



## Comparing per-Person Spending and Revenue in the Greater Toronto and Hamilton Area, 2009–2019

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### MAIN CONCLUSIONS

- Municipal governments play an important role in the lives of Ontarians by providing key services and collecting taxes and fees.
- There were very wide variations in per-person spending and revenue across the 26 municipalities of the Greater Toronto and Hamilton Area (GTHA) from 2009 to 2019.
- The municipal average for growth in per-person spending (adjusted for inflation) was 9.6%.
- Toronto—the region’s most populous city—was the highest spender in 2019 (\$4,605 per person), while Milton spent the least (\$2,629 per person).
- Spending per person in the region’s next largest cities, Mississauga (\$3,072), Brampton (\$3,045), and Hamilton (\$3,108), was below the municipal average.
- From 2009 to 2019 four municipalities recorded decreases in per-person spending (adjusted for inflation): Hamilton (–11.2%), Milton (–3.8%), Caledon (–0.9%) and Toronto (–0.8%).
- The four greatest increases in spending per person all topped 20%: Aurora (22.6%), Whitchurch-Stouffville (21.3%), East Gwillimbury (20.4%), and Georgina (20.6%).
- The municipal average for growth in revenue per person was 16.3%.
- King Township collected the most revenue (inflation-adjusted) per person (\$5,935), followed by Vaughan (\$5,810) and Toronto (\$5,173).
- Halton Hills collected the least revenue per person in the GTHA (\$2,794), followed by Brampton (\$3,226) with the second lowest revenue.
- Between 2009 and 2019, King Township’s per-person revenue grew the most (67.4%), while Halton Hills saw the greatest decrease (–7.9%).

## Introduction

Municipal governments provide many important services that directly affect the daily lives of residents and businesses. They also collect revenue by means of taxation (including property taxes), user fees, transfers from other governments, and fees paid by land developers.

This report updates research on per-person spending and revenues for the Greater Toronto and Hamilton Area (GTHA).<sup>1</sup> The 11-year period assessed (2009–2019) was selected because 2019 is the last year of reliable data before the COVID-19 pandemic and 2009 was the first year of comparable data following the Ontario provincial government’s transition to full accrual accounting (Financial Information Return [FIR] data).

The objective of this report is simply to inform the public about the state of municipal finances in the GTHA and provide some basic comparative information that is otherwise not readily available.

### Structure of the GTHA

There are 444 municipalities in Ontario, each of which can be categorized either as single-tier (173 municipalities), or part of a two-tier system, composed of an upper-tier (30) and a lower-tier (241). Of the 26 municipalities in the Greater Toronto and Hamilton Area (GTHA), two are single-tier (Toronto and Hamilton) while the remaining are 24 lower-tier municipalities that operate within one of four upper-tier municipalities (Durham, Halton, Peel, and York) (*table 1*).

A single-tier municipality such as Toronto or Hamilton delivers all local government services. Alternatively, a two-tier municipality involves a regional municipality or upper-tier, such as York Region, which provides certain services across all or most lower-tier municipalities within its regional boundaries. The (lower-tier) municipalities, like

Mississauga and Vaughan, in turn provide specific services to residents within in their own, smaller boundaries.<sup>2</sup> Essentially, the two-tier system is a mechanism by which to separate municipal services that are better delivered at the local level from those the region could theoretically provide more efficiently.

**Table 1: Population in Greater Toronto and Hamilton Area, 2019**

Regions and municipalities	Population	Regions and municipalities	Population
<b>Durham</b>	656,088	<b>Peel</b>	1,423,309
Ajax	121,075	Brampton	631,343
Brock	11,827	Caledon	72,549
Clarington	93,896	Mississauga	719,416
Oshawa	162,643	<b>Toronto</b>	2,769,242
Pickering	93,254	<b>York</b>	1,147,964
Scugog	21,610	Aurora	59,412
Uxbridge	21,252	East Gwillimbury	30,379
Whitby	130,402	Georgina	46,752
<b>Halton</b>	558,075	King	26,205
Burlington	184,041	Markham	334,688
Halton Hills	61,519	Newmarket	86,455
Milton	114,698	Richmond Hill	199,222
Oakville	197,817	Vaughan	316,355
<b>Hamilton</b>	556,379	Whitchurch-Stouffville	48,253

Note: The population data for 2019 are interpolated using 2016 and 2021 census year data.

Sources: Statistics Canada, 2019, 2022a; calculations by authors.

The population distribution across the various municipalities is important to understand. Toronto dominates the region with 2,969,242 people as of 2019. Note that 2019 is used because it corresponds with the spending and revenue data presented in this paper. Toronto’s population represents 38.9% of the entire population of the GTHA region. Hamilton, on the other hand, which is the only other single-tier municipality in the region had 556,379 people in 2019, roughly one fifth the population of Toronto.

Mississauga, which is a lower-tier municipality in the Peel Region, had a population of 719,416 in 2019, making it the second largest city by population in the GTHA. Of the four regions, Peel had the highest population in 2019 at 1,423,309, followed by York Region at 1,147,964. For reference, Peel Region’s entire population is basically half the size of the population of Toronto. Halton Region is the smallest by population with 558,075 people in 2019.

