports of 31 major Canadian municipalities.

The grades in our survey range from A to F. At the top is Vancouver, whose documents earn an A+ for their clarity, completeness and promptness. Also in the A range are Surrey and Quebec City (A), and Markham, Richmond and Vaughan (A-). At the bottom are Regina and Saskatoon (F).

The financial statements of these municipalities typically follow public sector accounting standards (PSAS) with key figures that are easy to find and identify. While some municipalities released their results late, and we have reservations about below-the-line adjustments in many, we generally score these statements highly.

Budgets, sadly, are a different story. Most do not present PSAS-consistent figures that are easy to find, and many do not present them at all. Most present separate operating and capital budgets, with the latter prepared on a cash basis, and many separate tax- and rate-supported activities. Even experts will struggle to reconcile such budgets with past results or use them to predict what the municipality will report after year-end. Worse, many cities voted their budgets after the year started and money was already being spent.

Opaque budgets promote disengagement and mean that most Canadians do not know that their cities are in better financial condition than budget debates suggest, or that many are collecting funds up front for capital projects that may not occur for years.

If municipal governments presented budgets using the same PSAS-consistent accounting standards and format they use in their financial statements – as most senior governments do – councillors and voters would have a much clearer picture of their intentions and performance. More cities have done this over time, and the grades in our reports on their fiscal transparency and accountability have tended to improve. We look forward to awarding more As in next year's report.

*William B.P. Robson is CEO of the C.D. Howe Institute and Miles Wu is a former Research Assistant.*

*To send a comment or leave feedback, email us at [blog@cdhowe.org](mailto:blog@cdhowe.org).*

*The views expressed here are those of the authors. The C.D. Howe Institute does not take corporate positions on policy matters.*

**Table 2: Cities' Financial Reporting Grades Since 2018**

	2021	2020 <i>Using 2021 Grading System</i>	2020 <i>As published</i>	2019	2018
Brampton	B	B-	B-	B	B
Burnaby	B	B	B-	C-	B-
Calgary	C	B+	B	B-	D-
Durham	C	D+	C-	F	F
Edmonton	C	F	F	D-	D-
Gatineau	B-	B-	C+	C	C
Halifax	D	D+	C-	D+	D-
Halton	B-	B-	B	B-	C+
Hamilton	B-	C-	C-	D-	D+
Kitchener	C-	D+	D+	D	D
Laval	B-	C+	C+	F	D
London	B-	F	F	F	D-
Longueuil	C	B-	C+	C	F
Markham	A-	A-	A	C+	A-
Mississauga	C+	B-	C+	C+	B
Montreal	B	B-	B	C+	C
Niagara	C	B	B	D	C-
Ottawa	C	B	B	D+	C-
Peel	B	B	B	C	B+
Quebec City	A	B	B	C	F
Regina	F	D	D	D-	D+
Richmond	A-	A	A	A-	C+
Saskatoon	F	D-	D-	D-	D-
Surrey	A	A+	A+	A-	A+
Toronto	B-	C+	C+	D	F
Vancouver	A+	A+	A+	A+	A-
Vaughan	A-	B-	B-	D+	C-
Waterloo	B-	C	C	D+	C
Windsor	C	C	C	F	D
Winnipeg	B	D+	C-	C	D
York	B	A-	A	B	A

Note: Changes in grades reflect both changes in governments' financial reporting, and changes in our grading system, as described in the text.