### **Data source—Financial Information Return**

Municipal financial statements can be difficult to compare owing in part to differences in accounting practices between municipalities as well as between the private and public sectors (Dachis and Robson, 2014). In Ontario, reporting on municipal finances is greatly aided by the Financial Information Return (FIR) database, which is published annually by the provincial government’s Ministry of Municipal Affairs and Housing (2019b). The provincial government requires municipalities to produce annual financial information on a consistent accounting basis as well as standardized within a calendar year (January to December).<sup>3</sup> A more complete description of the Local Government Statistics can be found in the Appendix.

The analysis in this report uses FIR data starting in 2009. This date was chosen because accounting

practices changed to full accrual<sup>4</sup> after 2008, making 2009 the first year of data comparable to the latest years. All population data used are sourced from Statistics Canada, using census years 2006, 2011, 2016 and 2021 as base years from which to interpolate the intervening years.<sup>5</sup>

### **Data adjustments**

The report examines all municipal finances across the GTHA, including the municipal spending and revenue of single-, upper-, and lower-tier jurisdictions. Broad comparability across municipalities was made possible by combining upper- and lower-tier spending and revenue, and by producing “constructed” estimates of municipal finances. This was achieved by apportioning upper-tier financial data among constituent lower-tier municipalities, based on their share of regional (upper-tier) population. For example, Vaughan represents 27.7% of York Region’s population in 2019, so a commensurate percentage of upper-tier spending (York Region) and revenue from that year is allotted to it.<sup>6</sup>

We deviate from this approach in the unique case of Caledon. Caledon is located in Peel Region, which, like York, Durham, and Halton Regions has a regional police force. However, Caledon is the only lower-tier municipality in the GTHA that contracts its policing to the Ontario Provincial Police (OPP). Police spending for Peel, therefore, is only apportioned, per capita, between Peel’s two remaining municipalities, Mississauga and Brampton, both of which rely on Peel Regional Police.

Adjustments were made throughout the report to account for inflation and differences in population. Both weighted and unweighted averages are also provided for the GTHA region, with the former weighted by population.

## 1. Municipal Spending

This section presents data for local government spending by the municipalities within the GTHA. **Table 2** presents summary data for per-person spending (inflation-adjusted), including levels and ranks in 2009 and 2019, and the change in rank between 2009 and 2019. **Figure 1** illustrates the ranked levels of municipal spending per person in 2019.

Toronto spent the most in 2019 (\$4,605 per person) while Milton spent the least (\$2,629 per person). The average for the region 26 municipalities (not adjusted for population) was \$3,203. If the average is adjusted for population, it rises to \$3,702 as Toronto's high level of spending and large population influence the weighted average.

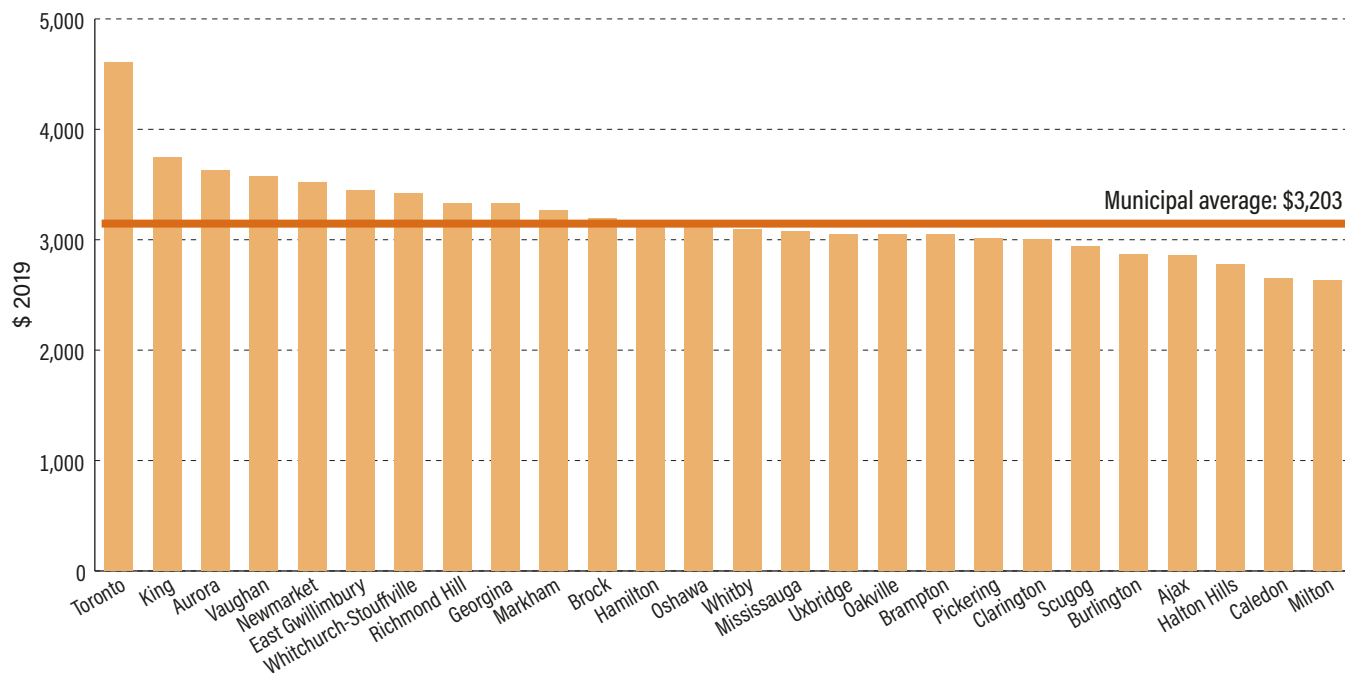
**Table 2: Municipal spending (\$2019) per person in the Greater Toronto and Hamilton Area, 2009 and 2019**

	2009		2019		Change in rank, 2009–2019	Growth in spending, 2009–2019	
	Spending	Rank	Spending	Rank		Percentage	Rank
<b>Durham</b>							
Ajax	2,699	22	2,857	23	–1	5.9%	15
Brock	3,024	5	3,192	11	–6	5.5%	16
Clarington	2,863	12	3,001	20	–8	4.8%	18
Oshawa	3,104	3	3,107	13	–10	0.1%	22
Pickering	2,859	13	3,014	19	–6	5.4%	17
Scugog	2,847	14	2,939	21	–7	3.2%	21
Uxbridge	2,736	20	3,049	16	4	11.5%	12
Whitby	2,884	11	3,094	14	–3	7.3%	13
<b>Halton</b>							
Burlington	2,745	19	2,863	22	–3	4.3%	19
Halton Hills	2,594	26	2,773	24	2	6.9%	14
Milton	2,732	21	2,629	26	–5	–3.8%	25
Oakville	2,931	9	3,047	17	–8	4.0%	20
Hamilton	3,501	2	3,108	12	–10	–11.2%	26
<b>Peel</b>							
Brampton	2,601	25	3,045	18	7	17.1%	9
Caledon	2,669	23	2,645	25	–2	–0.9%	24
Mississauga	2,641	24	3,072	15	9	16.3%	10
<b>Toronto</b>	4,641	1	4,605	1	0	–0.8%	23
<b>York Region</b>							
Aurora	2,961	7	3,630	3	4	22.6%	1
East Gwillimbury	2,896	10	3,445	6	4	18.9%	6
Georgina	2,761	18	3,324	9	9	20.4%	4
King	3,103	4	3,742	2	2	20.6%	3
Markham	2,837	15	3,268	10	5	15.2%	11
Newmarket	2,952	8	3,515	5	3	19.1%	5
Richmond Hill	2,812	17	3,328	8	9	18.3%	7
Vaughan	3,023	6	3,572	4	2	18.2%	8
Whitchurch-Stouffville	2,821	16	3,421	7	9	21.3%	2
<b>Municipal average</b>	2,932		3,203			9.6%	
<b>GTHA average</b>	3,590		3,702			3.1%	

Note: The municipal average is the average of per-person spending of the 26 GTHA municipalities. The GTHA average is the combined municipal spending of the 26 municipalities divided by their total population.

Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

**Figure 1: Municipal spending (\$2019) per person in the Greater Toronto and Hamilton Area, 2019**



Note: The municipal average is the average of per-person spending of the 26 GTHA municipalities.  
 Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

At \$3,742 per person, King Township was the second-highest municipal spender in 2019, but it spent \$864 less than Toronto per person. This represents a difference of 18.7% between the highest ranked municipality (Toronto) and King Township, the municipality with the second-highest spending.<sup>7</sup> Interestingly, the third-highest spender, Aurora (\$3,630 per person), has a larger and denser population compared to King Township's smaller population spread over a much larger geographical area. Both are located in the York Region.

The second- and third-lowest spenders, Caledon (\$2,645 per person) and Halton Hills (\$2,773) also have relatively small populations spread over large areas; Halton Hills is located in the Halton Region, like the lowest spender, Milton (\$2,629).

Of the four regions, York Region had the highest average per-person spending in 2019 (average not adjusted

for population) at \$3,472. Durham Region had the second-highest level of average per-person spending at \$3,032. Halton Region had the lowest at \$2,828 with Peel Region fairly close at \$2,921.

Of the 26 municipalities analyzed, only Toronto retained its rank for spending in 2009 and 2019 (table 2). In both years, Toronto was the highest spending municipality. A notable improvement in spending rank was recorded by both Oshawa and Hamilton, which both moved down in the rankings by 10 positions. Specifically, Oshawa went from the 3<sup>rd</sup> highest level of per-person spending in 2009 to 13<sup>th</sup> in 2019. Hamilton went from having the second highest per-person spending in 2009 to 12<sup>th</sup> in 2019.

Four municipalities experienced deterioration in their ranking for the level of per-person spending between 2009 and 2019: Mississauga, Georgina, Richmond Hill, and Whitchurch-Stouffville all saw their rankings rise

by 9 positions between 2009 and 2019, meaning that they maintained comparatively higher levels of per-person spending in 2019 within the region than they did in 2009. Mississauga, for instance, went from having one of the lower levels of per-person spending in 2009 (ranked 24<sup>th</sup>) to middle of the pack in 2019 at 15<sup>th</sup>. Whitchurch-Stouffville went from being ranked 16<sup>th</sup> highest in per-person spending in 2009 to the municipality with seventh-highest per-person spending in the region in 2019.

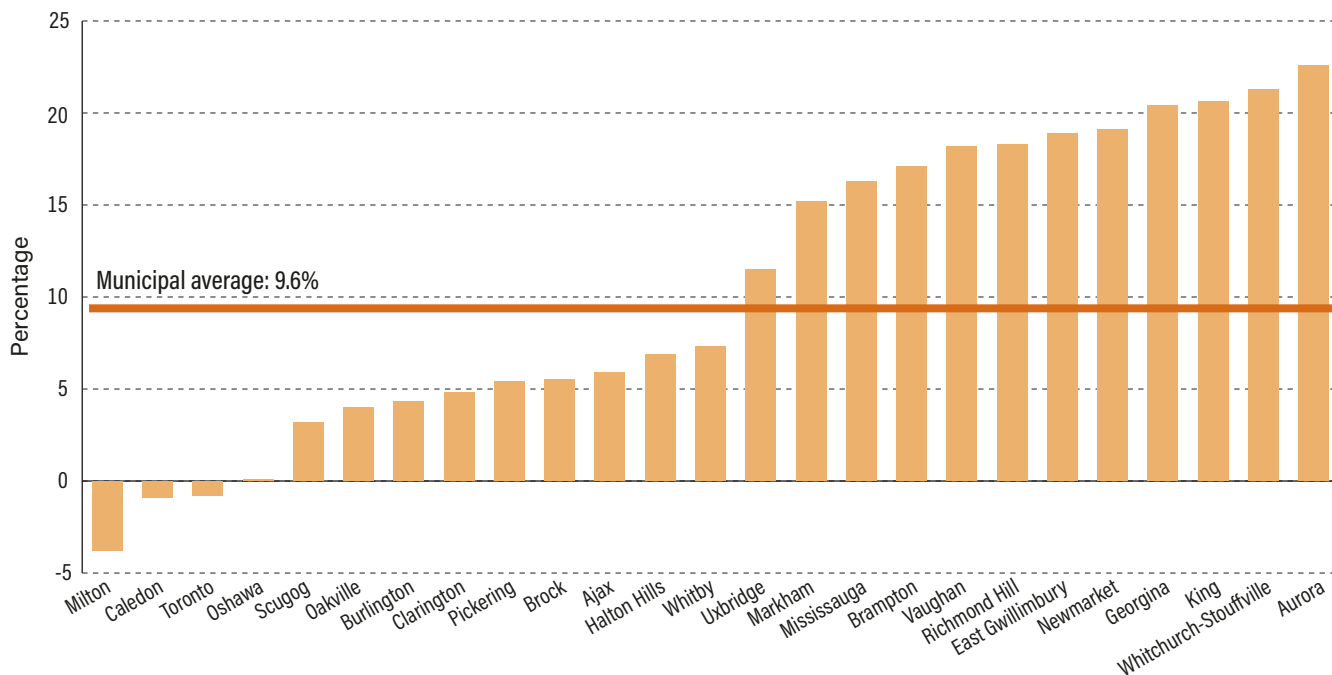
Changes in rankings are driven by the changes in per-person spending in each municipality relative to any changes in the other municipalities. **Figure 2** depicts the percentage change in per-person spending (inflation-adjusted) for each municipality between 2009 and 2019. Only four municipalities recorded a reduction in per-person spending (inflation-adjusted) between 2009 and 2019: Toronto (−0.8%), Caledon (−0.9%), Milton (−3.8%), and Hamilton (−11.2%).

Over the period, the average change in per-person spending, adjusted for inflation, was 9.6%. Of the 26 municipalities, 22 recorded increases in inflation-adjusted per-person spending ranging from a modest 0.1% in Oshawa to 22.6% in Aurora, the highest increase observed over the period (see endnote 8 for more on East Gwillimbury’s 18.9% growth in 2019).

### Summary

There is considerable variation in levels of per-person spending among GTHA municipalities. Toronto, the highest spender in 2019 (\$4,605 per person) spends significantly more than Milton, the lowest spender (at \$2,629 per person), and 43.8% more than the municipal average (\$3,203). A total of 22 out of the 26 GTHA municipalities recorded increases in inflation-adjusted per-person spending over the eleven-year period, ranging from a modest 0.1% in Oshawa to 22.6% in Aurora. The average increase in per-person spending across municipalities was 9.6%. If weighted by population, the increase is 3.1%.

**Figure 2: Change (%) in municipal spending per person in the Greater Toronto and Hamilton Area, 2009–2019**



Note: The municipal average is the average of per-person spending of the 26 GTHA municipalities.  
Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

## 2. Municipal Revenue

This section presents data for local government revenue in the GTHA. **Table 3** presents summary data for per-person revenue (inflation-adjusted), including levels and ranks in 2009 and 2019, and the change in rank between 2009 and 2019. **Figure 3** illustrates the ranked levels of municipal revenue per person in 2019.

King Township collected the most revenue in 2019 (\$5,935 per person) while Halton Hills collected the least (\$2,794 per person). For reference, King Township’s revenue is 2.1 times that of Halton Hills, which illustrates the vast range in revenues among the municipalities in the GTHA. The average for the

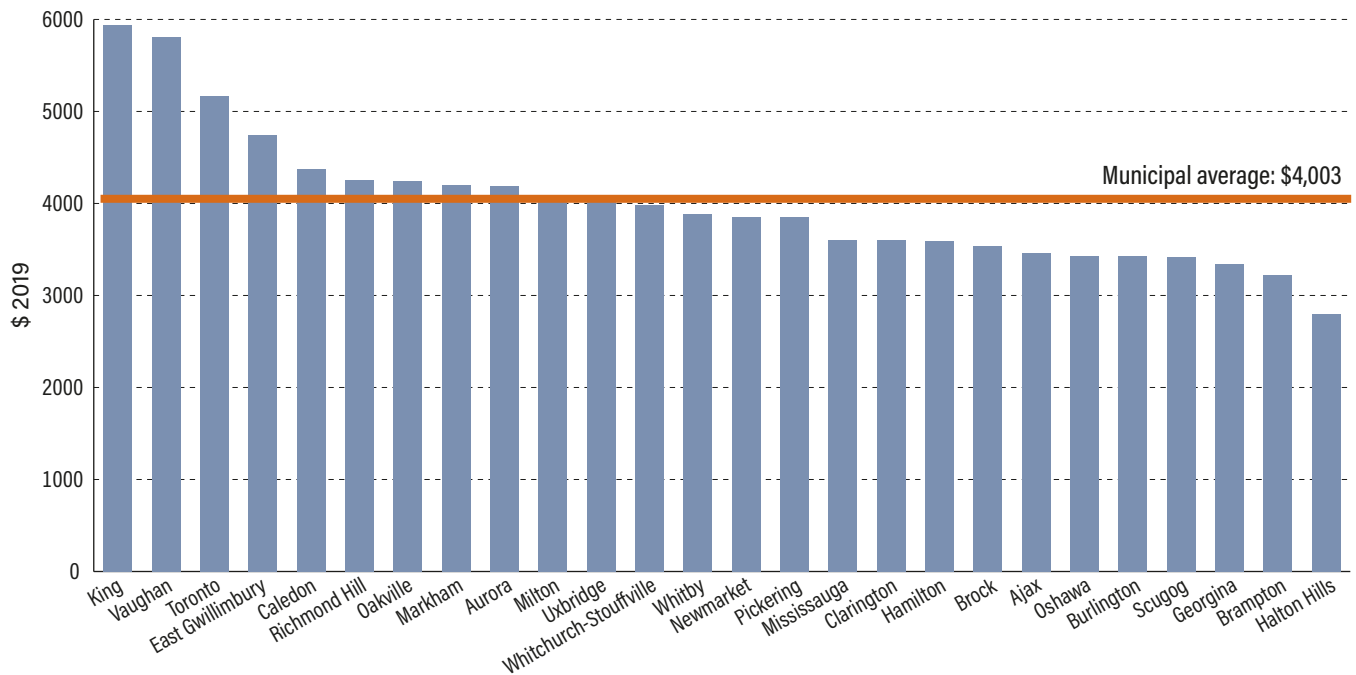
**Table 3: Municipal total revenue (\$2019) per person in the Greater Toronto and Hamilton Area, 2009 and 2019**

	2009		2019		Change in rank, 2009–2019	Growth in revenue, 2009–2019	
	Revenue	Rank	Revenue	Rank		Percentage	Rank
<b>Durham</b>							
Ajax	3,713	6	3,458	20	-14	-6.9%	25
Brock	3,304	17	3,542	19	-2	7.2%	17
Clarington	3,282	18	3,598	17	1	9.6%	15
Oshawa	3,359	16	3,432	21	-5	2.2%	19
Pickering	3,369	15	3,851	15	0	14.3%	12
Scugog	3,493	12	3,419	23	-11	-2.1%	23
Uxbridge	3,489	13	4,062	11	2	16.4%	10
Whitby	3,496	11	3,890	13	-2	11.3%	14
<b>Halton</b>							
Burlington	3,415	14	3,428	22	-8	0.4%	20
Halton Hills	3,033	21	2,794	26	-5	-7.9%	26
Milton	3,587	9	4,086	10	-1	13.9%	13
Oakville	3,890	4	4,241	7	-3	9.0%	16
Hamilton	3,632	8	3,589	18	-10	-1.2%	22
<b>Peel</b>							
Brampton	3,219	19	3,226	25	-6	0.2%	21
Caledon	2,867	25	4,371	5	20	52.4%	2
Mississauga	3,045	20	3,600	16	4	18.2%	9
<b>Toronto</b>	4,932	1	5,173	3	-2	4.9%	18
<b>York Region</b>							
Aurora	2,936	24	4,189	9	15	42.7%	3
East Gwillimbury	3,762	5	4,742	4	1	26.0%	8
Georgina	2,500	26	3,340	24	2	33.6%	5
King	3,546	10	5,935	1	9	67.4%	1
Markham	3,633	7	4,204	8	-1	15.7%	11
Newmarket	2,944	23	3,854	14	9	30.9%	6
Richmond Hill	2,994	22	4,256	6	16	42.2%	4
Vaughan	4,544	2	5,810	2	0	27.8%	7
Whitchurch-Stouffville	4,173	3	3,985	12	-9	-4.5%	24
<b>Municipal average</b>	3,468		4,003			16.3%	
<b>GTHA average</b>	4,034		4,371			8.4%	

Note: The municipal average is the average of per-person revenue of the 26 GTHA municipalities. The GTHA average is the combined municipal revenue of the 26 municipalities divided by their total population.

Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

Figure 3: Total municipal revenue (nominal \$) per person in the Greater Toronto and Hamilton Area, 2019



Note: The municipal average is the average of per-person spending of the 26 GTHA municipalities.  
 Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

region’s 26 municipalities (not adjusted for population) was \$4,003. If the average is adjusted for population, it rises to \$4,371 as Toronto’s higher revenues and larger population affect the weighted average.

At \$5,810 per person, Vaughan was the second-highest revenue collector in 2019, collecting \$637 more than third-ranked Toronto’s \$5,173 per person. Interestingly, revenue per person in Vaughan (2<sup>nd</sup>) is approximately \$1,500 higher than both Richmond Hill (6<sup>th</sup>), its neighbour to the west, and almost \$2,000 higher than Newmarket (10<sup>th</sup>), its neighbour to the north. With the exception of Vaughan, Toronto (3<sup>rd</sup>) collects more than any of its five neighbouring municipalities, Mississauga, Brampton, Markham, and Pickering.

Of the four regions, York Region had the highest average revenue per person in 2019 (average not adjusted for population) at \$4,479. Peel Region had the second

highest level of revenue per person at \$3,732. Halton Region had the lowest at \$3,637 with Durham Region at \$3,657. The ranks of revenue (per person) for the four regions aligns with the ranks for spending, indicating the relationship between the need to raise revenue in line with spending.

Between 2009 and 2019, three municipalities moved up dramatically in the ranks for revenue, meaning their relative revenue collection increased markedly compared to other municipalities in the GTHA. Caledon jumped 20 places, Richmond Hill moved up 16 spots, and Aurora’s ranking was 15 places higher than in 2009. In all three cases, the municipalities moved from the lower end of revenue collection to the higher end. Specifically, Caledon moved from 25<sup>th</sup> in 2009 to 5<sup>th</sup> in 2019, Richmond Hill rose from 22<sup>nd</sup> in 2009 to 6<sup>th</sup> in 2019, and finally Aurora moved from 24<sup>th</sup> position in 2009 to 9<sup>th</sup> in 2019.



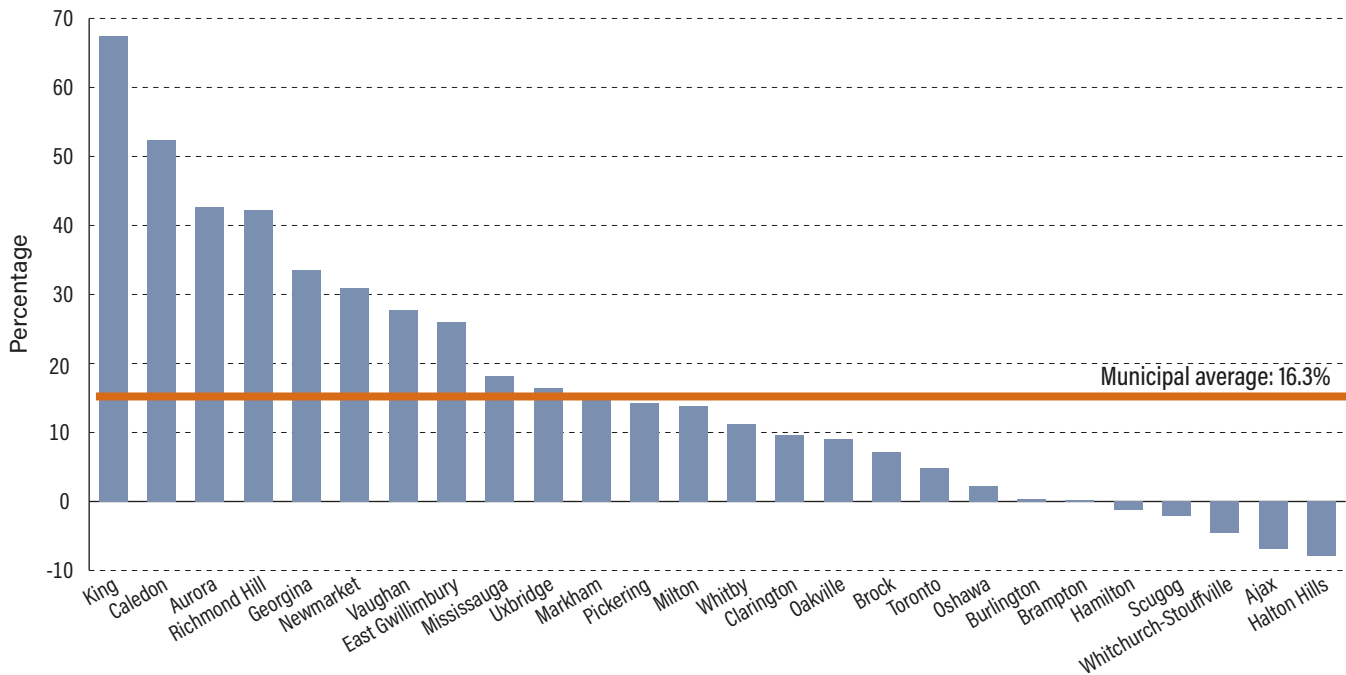
Five municipalities had notable improvements in their rankings for revenue (table 3), meaning they moved down the rankings as a result of relatively lower spending per person when compared to their peers. Ajax improved by 14 positions, followed by Scugog by 11 and Hamilton by 10. Whitchurch-Stouffville moved down 9 spots in the ranking and Burlington improved by 8 positions. More specifically, for instance, Ajax went from ranking 6<sup>th</sup> in per-person revenues in 2009 to 20<sup>th</sup> in 2019 while Scugog went from 12<sup>th</sup> position in 2009 to 23<sup>rd</sup> in 2019.

Changes in rankings are driven by changes in per-person revenue in each municipality relative to any changes in the other municipalities. **Figure 4** depicts the percentage change in per-person revenues (adjusted for inflation) between 2009 and 2019. Over the period, the average change in per-person revenue for all 26 municipalities, inflation-adjusted, was 16.3%. Of

the 26 municipalities, five municipalities experienced a reduction in revenue per person (inflation-adjusted) between 2009 and 2019: Halton Hills, (–7.9%) Ajax (–6.9%), Whitchurch-Stouffville (–4.5%), Scugog (–2.1%) and Hamilton (–1.2%).

Several municipalities had essentially flat revenue growth over the period: per-person revenue grew by 0.2% in Brampton and 0.4% in Burlington. All remaining 19 municipalities recorded growth in revenue, to varying degrees. King Township experienced the largest growth at 67.4%. Five municipalities recorded growth in per-person revenue (inflation-adjusted) that substantially outpaced the regional average. Specifically, Newmarket (30.9%), Georgina (33.6%), Richmond Hill (42.2%), Aurora (42.7%), Caledon (52.4%) and King Township (67.4%) had substantially higher growth in per-person revenues than the regional average of 16.3%.

**Figure 4: Growth (%) in municipal revenue per person in the Greater Toronto and Hamilton Area, 2009–2019**



Note: The municipal average is the average of per-person spending of the 26 GTHA municipalities.

Sources: Ontario, Ministry of Municipal Affairs and Housing, 2022; Statistics Canada, 2015a, 2016, 2019; 2022a, 2022b; 2022c; calculations by authors.

## Summary

As with spending, there is great variation in per-person revenue collected among the 26 GTHA municipalities. In 2019, King Township collected the most revenue per person (\$5,935), over \$3,100 more per person than Halton Hills (\$2,794), which collected the least. King Township's collected revenue was \$1,932 or 48.3% more than the municipal average of \$4,003.

After accounting for inflation, five municipalities—Halton Hills, Ajax, Whitchurch-Stouffville, Scugog and Hamilton—experienced a reduction in revenue per person between 2009 and 2019. Revenues per person (adjusted for inflation) were essentially flat in two municipalities. All 19 remaining municipalities recorded increases in revenue collected per person, to varying degrees, over the same period. King Township experienced the largest growth at 67.4%. The municipal average for growth in revenue per person stood at 16.3%.

## Appendix: Description of the Categories of the Financial Information Return Database

Each year, municipal governments in Ontario are required by the provincial government to submit information on municipal finances for the previous calendar year. That information is then organized into spreadsheets and posted online as the Financial Information Return (FIR) database (<https://data.ontario.ca/dataset/financial-information-return-fir-for-municipalities>). At the time of writing, the online information goes back to 2001. The financial information is reported in accordance with the Generally Accepted Accounting Practices established by the Public Sector Accounting Board. Details on reporting standards can be found in the

Common Language Guide to Municipal Financial Statements (Ontario, Ministry of Municipal Affairs and Housing, 2019a).

### Definitions

The Financial Information Return database presents spending and revenue by categories that are defined in the *Smart FIR User Guide* and *FIR Instructions* (<https://efis.fma.csc.gov.on.ca/fir/index.php/en/municipal-reporting/help/>). **Table A1** and **table A2** provide information on what is included in each category of spending as used in this report. **Table A3** performs the same function for revenue sources.

**Table A1: Definitions of spending categories, by function**

Spending categories used in this publication	Description
General government	Governance, corporate management, and program support.
Protections to Persons and Property	Fire, police, court security, prisoner transportation, conservation authority, protective inspection and control, building permit and inspection services, emergency measures, Provincial Offenses Act (POA), and "other" protection services.
Transportation	Roads (paved, unpaved, bridges, culverts, traffic operations, roadside maintenance, winter control), sidewalks, parking lots, transit (conventional), transit (disabled and special needs), street lighting, air transportation, and "other" transportation services.
Environment	Wastewater (collection/conveyance, treatment and disposal), urban storm sewer system, rural storm sewer system, water treatment, water distribution/transmission, solid waste (collection, disposal), recycling, "other" environmental services.
Health and Emergency Services	Public health services, hospitals, ambulance services, ambulance dispatch, cemeteries, "other" health services.
Social and Family Services	General assistance, assistance to aged persons, childcare, "other" social and family services.
Social Housing	Public housing, non-profit/cooperative housing, rent supplement programs, "other" social housing services.
Recreation and Cultural Services	Parks, recreation programs, recreation facilities (golf courses, marinas, ski hills, arenas, community centres, swimming pools), libraries, museums, cultural services (art galleries, auditoriums, concert halls, contributions to ethnic groups and celebrations), "other" recreation and cultural services.
Planning and Development	Planning and zoning, commercial and industrial (business improvement areas, grants to boards of trade, development commissions), residential development (housing studies, land assembly), agricultural and reforestation, tile drainage/shoreline assistance, "other" planning and development services.
Other	This category is for those municipalities that have gas or telephone utilities and are deemed to be a local board or a department of the municipality.

Source: Ontario Ministry of Municipal Affairs and Housing, 2020.

**Table A2: Definition of spending categories, by object**

Revenue categories used in this publication	Description
Salaries, Wages and Employee Benefits	Salaries, wages, and employee benefits include expenses incurred for the following purposes: full-time, part-time, and temporary salaries and wages including, regular, overtime, shift premiums, and other remuneration to employees. Benefits include employer's contribution payments to Canada Pension Plan (CPP), Ontario Municipal Employee Retirement System (OMERS), Employer's Health Tax, Employment Insurance (EI), Workplace Safety and Insurance Board (WSIB) and any other insurance plans, such as supplementary health and dental. Also included are clothing, moving, tuition, housing, and other employee benefits and allowances paid.
Interest on Long Term Debt	Interest incurred on long-term liabilities and for leased tangible capital assets. Excludes interest payments made by unconsolidated entities, as well as interest payments made from reserve funds.
Materials	Materials purchased by a municipality for its own uses and/or disposal or resale. Materials purchased by the municipality which are subsequently provided to a third party are also included.
Contracted Services	Recorded when a municipality is responsible for providing a service and contracts out service delivery, in part or in whole, to an arm's-length service provider. The arm's-length service provider may be a private contractor, another municipality, or another level of government.
Rents and Financial Expenses	Includes the rental of buildings, land, machinery, equipment, and engineering structures, as well as short-term borrowing costs, bank and credit card service charges, annual payments associated with financing leases not deemed to be a capital tangible lease, and any other financial costs from external sources.
External Transfers	Includes transfers to charitable organizations, colleges, cultural or recreational organizations, hospitals, universities, conservation authorities, individuals (that is, social assistance), or unconsolidated local boards.
Amortization	Includes the annual amortization expense for tangible capital assets.

Source: Ontario, Ministry of Municipal Affairs and Housing, various years.

**Table A3: Definition of revenue categories**

	Description
Property Taxation and Payments in Lieu of Taxation	All revenue from property taxes and payments-in-lieu (for example, Toronto Pearson Airport).
Government Transfers	Includes Ontario unconditional grants (Ontario Municipal Partnership Fund, other), conditional grants (Ontario conditional grants, Ontario grants for tangible assets, Canada conditional grants, Canada grants for tangible capital assets, deferred revenue earned [Provincial Gas Tax, Canada Gas Tax], revenue from other municipalities for tangible capital assets).
User Fees and Service Charges	Includes total user fees and service charges generated within a municipality and includes direct water billings and sewer surcharges.
Other Revenues	Other revenues.
Development Charges (within "Other")	All development charges (per Development Charges Act) received during the year.
Municipal Land Transfer Tax (City of Toronto only)	On top of the provincial land transfer tax, the City of Toronto has levied its own Municipal Land Transfer Tax (MLTT) since 2006.

Source: Ontario, Ministry of Municipal Affairs and Housing, various years.

## Endnotes

1. This report follows earlier reports from the Fraser Institute assessing the state of municipal finance in the GTHA, as well as Metro Vancouver: Filipowicz and Emes, 2019; Filipowicz, Emes, MacIntyre, and Lammam, 2018; Lammam, Emes, and MacIntyre, 2014; and Lammam and MacIntyre, 2014.
2. There can be important variations in the responsibilities held by upper-tier governments. Most are responsible for regional or county road or sewer networks and water services (Government of Ontario, 2022), although several also provide policing, transit, and waste collection and management.
3. At the time of writing, the Financial Information Return database was available online from 2000 to 2020 at the Ontario Provincial Government’s Online Data Catalogue of the Financial Information Return (FIR), <<https://data.ontario.ca/dataset/financial-information-return-fir-for-municipalities>>.
4. For a full description of municipal financial reporting and submissions to the FIR, see Ontario Ministry of Municipal Affairs and Housing, 2019a.
5. This approach was selected because of anomalies detected in population estimates reported by municipalities to the provincial government. This is especially the case for smaller communities.
6. Similar approaches were taken by Slack, Tassonyi, and Grad (2013), who produced “constructed” municipalities consisting of combined upper- and lower-tier per-capita revenue and operating expenditures; and Chernick, Langley and Reschovsky (2011), who apportion county and school-board revenue by lower-tier municipality on a per-capita basis in various US cities.
7. Toronto’s largest spending item was transportation (\$1,323 per person), which includes regionally significant infrastructure such as the Toronto Transit commission and municipal expressways, serving commuters across the GTHA.
8. East Gwillimbury’s relatively high spending in 2019 (as 6<sup>th</sup> highest spender) is in part the result an account (treated as an expense) established for the future issuance of Development Charge Credits. Such credits are typically offered by municipalities to property developers providing growth-related infrastructure, such as trunk sewers, in line with local or regional planning objectives. Developers may then use these credits to offset future development charges in the same municipality within a defined time period. Though Development Charge Credits are a fairly common practice, especially among municipalities with rapid rates of greenfield development, East Gwillimbury’s approach in reporting this expense (and the sum of yet-to-be-issued credits it contains) in a single year is unusual among GTHA municipalities in 2019. Whether such a reporting approach is ideal is not explored in this analysis. However, the practice of reducing future liabilities in this fashion (in a single year rather than over time) raises questions about the possible limitations (or advantages) of full accrual accounting, as employed for the FIR database (Town of East Gwillimbury, 2019).

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